

Global Uin Intelligence Holdings Limited 環球友飲智能控股有限公司

(Formerly known as “Global Dining Holdings Limited 環球美食控股有限公司”)
(incorporated in the Cayman Islands with limited liability)

(Stock code: 8496)



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*This report, for which the directors (the "**Directors**") of Global Uin Intelligence Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**We**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Zhang Yang (*Chairman and Chief Executive Officer*)
Ms. Shi Minyue
Mr. Sing Hob Ming
Ms. Zhang Lu (appointed on 5 April 2024)
Mr. John Lim Boon Kiat (resigned on 1 February 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhao Shiwei
Mr. Wong Wah
Mr. Kuan Hong Kin Daniel

AUDIT COMMITTEE

Mr. Wong Wah (*Chairman*)
Mr. Zhao Shiwei
Mr. Kuan Hong Kin Daniel

REMUNERATION COMMITTEE

Mr. Zhao Shiwei (*Chairman*)
Mr. Zhang Yang
Ms. Shi Minyue
Mr. Wong Wah
Mr. Kuan Hong Kin Daniel

NOMINATION COMMITTEE

Mr. Zhang Yang (*Chairman*)
Mr. John Lim Boon Kiat (resigned on 1 February 2024)
Mr. Zhao Shiwei
Mr. Wong Wah
Mr. Kuan Hong Kin Daniel

COMPLIANCE OFFICER

Mr. Zhang Yang

AUTHORISED REPRESENTATIVES

Mr. Zhang Yang
Mr. Yu Chun Kit

COMPANY SECRETARY

Mr. Yu Chun Kit

LEGAL ADVISERS

As to Hong Kong law:

Eric Chow & Co. in Association with
Commerce & Finance Law Offices
3401, Alexandra House
18 Chater Road
Central
Hong Kong

As to Cayman Islands law:

Conyers Dill & Pearman
Cayman Islands attorneys-at-law
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

CORPORATE INFORMATION

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 12/F
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point, Hong Kong

AUDITOR

HLB Hodgson Impey Cheng Limited
Registered Public Interest Entity Auditor
Certified Public Accountants
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

PRINCIPAL BANKERS

DBS Bank Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

COMPANY'S WEBSITE

<https://youyinzhinengkeji.com/tzzgx>

STOCK CODE

8496

FINANCIAL HIGHLIGHTS

KEY FINANCIAL FIGURES

	Year ended 30 June		
	2024	2023	% change
	S\$	S\$	%
		(Restated)	
Revenue	6,717,427	11,178,050	-39.9%
Loss before tax	2,037,628	5,193,980	-60.8%
Net loss attributable to owners of the Company	2,238,651	5,034,703	-55.5%
Total assets	3,634,368	3,064,482	18.6%
Total liabilities	8,779,077	7,503,260	17.0%
Net liabilities	5,144,709	4,438,778	15.9%

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I am pleased to present the annual report of the Group for the year ended 30 June 2024 (the "**Year**").

FINANCIAL OVERVIEW

During the Year, the Group recognised revenue of approximately S\$6.7 million (2023: S\$11.2 million) and loss for the Year of approximately S\$2.2 million (2023: S\$5.4 million).

PROSPECT

The Year was a challenging year for the Group, the global economy is expected to continue encountering challenges including inflation and high interest rates, all of which will hamper consumption sentiment and seriously affecting the operating environment for the F&B sector, our business may face challenges arising from (i) rising prices such as food prices, water and electricity tariffs; (ii) tight labour market conditions which may result in higher manpower costs; and (iii) rising interest rates which may result in higher costs of borrowing.

In Singapore, the operating environment for businesses in the food and beverage industry continues to be challenging. Singapore's already high operating costs, including food, rental, utilities and labour, have further increased due to inflationary pressures. Considering those, the management will continue to adopt cost cutting measures to reduce the loss.

With the continuous optimisation of China's economic structure, consumption has increasingly become a main engine of domestic economic growth. At the same time, as China's share in global consumption is also projected to increase, it is expected to be one of the world's largest consumer market. Considering the above factors, coupled with our management team's extensive experience in the Chinese food and beverage industry, our Group will actively expand the Chinese market in the coming year. This includes opening more restaurants and utilizing franchising methods to expand our market share in China. Additionally, the management team also intends to explore the beverage market in China.

CHAIRMAN'S STATEMENT

Against the unpredictable future, the Directors will continue to adopt a cautious and prudent approach in adjusting its business strategy with the aim to minimise loss and improve the performance of the Group. While closely monitoring the market and customer developments, the Company has also implemented a series of reforms and adjustments on the composition of business segments, focusing on streamlining, product and service quality improvement, cost reduction and efficiency enhancement.

APPRECIATION

On behalf of the Board, let me take this opportunity to extend our heartfelt gratitude to our shareholders, business partners, customers, and employees for their continuous support and contribution to the Group. We are committed to delivering value and bringing good returns to all our stakeholders.

Zhang Yang

Chairman

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTOR

Mr. Zhang Yang (張陽) (“Mr. Zhang”), aged 42, is an executive Director. Mr. Zhang joined our Group in December, 2022. He is the chairman of the Board, our controlling shareholders, the chairman of the nomination committee of the Company (the “**Nomination Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”). Mr. Zhang holds a master’s degree in management science and engineering and a bachelor’s degree in computer science and technology from Beijing University of Posts and Telecommunications. Mr. Zhang has more than 15 years of experience in managerial roles in new consumption (an integrated retail section with blending of online and offline commerce through digitization of the entire retail value chain), smart retail and communication technology in the PRC. Since 2015, Mr. Zhang has been engaged in smart beverage vending machine retail business. Mr. Zhang is the founder, chairman and general manager of Beijing Shuoyibuer Technology Company Limited, which is a smart retail beverage machines operator in the PRC. From 2007 to 2014, he worked as the head of terminal sales in China Mobile Communication Group Company Limited, and managed with more than 10,000 terminal stores and more than 30 million users. Since November 2021, Mr. Zhang has been serving as an executive Director of Kirin Group Holdings Limited, a company listed on GEM (stock code: 8109) and subsequently delisted in April 2023.

Ms. Shi Minyue (石旻玥) (“Ms. Shi”), aged 29, is an executive Director. Ms. Shi joined our Group in December 2022. She is a member of the Remuneration Committee. Ms. Shi has abundant experience in retailing business and brand operation in the PRC market. In 2015, she founded Beijing Pom&Co Culture Communication Co., Ltd.* (北京石榴集文化傳播有限公司), a private company engaged in female fast fashion business in the PRC market. Since 2020, Ms. Shi has been engaged as the vice president of Beijing Shuoyibuer Technology Company Limited. Ms. Shi was selected into the list of Forbes China 30 Under 30 in 2017.

Mr. Sing Hob Ming (成學銘) (“Mr. Sing”), aged 45, is an executive Director. Mr. Sing joined our Group in December 2022. Mr. Sing holds a master’s degree in economics from the Erasmus University Rotterdam. He is currently admitted to Tsinghua-INSEAD Executive MBA Programme. Mr. Sing has abundant experience in managing and operating a variety of businesses in the PRC, including catering, media, trading, technology, and etc. From April 2003 to July 2006, Mr. Sing was engaged as a sales director of Ritek Corporation (stock code: 2349.TPE), a listed company on the Taiwan Stock Exchange. From August to November 2006, Mr. Sing was engaged as a senior sales manager of Neo-Neon Holdings Limited (stock code: 1868), a listed company on the Stock Exchange. Since 2007, Mr. Sing devoted himself into starting his own businesses in Hong Kong and the PRC. He established Sings Trading And Company Limited in Hong Kong in February 2007, which mainly engaged in cross-border trading business, and expanded his business into the PRC in August 2017 by establishing Sings (Shenzhen) Venture Co., Ltd.* (成氏(深圳)實業有限公司). Since July 2011, Mr. Sing has been serving as the general manager of Stephen Gould Corporation to oversee its business in the PRC and South East Asia.

Ms. Zhang Lu (張璐) (“Ms. Zhang”), aged 43, is an executive Director. Ms. Zhang joined our Group in April 2024. She has over 20 years of experience in the mobile internet industry, specialising in operations and management. Ms. Zhang graduated from Nanjing University of Posts and Telecommunications in July 2003 with a bachelor’s degree in computer science and technology. She joined China Mobile Communications Group Beijing Co., Ltd.* (北京移動通信有限責任公司) in August 2003 and held the position of deputy general manager of the branch until December 2018. Ms. Zhang then joined Ant Group Co., Ltd. (螞蟻科技集團股份有限公司) (the “**Ant Group**”) in January 2021 and currently serves as the senior business development specialist of the government, enterprise and people’s livelihood department in the Ant Group.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Wah (黃華) (“Mr. Wong”), aged 40, is an independent non-executive director. He joined our Group in February 2021. He is the chairman of the audit committee of the Company (the “**Audit Committee**”) and a member of the Remuneration Committee and Nomination Committee. Mr. Wong has over 15 years of auditing, accounting and company secretarial experience. Mr. Wong obtained a bachelor degree in accountancy from The Hong Kong Polytechnic University in December 2006. Mr. Wong worked in PricewaterhouseCoopers until January 2016. From January 2016 to June 2018, Mr. Wong was the group financial controller, company secretary and authorised representative of AV Promotions Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 8419). From June 2018 to September 2020, Mr. Wong was the chief financial officer and company secretary of a private company. Mr. Wong has been the company secretary and an authorised representative of K Group Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 8475), from October 2020 to October 2021. He has been an independent non-executive director of S&S Intervalue China Limited (formerly known as China Futex Holdings Limited) (Stock Code: 8506) from October 2021 to June 2022. Since September 2021, Mr. Wong has been working at AB Builders Group Limited (Stock code: 1615), the shares of which are listed on Main Board of the Stock Exchange, as the company secretary. Mr. Wong has been a member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) since January 2010.

Mr. Kuan Hong Kin Daniel (關匡建) (“Mr. Kuan”), aged 34, is an independent non-executive director. He joined our Group in February 2021. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. Mr. Kuan has over nine years of experience in the legal industry. Mr. Kuan was admitted as a barrister in Hong Kong in April 2014. He obtained from The Chinese University of Hong Kong a bachelor’s degree in law in November 2012 and the Postgraduate Certificate in Laws in July 2013. From August 2016 to May 2020, Mr. Kuan was a non-executive Director of Kingland Group Holdings Limited (previously known as Sing On Holdings Limited) (Stock Code: 1751; previous Stock Code: 8352).

Mr. Zhao Shiwei (趙士偉) (“Mr. Zhao”), aged 40, is an independent non-executive director. He joined our Group in December 2022. He is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. Mr. Zhao holds a bachelor’s degree in business administration from Taiyuan University of Technology (太原理工大學). Mr. Zhao has more than 13 years of experience in sales and marketing and management. From October 2011 to April 2016, Mr. Zhao was engaged as the manager of procurement department in Zhongshan Shenzhong Property Development Co., Ltd.* (中山市深中房地產開發有限公司). From February 2017 to October 2020, Mr. Zhao was engaged as the marketing director in Shenzhen Hongji Real Estate Co., Ltd.* (深圳鴻基地產有限公司) (formerly known as Shenzhen Dongxu Hongji Real Estate Co., Ltd.* (深圳市東旭鴻基地產有限公司)). Since 2020, Mr. Zhao has been serving as a marketing manager of Wukuang Tegang (Dongguan) Co., Ltd.* (五礦特鋼(東莞)有限責任公司).

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Mr. YU Chun Kit (余俊傑) (“Mr. Yu”), aged 35, was appointed as company secretaries of our Group in September, 2019.

Mr. Yu has over 10 years of experience in auditing, accounting and financial management. From October, 2011 to July, 2014, Mr. Yu worked at BDO Limited with his last position as a senior associate. From July, 2014 to August, 2015, Mr. Yu worked at KPMG with his last position as an assistant manager. From February, 2016 to November, 2016, Mr. Yu worked at Bowker Asia Limited, which is a subsidiary of Win Hanverky Holdings Limited (stock code: 3322), the shares of which are listed on the Main Board of the Stock Exchange, with his last position as an assistant internal audit manager. From December, 2016 to December, 2017, Mr. Yu worked at a Kingston Corporate Finance Limited, which is a subsidiary of Kingston Financial Group Limited (stock code: 1031), the shares of which are listed on the Main Board of the Stock Exchange, as an assistant manager. Since August, 2018, Mr. Yu has been working at Boltek Holdings Limited (stock code: 8601), the shares of which are listed on GEM of the Stock Exchange, as the financial controller and company secretary. Since April 2022, Mr. Yu has been an independent non-executive director of Sinohope Technology Holdings Limited (stock code: 1611) the shares of which are listed on Main Board of the Stock Exchange. Since March 2024, Mr. Yu has been an independent non-executive director of WK Group (Holdings) Limited (Stock Code: 2535), the shares of which are listed on Main Board of the Stock Exchange.

Mr. Yu obtained a degree bachelor of business administration in accounting and finance from the Hong Kong Polytechnic University in October, 2011. Mr. Yu has been a member of HKICPA since July, 2015.

COMPLIANCE OFFICER

Mr. Zhang Yang is the compliance officer of the Company. For his biographical information, please see “Executive Director” in this section.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

As at 30 June 2024, the Group has (i) three bakery outlets; (ii) one Japanese fast casual dining restaurants; and (iii) two Chinese fast casual dining restaurants in Singapore. In addition to this, the Group has one Western fast casual dining restaurant, one Chinese fast casual dining restaurant and one intelligent drink vending machine company in the People's Republic of China (the "PRC").

For the Year, the Group recorded net loss attributable to owners of the Company of approximately S\$2.2 million (2023: S\$5.0 million).

The Directors are of the view that the decrease in net loss attributable to the equity holders was due to (i) the decrease in the number of shops, as we decided not to renew the expired leases for the relevant shops considering the increasing rents which would considerably increase the operation costs of the Group in Singapore; (ii) the decrease in employee benefit cost; (iii) the decrease in impairment loss on right-of-use assets and (iv) the decrease in impairment loss on plant and equipment.

OUTLOOK

The Group is constantly seeking ways to enhance our operational efficiency and the profitability of our business. The Group will also proactively explore opportunities to expand our customer base and our market share which will boost value to our shareholders.

Looking ahead, our company remains focused on navigating the challenging economic landscape and seizing strategic opportunities to drive sustainable growth. To address the rising operating costs due to inflationary pressures, we have made the prudent decision to close certain underperforming bakery outlets and restaurant in Singapore. This rationalization of our footprint will allow us to better monitor and control expenses in our home market.

During the Year, we have established a new segment in the PRC, focused on the provision of intelligent drink vending machines. This expansion into a promising new product category in the Chinese market represents an exciting avenue for us to diversify our revenue streams and capitalize on the robust consumer demand in the world's second-largest economy. Additionally, the operating costs in the PRC are lower than in Singapore, further enhancing the viability of this new segment. Subsequent to the reporting year and up to the reporting date, we have signed new contracts with 2 customers. Moreover, we expect to sign contracts with 7 more new customers by the year ending 30 June 2025. For the year ending 30 June 2025, these 9 new customers are anticipated to have 2,960 units of our equipment installed, which is expected to generate revenue of approximately RMB 12.6 million. Additionally, as of 30 June 2024, the existing contracted customers had 3,500 units of our equipment installed. By the year ending 30 June 2025, we expect an additional 400 units to be installed for these existing customers, which is projected to contribute revenue of approximately RMB 44.7 million for the year ending 30 June 2025.

Concurrently, we are placing a strong emphasis on innovation, investing in the development of new products and technologies. These efforts are aimed at improving our operational efficiency, enhancing our competitive edge, and delivering enhanced value to our customers.

As we look to the future, we remain vigilant for any new business opportunities that could further strengthen our market position and generate greater returns for our valued shareholders. With our disciplined approach to cost management, strategic market expansion, and continuous innovation, we are confident in our ability to navigate the challenges ahead and unlock new avenues for growth and long-term value creation.

MANAGEMENT DISCUSSION AND ANALYSIS

EVENTS AFTER THE END OF REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to the 30 June 2024 and up to the date of this report.

FINANCIAL REVIEW

Revenue

All of the Group's revenue was generated through our bakery outlets, restaurants and provision of intelligent drink vending machine. The number of outlets for the respective concepts as at the respective year-ends has been set out in the following table:

	Year ended 30 June	
	2024	2023
Bakery outlets	3	9
Fast casual dining restaurants		
— Japanese	1	2
— Western	1	2
— Chinese	3	5
Provision of intelligent drink vending machine	1	—
Total	9	18

During the Year, our Group derived revenue totalling to approximately S\$6.7 million, a decrease of approximately S\$4.5 million, or 39.9%, from approximately S\$11.2 million for the year ended 30 June 2023. The decrease was principally due to the decrease in the number of bakery outlets and restaurants, as we decided not to renew the expired leases for the relevant shops considering the increasing rents which would considerably increase the operation costs of the Group in Singapore. The impact of this reduction in bakery outlets and restaurant outweighed the effect of revenue generated from our new segment of provision of intelligent drink vending machines, which was established during the Year in the PRC.

	Year ended 30 June			
	2024		2023	
	Total revenue S\$	% of total revenue %	Total revenue S\$	% of total revenue %
Bakery outlets	2,757,785	41.1	6,287,073	56.2
Fast casual dining restaurants				
— Japanese	381,316	5.7	1,598,222	14.3
— Western	836,911	12.4	468,914	4.2
— Chinese	888,229	13.2	2,823,841	25.3
Intelligent drink vending machine company	1,853,186	27.6	—	—
Total revenue	6,717,427	100.0	11,178,050	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Bakery outlets

During the Year, our bakery outlets have generated total revenue of approximately S\$2.8 million, a decrease of approximately S\$3.5 million, or 56.1%, from approximately S\$6.3 million for the year ended 30 June 2023. This decrease was mainly due to the decrease in the number of bakery outlets.

Fast casual dining restaurants

Our Chinese fast casual dining restaurants have generated revenue of approximately S\$0.9 million, a decrease of approximately S\$1.9 million or 68.5% comparing to the financial year ended 30 June 2023. Our Japanese fast casual dining restaurants have generated revenue of approximately S\$0.4 million, a decrease of approximately S\$1.2 million or 76.1% comparing to the financial year ended 30 June 2023. Our Western fast casual dining restaurants, have generated revenue of approximately S\$0.8 million, an increase of S\$0.4 million or approximately 78.5% compared to the financial year ended 30 June 2023.

The overall revenue of fast casual dining restaurants amounted to approximately S\$2.1 million for the Year, there is a decrease of approximately S\$2.8 million, or 56.9% from approximately S\$4.9 million for the year ended 30 June 2023. This decrease was mainly due to the decrease in the number of fast casual dining restaurants.

Provision of intelligent drink vending machine

The Group established a new intelligent drink vending machine segment during the Year, which commenced operations in the second half of the Year. This new business line has already generated approximately S\$1.9 million in revenue during its initial period of activity.

Other income

There was a decrease in other income of approximately S\$0.2 million, or 80.1% from approximately S\$0.2 million for the financial year ended 30 June 2023 to S\$41,241 for the Year. The decrease in other income was mainly attributable to the reduction in government grants received from the Singapore government. The decrease in government grants was a result of a lower number of employees in Singapore, as well as the closure of several bakery and restaurant outlets in the country.

Other gains/(losses), net

Other gains/(losses), net consist of loss on disposal of plant and equipment and gain on lease modifications.

The other gains, net amounted to approximately S\$0.8 million for the Year, there is an increase of approximately S\$0.6 million, or 276.1% from approximately S\$0.2 million for the year ended 30 June 2023. The increase in other gains, net was primarily attributable to the increase in gain on lease modifications, as an impairment charge of approximately S\$1.8 million was made to the right-of-use assets for the year ended 30 June 2023.

Raw materials and consumables used

Raw materials and consumables mainly consist of (i) food ingredients; (ii) packaging materials; and (iii) raw materials for intelligence drink vending machine.

MANAGEMENT DISCUSSION AND ANALYSIS

There was an increase in raw materials and consumables used by approximately S\$0.7 million, or 29.6% from approximately S\$2.4 million for the financial year ended 30 June 2023 to approximately S\$3.2 million for the Year. This increase was primarily driven by the intelligence drink vending machine company, a wholly owned subsidiary of the Group established and commenced operations during the year. The raw material requirements of this new subsidiary outweighed the cost-cutting measures implemented by the Group across its operations. The establishment of this additional business unit, with its own significant raw material needs, was the main contributing factor to the overall rise in raw material and consumable consumption.

Employee benefit cost

Our employee benefit cost comprises (i) wages, salaries and allowances paid to our employees, including our Directors, managerial and operation staff; (ii) employer's contribution to defined contribution plans and (iii) levies on foreign workers and skills development imposed by the Singapore Government.

There was a decrease in employee benefit cost by approximately S\$1.8 million, or 36.6% from approximately S\$5.0 million for the financial year ended 30 June 2023 to approximately S\$3.2 million for the Year. Despite maintaining a similar overall headcount, our staff costs have decreased significantly compared to the previous year. This favorable change can be primarily attributed to two key factors. Firstly, we have strategically reduced the number of employees in our Singapore operations, where labor costs tend to be higher, and increased the proportion of staff based in our China market. The expansion of our workforce in the more cost-effective China labor market has helped offset the higher personnel expenses of the Group. Secondly, the majority of the new hires for our newly established subsidiary in China occurred in the latter half of the year. As a result, the full-year staff cost impact of these new employees was lower than if they had been onboarded earlier in the period.

Cost of leasing for our operations

Our cost of leasing for operations represented rental-related costs for leasing our bakery outlets, restaurants, head office, central kitchen premises and motor vehicles as shown in the following table:

	Year ended 30 June	
	2024	2023
	S\$	S\$
Expenses under short-term lease and variable lease payments	184,286	257,294
Depreciation of right-of-use assets	528,811	2,568,804
Interest expense on lease liabilities	103,089	231,967
Total	816,186	3,058,065

There was a decrease in our cost of leasing for our operations by approximately S\$2.2 million, or 73.3%, from approximately S\$3.1 million for the year ended 30 June 2023 to approximately S\$0.8 million for the Year. This decrease in cost of leasing for our operations was due to (i) an impairment charge of approximately S\$1.8 million was made to the right-of-use assets for the year ended 30 June 2023 and (ii) the decrease in number of bakery outlets and restaurant.

The total cash outflow for leases during the years ended 30 June 2024 and 2023 were S\$1,942,948 and S\$4,778,461 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation of plant and equipment

Depreciation expense arises from the systematic allocation of the costs, less respective residual value of our plant and equipment over their respective useful lives.

There was a decrease in depreciation of plant and equipment by approximately S\$0.7 million, or 97.0%, from approximately S\$0.7 million for the year ended 30 June 2023 to S\$20,776 for the Year. This decrease in depreciation of plant and equipment was due to the fact that approximately S\$1.2 million of our plant and equipment had been impaired for the year ended 30 June 2023.

Other expenses

Our other expenses consist of other operating expenses such as utilities, delivery agent service charges, legal and professional fees, and other miscellaneous administrative expenses.

There was a decrease in other expenses by approximately S\$0.7 million, or 27.2%, from approximately S\$2.5 million for the year ended 30 June 2023 to approximately S\$1.8 million for the Year. The decrease in other expenses was due to a combination of factors. Firstly, there was a decrease in the number of bakery outlets and restaurants during the Year. Secondly, the Group implemented tight cost control measures throughout the Year, which also contributed to the reduction in other expenses.

Net finance costs

Our net finance costs include interest expense on lease liabilities, bank borrowings, provision for reinstatement and effects of discounting of non-current deposits, offset by interest income on bank deposits earned during the financial year.

There was a decrease in net finance cost of S\$69,735 or approximately 33.3% from approximately S\$0.2 million for the year ended 30 June 2023 to approximately S\$0.1 million for the Year. The decrease was mainly due to the decrease of interest expense on lease liabilities as (i) an impairment charge of approximately S\$1.8 million was made to the right-of-use assets for the year ended 30 June 2023 and (ii) the decrease in number of bakery outlets and restaurant.

DIVIDEND POLICY

In deciding whether to propose a dividend and in determining the dividend amount, the following will be taken into account, inter alia:

- (i) the actual and expected financial performance of our Group;
- (ii) retained earnings and distributable reserves of our Company and each of the other members of our Group;
- (iii) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of our Group;
- (iv) business strategies of our Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
- (v) the current and future operations, liquidity position and capital requirements of our Group;

MANAGEMENT DISCUSSION AND ANALYSIS

- (vi) statutory and regulatory restrictions; and
- (vii) other factors that our Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and amended and restated memorandum and articles of association (the “**Articles**”) of the Company. The dividend policy of the Company will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

DIVIDEND

After taking into account the dividend policy of the Company summarised above, the Board does not recommend the payment of final dividend for the Year.

For the year ended 30 June 2024, the Board confirms that no Shareholder has waived or agreed to waive any dividend.

LIQUIDITY AND CAPITAL RESOURCES

The Group financed our operations primarily through cash generated from our operating activities and bank borrowings.

Cash and bank balances

As at 30 June 2024, the Group’s cash and bank balances amounted to S\$279,473 (2023: S\$166,719).

Net current liabilities

As at 30 June 2024, the Group had net current liabilities of approximately S\$6.4 million (2023: approximately S\$4.7 million).

Total deficit

The Group’s total deficit attributable to owners of the Company amounted to approximately S\$5.1 million (2023: approximately S\$4.4 million).

Borrowings

Our borrowings decreased by approximately S\$0.2 million or 54.7% from approximately S\$0.3 million as at 30 June 2023 to approximately S\$0.1 million as at 30 June 2024. The decrease was primarily due to repayments of loans during the financial year ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's bank borrowings repayable based on the scheduled repayment dates, are as follow:

	As at 30 June	
	2024	2023
	S\$	S\$
Within 1 year	148,078	326,771
Between 1 and 2 years	–	–
	148,078	326,771

For the year ended 30 June 2024, bank borrowings are denominated in SGD and bear fixed interest rates between 6.25% to 6.50% per annum (2023: 6.25% to 6.50% per annum). The fair value of non-current borrowings approximates the carrying value of the non-current borrowings at the end of each reporting period as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

As at 30 June 2024, the borrowings with carrying amounts of S\$12,300 (2023: S\$86,008) and S\$35,600 (2023: S\$154,991) are secured by joint personal guarantee by Mr. Goh Leong Heng Aris and Ms. Anita Chia Hee Mei (Xie Ximei), the former directors of the Company, with the maximum guarantee amounted to S\$300,000 (2023: S\$300,000), and by corporate guarantees provided by the Company, with the maximum guarantee amounted to S\$253,000 (S\$740,000), respectively.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since the Listing Date and up to the date of this report.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board 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.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any contingent liabilities (2023: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGES ON ASSETS

As at 30 June 2024, the Group did not have any charges on assets (2023: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, including our Directors, the Group had a total of 97 employees (2023: 98).

We recognise employees as valuable assets and our success is underpinned by our people. In line with our human resource policies, we are committed to providing attractive remuneration packages, and a fair and harmonious working environment to safeguard the legitimate rights and interests of our employees. The Group regularly reviews our human resource policies which outline the Group's compensation, working hours, rest periods and other benefits and welfare, to ensure compliance with laws and regulations. We always place emphasis on attracting qualified applicants by offering competitive remuneration packages. These packages are reviewed based on employees' performance and reference to prevailing market conditions, and are adjusted in a timely manner to keep them in line with market benchmarking.

SIGNIFICANT INVESTMENT, FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Except on disclosed herein, the Group did not have any significant investments during the Year and did not have any future plans for material investments or capital assets, material acquisition and disposal of subsidiary, associates or joint ventures during the Year.

CAPITAL RISK MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

Our Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

Gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings plus total lease liabilities less cash and cash equivalents. Total capital is calculated as "Equity" as shown in the consolidated statement of financial position plus net debt.

As at 30 June 2024, the Group's gearing ratio was -15.1% (2023: -71.7%).

Exposure to Fluctuations in Exchange Rates

The headquarters and principal place of business of the Group is in Singapore with our revenue and cost of sales mainly denominated in Singapore dollars, and three of the Group's subsidiaries' place of business are in PRC with its revenue and cost of sales mainly denominated in Renminbi. As a result, fluctuations in the value of Singapore dollars against Renminbi could adversely affect the financial results of the Group. During the year ended 30 June 2024, the Group did not experience any material difficulties or impacts on its operations or liquidity as a result of currency exchange fluctuation.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group did not use any financial instruments for hedging purposes during the year ended 30 June 2024 and there was no hedging instruments outstanding as at 30 June 2024. The Group will continue to monitor closely the exchange rate risk arising from its existing operations and new investments in future. The Group will further implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

SIGNIFICANT EVENTS

Set out below are the significant events taking place during the Year.

Change of board composition

Changes in information on Directors during the Year are set out below:

Mr. John Lim Boon Kiat has resigned as an executive Director with effect from 1 February 2024.

Ms. Zhang Lu has been appointed as an executive Director with effect from 5 April 2024.

Subscription of New Shares under General Mandate

On 22 September 2023, the Company entered into a subscription agreement (as supplemented and amended by the supplemental agreements entered into between the Company and the Subscribers on 11 January 2024, 28 February 2024 and 25 March 2024, respectively) (the "**Subscription Agreement**") with six subscribers (the "**Subscribers**"), pursuant to which the subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 26,175,000 subscription shares (the "**Subscription Shares**") at the price (the "**Subscription Price**") of HK\$0.32 per subscription Share (the "**Subscription**"). The completion of the Subscription took place on 5 April 2024 (the "**Completion Date**"). For details, please refer to the announcements of the Company dated 22 September 2023, 27 September 2023, 11 January 2024, 28 February 2024, 25 March 2024 and 5 April 2024.

A total 26,175,000 Subscription Shares, representing approximately 10.91% of the issued share capital of the Company as at 22 September 2023 (being the date of the Subscription Agreement) and approximately 9.83% of the issued share capital of the Company as enlarged by the Subscription Shares, have been allotted and issued to the Subscribers at the Subscription Price of HK\$0.32 per Subscription Share. The aggregate nominal value of the 26,175,000 Subscription Shares is HK\$261,750.

The Subscription Shares were issued under the General Mandate and will rank *pari passu* in all respects among themselves and with the existing Shares.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Subscribers and their ultimate beneficial owners (if any) are third parties independent of the Company and its connected persons. None of the Subscribers became a substantial Shareholder (as defined in the GEM Listing Rules) of the Company immediately upon the completion of the Subscription. Based on the information provided by the Subscribers, their principal activities, for Subscribers which are corporations, are investment holdings respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The closing price per Share as quoted on the Stock Exchange on 22 September 2023, being the date of the Subscription Agreement was HK\$0.385.

The Directors consider that the Subscription will enlarge the shareholder and capital base of the Company and also increase the overall liquidity of the Shares and strengthen the financial position of the Group. The Directors consider that the terms and conditions of the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. The aggregate gross proceeds of the Subscription amounted to HK\$8,376,000 and the aggregate net proceeds of the Subscription, after the deduction of the related expenses, amounted to approximately HK\$8,376,000.

The Company intends to use the net proceeds from the Subscription in the following matters:

Use of net proceeds	Allocation of net proceeds (HK\$)	Percentage to the total net proceeds (%)	Amount utilised up to 30 June 2024 (HK\$)	Remaining balance as of 30 June 2024 (HK\$)	Expected timeline
For acquisition of products for expansion in the new intelligent drink vending machines related business in the PRC, research and development and procurement of hardware products	2.73 million	32.55	2.73 million	–	Fully utilised within 18 months from the Completion Date
For expenses for expansion in the existing bakery related business in the PRC	2.73 million	32.55	–	2.73 million	Expected to be fully utilised within 18 months from the Completion Date
For replenishment of general working capital of the Group	2.92 million	34.90	2.92 million	–	Fully utilised within 18 months from the Completion Date

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE REPORT

Overview

This is the Environmental, Social and Governance (“ESG”) report (the “ESG Report” or the “Report”) of Global Uin Intelligence Holdings Limited (the “Company”, together with its subsidiaries, the “Group” or “We”). It aims to present a summary of the Group’s environmental-, social- and governance-related impacts arising from its business operations in the Food and Beverage (“F&B”) industry; and the measures taken by the Group to achieve the balance between profitability and sustainability.

Reporting Boundary and Scope

This Report describes the sustainability activities and Key Performance Indicators (“KPIs”) of the Company, as well as highlights the environmental, social, and governance aspects of the Group’s operations. The reporting period is the fiscal year that ran from 1 July 2023 to 30 June 2024 (the “Year”). The disclosures on ESG-related aspects in this Report include our business in the main operation of bakeries, restaurants and café outlets in Singapore as well as operations of restaurants and intelligent drink vending machine business in China.

Reporting Principles

The Report is prepared based on the principles of “materiality”, “quantitative”, and “consistency”.

Materiality

The content of this Report is determined through a systematic materiality assessment process, which includes identifying the Group’s ESG-related topics, assessing their materiality and impact, preparing and validating the information reported as well as addressing stakeholder feedback on the Group’s ESG reporting. This Report covers key issues that are related to different stakeholders.

Quantitative

The Group has disclosed quantitative environmental and social KPIs in the ESG Report. To enable stakeholders to have a full understanding of the Group’s ESG performance, the standards, methodologies, assumptions, calculation tools used, references and conversion factors used to calculate the KPIs are described wherever appropriate.

Consistency

The content of this Report uses consistent reporting and calculation methods, as far as practicable, to facilitate the comparability of ESG performance between years. The Group uses the number of employees to calculate the intensity of KPIs. In case of any changes in methodologies, the Group will present and explain in detail in the corresponding sections.

Reporting Framework

The ESG Report has been prepared under the ESG Reporting Guide as set out in Appendix C2 of the GEM Listing Rules of The Stock Exchange of Hong Kong Limited (“HKEX”). This Report has complied with all mandatory disclosure requirements and “comply or explain” provisions outlined in the ESG Reporting Guide. For climate-related disclosure, we are in the process of applying the disclosure recommendations developed by the TCFD that provide guidance on how to disclose and address climate-related risks and opportunities. We will continue to enhance our disclosures to provide more details about our management approach on climate-related issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Information and Feedback

Your opinions on the Group's ESG Report and sustainability performance are highly valued. If you have any opinions or suggestions regarding this Report, please feel free to contact us by mail at Unit A, 12/F, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong.

BOARD STATEMENT

The Board of Directors (the "**Board**") firmly acknowledges that robust ESG practices constitute an integral and indispensable component of sustainable business development and we are pleased to present our ESG Report for the year that ended on 30 June 2024. In this fiscal year, the Board continually monitored ESG issues, including ESG-related performance and strategies, risk management, external factors, and stakeholders' expectation management. These issues are material to our business operations and closely monitoring enables us to devise the appropriate strategies to adequately address them.

Albeit the progressive recovery of the post-COVID-19 economy, the prevailing pandemic still imposes its constraints on the F&B industry as a whole. Nonetheless, we strive to remain resilient by adapting to the ever changing climates through the employment of dynamic management measures, which include leveraging on the contemporary digital market and being tactful with how we manage our physical operations.

We continue to reinforce our prioritisation of our employees' health, as well as the safety of our food, as these are the underlying drivers of our company's success and sustainable development. In particular, the regular monitoring of our employees' health, and the implementation of stringent food safety controls over our products. In the interest of public health, we are committed to taking necessary measures to improve the food safety practices and ensure that our premises are clean and well-maintained.

To allow us to further our sustainability journey, we have tracked our metrics and targets in sustainability roadmap to address our material ESG topics. Moreover, as we seek to be bolder in sustainability, these metrics and targets will be closely monitored to ensure that the roadmap is well followed through, and more targets will be progressively added to achieve this end.

Yours faithfully,
For and on behalf of the Board

Zhang Yang

Chairman and Executive Director

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ESG GOVERNANCE

The Board firmly acknowledges that robust ESG practices are an integral and essential component of sustainable business development. The Board has clearly defined duties and responsibilities to oversee the Group's execution of ESG-related matters. The Board is accountable for monitoring the ESG performance and risk management, evaluating, prioritising and managing material ESG issues, as well as tracking progress towards ESG-related goals and targets.

The Board has supervised ESG issues, including ESG-related performance and strategies, ESG-related risk management, external ESG-related factors, and stakeholders' expectation management. The Board holds the responsibility of regularly assessing the Company's overall ESG performance and overseeing the formulation of the annual ESG report. The Board has provided oversight on the execution and effectiveness of anticipation and mitigation plans regarding the ESG risks. Additionally, the Board has tracked emerging market trends regarding ESG-related issues that may potentially impact business operations, making timely adjustment as necessary. The Board is responsible for reviewing the compliance status of ESG-related laws and regulations as set by external governing and regulatory parties. The Board regularly reviews the ESG issues that are material to stakeholders and monitors the impacts on stakeholders resulting from the Company's ESG performance and corresponding management approaches.

The Board has established a clear process to evaluate the materiality of each ESG-related topic and to prioritise them accordingly. As one of the stakeholders of the Company, the Board actively participates in materiality assessment and provides opinions on the materiality of ESG issues. The Board has reviewed and validated the outcomes of materiality assessment, and subsequently presented the results and findings to the Board, aiming to enhance the management of material ESG issues.

The Board has set short term goals regarding ESG performance or sustainable development. The Board has conducted assessments of the Group's ESG performance in relation to these goals and targets, and implemented policies aimed at improving ESG performance accordingly. The Board is committed to ongoing efforts in actively seeking opportunities to improve its ESG performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

The Group are cognisant of the importance of engaging our key stakeholders closely by understanding their expectations and concerns. Both internal and external stakeholders are crucial to us, and we engage them through various platforms and feedback mechanisms to make a positive and meaningful impact on our sustainable business goal.

The following table summarises our stakeholder groups, current platforms, and frequency of engagement as well as the stakeholders' key concerns to sustainability.

Stakeholder	Current Engagement Platforms	Frequency	Key Concerns
Employees	Performance reviews	Annual	<ul style="list-style-type: none"> • Remuneration and benefits • Employee safe and well-being • Training and development opportunities • Fair and competitive employment practices • Protection of rights • Humanity cares
	Training programmes and courses	Ad-hoc	
	Digital feedback and communication platforms	Ad-hoc	
	Regular meetings	Monthly	
	Employee mailbox	Ad-hoc	
	Employee activities	Ad-hoc	
Customers and End Customers	Customer service and feedback emails	Ad-hoc	<ul style="list-style-type: none"> • Food hygiene and safety • Food quality and price • Customer satisfaction and experience • Timely response to complaints • Performance of contracts • Operate with integrity
	Customer satisfaction surveys	Ad-hoc	
	Verbal communications	Perpetual	
	Social media platforms	Ad-hoc	
	Calling for feedback	Ad-hoc	
Business Partners	Suppliers' and service providers' emails, phone calls and meetings	Ad-hoc	<ul style="list-style-type: none"> • Certifications and quality assurance • Supply chain management • Occupational health and safety practices • Strong and lasting cooperation • Operate with integrity • Equal Rivalry • Performance of contracts • Mutual benefit and win-win result
	Suppliers' and service providers' Code of Conduct	Annual	
	Annual performance evaluation	Annual	
	Exchanges and discussions	Ad-hoc	
	Engagement and cooperation	Ad-hoc	

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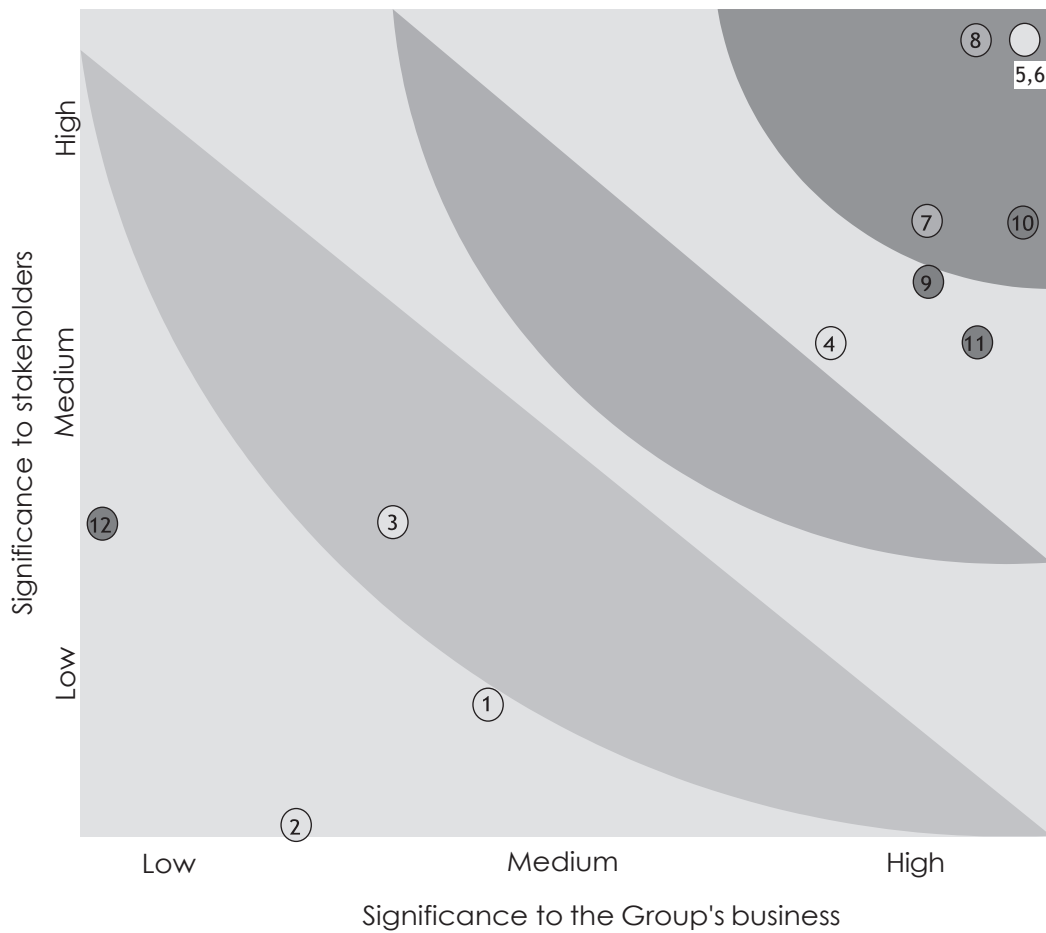
Stakeholder	Current Engagement Platforms	Frequency	Key Concerns
Shareholders and Investors	Annual/Extraordinary general meetings	Annual	<ul style="list-style-type: none"> Financial stability and long-term growth plans Sustainability efforts Compliance with listing requirements Timely and transparent reporting Sound corporate governance Returns Compliant operation
	Financial result announcements	Quarterly	
	HKEX announcements	Ad-hoc	
	Annual report and ESG report	Annual	
	Emails, telephone communication and company website	Ad-hoc	
Government and Regulatory Agencies	Site visits and inspections	Annual	<ul style="list-style-type: none"> Safe working environment Food safety and hygiene Fair employment practices Regular reporting Compliance with laws and regulations Support local economic growth Pay taxes in full and on time
	Meetings, briefings and reporting	Ad-hoc	
	Correspondences through emails and letters	Ad-hoc	
Environment	Communicate with local environmental department	Ad-hoc	<ul style="list-style-type: none"> Compliant emission Energy saving and emission reduction Ecosystem protection
	Communicate with the locals	Ad-hoc	
	Reporting	Ad-hoc	
	Investigations and inspections	Ad-hoc	
Industry	Visits and inspections	Ad-hoc	<ul style="list-style-type: none"> Establishment of industry standards Drive industry development
Media and public	Social media platforms	Ad-hoc	<ul style="list-style-type: none"> Corporate social responsibility Sustainable and responsible business practices
	Website	Perpetual	
Communities and the Public	Volunteering and participating in charitable events	Ad-hoc	<ul style="list-style-type: none"> Corporate citizen Contribution to society Improve community environment Information transparency
	Company website	Ad-hoc	
	Announcements	Ad-hoc	
	Social media platforms	Ad-hoc	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

In addition to the stakeholders’ opinions and expectations collected from communication channels, the Group discusses and identifies the key environmental, social and governance issues annually to better understand which ESG topics are most material to them. The Group has obtained the management’s opinions on issues related to ESG and gathered the feedback from employees and both our internal and external stakeholders through invited them to fill in the online questionnaires and score the 12 identified key ESG topics. The Group has engaged third-party professionals performed a materiality assessment to analysed the information gathered, helping the Group identify and prioritise ESG issues which are concerned by stakeholders and are highly related to the Group’s business.

Subsequently, these topics were placed on a materiality matrix, as seen below, and their relative position is dependent on their impact on our Group’s business and their impact on stakeholders.



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Legend

Environmental	Employment and Labour Practices	Operation Practices	Community Investment
1: Air Pollution and Greenhouse Gas Emissions	5: Employment Practices	9: Supplier Management	12: Donation to local communities
2: Hazardous Waste Pollution	6: Health and Safety	10: Food Safety and Quality	
3: Water Consumption	7: Training and Development	11: Anti-corruption Practices	
4: Food and Packaging Waste	8: Labour Standards		

Through the above materiality assessment process, the Group finally identified 5 key ESG material topics important to the Group. The following table lists the major ESG issues determined and their corresponding sections disclosed in this Report.

Perspectives	Material Issues	Corresponding Sections
Employment and Labour Practices	5: Employment Practices 6: Health and Safety 7: Training and Development 8: Labour Standards	Employment and Labour Practices: Employment Practices Employment and Labour Practices: Health and Safety Employment and Labour Practices: Training and Development Employment and Labour Practices: Labour Standards
Operation Practices	10: Food Safety and Quality	Operating Practices: Food Safety and Quality

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL ASPECTS

Environmental Principles

Despite the F&B industry being comparatively less pollutive than other sectors, our Group acknowledges that our operations nonetheless have a considerable impact on the environment, especially in the aspects of air pollution and waste generation. To ensure environmental compliance in our daily operation, the Group has strictly complied with the laws and regulations in relation to environmental protection, including but not limited to the Environmental Protection and Management Act of Singapore, Environmental Pollution Control Act of Singapore, Environmental Public Health Act of Singapore, Atmospheric Pollution Prevention and Control Law of the PRC and Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste.

To mitigate climate change, our Group intends to grow in environmental stewardship by adopting and incorporating green practices into our business framework. Our business operations were guided by the following metrics and targets and the progresses of the year are summarised as the following:

Aspects	Targets	Progresses of the Year ¹
Greenhouse Gas Emissions	<ul style="list-style-type: none"> Reduce total emission of air pollutants and greenhouse gases (“GHG”) by 5% in 5 years, with FY2023 as the base year 	<ul style="list-style-type: none"> Reduce total emission of air pollutants and GHG by 99% and 24% respectively compared to in the prior fiscal year Only utilise motor vehicles that comply with the national standards for emissions of air pollutants and GHG
Energy	<ul style="list-style-type: none"> Reduce consumption of electricity by 5% in 5 years, with FY2023 as the base year 	<ul style="list-style-type: none"> Reduced consumption of electricity by 8% compared to the prior fiscal year
Water	<ul style="list-style-type: none"> Reduce consumption of water by 5% in 5 years, with FY2023 as the base year 	<ul style="list-style-type: none"> Reduced consumption of water by 22% compared to the prior fiscal year
Waste	<ul style="list-style-type: none"> Ensure that our processes do not generate any hazardous waste, and if so, ensure that they are adequately treated before disposal Reduce the food wastage quantity by 5% in 5 years, with FY2023 as the base year Reduce the usage of packaging materials by 5% in 5 years, with FY2023 as the base year 	<ul style="list-style-type: none"> No hazardous waste were generated during the Year Reduced intensity of food wastage by 78% compared to the prior fiscal year Reduced the usage of packaging materials by 18% compared to the prior fiscal year Minimise wastage generation, including that of unsold products

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Emissions and Wastes Management

Air Pollution and Greenhouse Gases Emissions

Our Group contributes to air pollution and GHG through the following streams:

- Combustion of fossil fuels from the use of motor vehicles;
- Consumption of purchased electricity.

Each source emits a plethora of air pollutants into the atmosphere, which includes GHG, that directly promote the enhanced greenhouse effect and climate change. Conversely, non-GHG also result in deleterious environmental repercussions, such as the formation of acid rain, which destroys crops and corrodes metal structures.

In an attempt to improve the transparency of our disclosures, as well as the comprehensiveness of the Report, we have split up this section accordingly to reflect the type and amount of emissions each stream generates.

For clarity, our scope 1 emissions stem from the “direct emissions by equipment that are controlled by the Group”, whilst our scope 2 emissions are derived solely from the “energy indirect emissions resulting from the generation of purchased electricity”. The Group’s GHG inventory includes carbon dioxide, methane and nitrous oxide. For the ease of reading and understanding, the greenhouse gas emissions data is presented in carbon dioxide equivalent (“CO₂e”).

Motor vehicles

The burning of fossil fuels within motor vehicles gives rise to the emission of air pollutants. Key air pollutants include nitrogen oxides (“NO_x”), sulphur oxides (“SO_x”) and particulate matter (“PM”).

Accordingly, our Group decided to half our vehicle fleet, whilst striving to maintain the current level of operations. To ensure this was possible, our Group enhanced the operational efficiency of the sole vehicle by being strategic in the planning of the timing and quantity of deliveries of baking and marketing materials. Thus, through greater optimisation, our Group enjoyed cost and emission savings from the reduction of fuel used.

To further curtail our emissions, we ensured that the vehicle employed in the main operations in Singapore, was fuel efficient and equipped with eco-friendly technology; comply with the Euro VI Emission standards, and performing regular maintenance to ensure optimal engine performance and fuel consumption.

Environmental performance from FY2023 to FY2024

	FY2023	FY2024
Air Pollutants¹		
NO _x Emissions (g)	214,106	2,049
SO _x Emissions (g)	105	40
PM Emissions (g)	21,213	151
GHG Emissions (tCO₂e)²	17	7

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Notes:

- 1 The calculation and emission factors of air pollutants are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" issued by HKEX.
- 2 The calculation and emission factors of GHG Emissions are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" issued by HKEX. The conversion factors are based on the Sixth Assessment Report provided by the Intergovernmental Panel on Climate Change ("IPCC").

Electricity Consumption

Lastly, our GHG emissions are derived from the consumption of purchased energy in the form of electricity, which is a by-product of the burning of fossil fuels. Electricity is an indispensable part of our business operations to run the various electrical appliances.

Environmental performance from FY2023 to FY2024

	FY2023	FY2024
GHG Emissions (tCO₂e)¹	377	306

Note:

- 1 The calculation of GHG Emissions are based on Appendix 2: Reporting Guidance on Environmental KPIs of "How to prepare an ESG Report" issued by HKEX. The emission factors are based on the "Carbon Dioxide Emission Factors of Electricity in 2021" provided by the Ministry of Ecology and Environment of the PRC and the Chapter 2: Energy Transformation in Grid Emission Factor of Singapore Energy Statistics 2023 provided by the Energy Market Authority ("EMA") of Singapore. The conversion factors are based on the Sixth Assessment Report provided by the IPCC.

Summary of environmental performance from FY2023 to FY2024

	FY2023	FY2024
Air Pollutants		
NO _x Emissions (kg)	215	2
SO _x Emissions (kg)	0.11	0.04
PM Emissions (kg)	21	0.2
Total GHG Emissions (tCO₂e)	413	313
Total Scope 1 Emissions (tCO ₂ e)	36	7
Total Scope 2 Emissions (tCO ₂ e)	377	306
Total GHG Emissions Intensity (tCO₂e/employee)	4.54	3.37
Scope 1 Emissions Intensity (tCO ₂ e/employee)	0.40	0.08
Scope 2 Emissions Intensity (tCO ₂ e/employee)	4.14	3.29

Nonetheless, as we remain cognisant of the need to push for further reductions in emissions to enable the world to transit to a low-carbon economy, we will not be complacent, and instead, adopt the following target to demonstrate our resilience and ambitions.

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Target

The Group targets to reduce total emission of air pollutants and GHG by 5% in 5 years, with FY2023 as the base year, by using more energy-efficient technologies, and instilling environmental stewardship within our employees to minimise the Group's GHG emissions and emissions intensity.

Progress

By comparing the KPIs, the Group reduced total emission of air pollutants and GHG by 99% and 24% respectively comparing to the prior fiscal year.

Waste Management

Hazardous Waste Pollution

Hazardous waste pollution is deemed as a key ESG material topic in our assessment, as improper disposal and treatment of such wastes in our F&B operations significantly impact environmental health. For instance, dumping of hazardous waste in water bodies threatens the survivability of life underwater as it may poison them, and in turn, result in bioaccumulation and biomagnification up the food chain.

Therefore, as aspiring stewards of the environment, our Group upholds a zero-hazardous waste policy.

We are proud to report that in FY2024, our Group did not generate any wastes found in Annex VIII of the Basel Convention under Singapore's Hazardous Waste Act, or possess any of the characteristics contained in Annex III of the Basel Convention.

Target

The Group pledges to remain resilient in ensuring that our processes do not generate any hazardous waste, and if so, ensure that they are adequately treated before disposal.

Progress

The Group did not generate any hazardous waste during the Year.

Non-hazardous Waste Pollution

As our Group's operations do not follow a closed loop system (i.e. Circular Economy), some of the materials used would inevitably reach the end of their life cycle, and have to be disposed of or released into the environment. For our Group, our non-hazardous waste manifests as (i) food wastes and (ii) packaging wastes.

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Despite not being hazardous, such wastes nonetheless have adverse implications and repercussions. Food waste, if left untouched, has the potential to be a public health hazard as it attracts many unwanted pests, and in turn, results in the spreading of diseases within the community. While packaging wastes, being single-use and possibly non-recyclable, would render them being sent to landfills at the end of their life cycle. Therefore, it is imperative for our Group to not create unnecessary stress on public health system and land scarcity.

Food Waste

Any unused materials from the kitchen's operations, as well as any unsold product, at the end of each operating day, falls under this stream of waste. Beyond being a potential public health hazard as aforementioned, our Group also seeks to minimise operational costs, which entails reducing any unwanted consumption to promote environmental sustainability, by only using what we need for our operations.

To achieve this end, our Group employed the following measures, which are part of the waste management hierarchy, over the FY to ultimately reduce our food waste generation:

- Incinerating food wastes at waste-to-energy (“WTE”) plants to reduce pressures on landfills and the possibility of a public health crisis;
- Using a “First In First Out” system in our kitchens to use older foods first;
- Accurate estimations of the amount of fresh and perishable ingredients in order to prevent overstocking;
- Ensuring that all food in the kitchen is kept refrigerated at the end of each operating day;
- Stocktaking the number of unsold products to better estimate the amount of food to produce to minimise food wastage; and
- Donating unsold products to non-profit organisations to prevent food wastage and alleviate local hunger.

Environmental performance from FY2023 to FY2024

	FY2023	FY2024 ¹
Food Waste (tonnes)	315	316
Food Waste Intensity (tonnes/employee)	15.77	3.40

Note:

- 1 The Group has started to disclose the total emission of food waste since FY2024. The weight of food waste in FY2023 only covers the operation in Shanghai and the intensity is calculated by dividing the number of employee in Shanghai.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Packaging Wastes

Our Group's packaging wastes stem from the paper and plastic materials used by customers to take away the food that they bought. Plastic materials used include polybags and singlet bags; whilst paper materials entail pizza boxes.

Environmental performance from FY2023 to FY2024

	FY2023	FY2024
Paper Purchased (tonnes)	7	6
Paper Intensity (tonnes/employee)	0.08	0.06
Plastic Purchased (tonnes)¹	8	6
Plastic Intensity (tonnes/employee)	0.09	0.06

Note:

- 1 The weight conversion of the plastic food packaging box in Shanghai is based on the "How much do you know about disposable plastics in China?" published by All China Environment Federation Plastic Recycling Specialized Committee.

Albeit FY2024's good environmental performance, our Group aims to further reduce our usage of single-use disposals, we have trained our cashiers to check with customers if they require a plastic bag, and use as few polybags wherever possible when packing food. Moreover, to prevent over ordering, we only replenish such materials when stock is low.

Summary of environmental performance from FY2023 to FY2024

	FY2023	FY2024
Total Non-hazardous Waste (tonnes)	332	330
Total Non-hazardous Waste Intensity (tonnes/employee)	3.65	3.55

Additionally, to bolster our environmental performance, our Group has developed the following target to enhance the transparency of our ESG reporting, and reduce the amount of food waste and packaging wastes we produce.

Target

- The Group targets to reduce the food wastage quantity by 5% in 5 years, with FY2023 as the base year by arranging for more outlets to donate unsold products to non-profit organizations.
- The Group targets to reduce the usage of packaging materials by 5% in 5 years, with FY2023 as the base year.

Progress

- By comparing the KPIs, the Group reduced the usage of packaging materials by 18% comparing to the prior fiscal year.

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Use of Resources

Water Consumption

Despite Singapore being relatively water secure through her 4 National Taps Programme, our Group does not take this notion for granted as water remains a finite and precious resource.

Reducing our water consumption not only promotes environmental sustainability but also allows the Group to enjoy cost savings in our utility bills. To this end, our Group promotes water-saving habits, such as turning off the tap when not in use, and washing items in bulk under a tub of water, rather than under a running tap.

Environmental performance from FY2023 to FY2024

	FY2023	FY2024
Water Consumption (m³)	4,652	4,607
Water Intensity (m³/employee)	51	49.54

To such, to grow in water conservativeness, our Group intends to undertake the following target:

Target

The Group targets to reduce water consumption and intensity by 5% in 5 years, with FY2023 as the base year, by continuing to adopt more water conservation habits, and using more water-efficient technologies.

Progress

By comparing the KPIs, the Group reduced water consumption and intensity by 20% and 50% respectively comparing to the prior fiscal year.

Energy Consumption

The energy use of the Group includes the direct energy use of the fossil fuels from motor vehicles and the gaseous fuels from the kitchen operation, and the indirect energy use from purchased electricity. Energy consumption is an indispensable part of our business operations to run the various appliances. Despite its importance and necessity, our Group strives to minimise our electricity consumption by adopting the following green measures:

- Turning off all electrical appliances in the kitchen 30 minutes before the end of daily operations;
- Turning off any electrical appliance when not in use;
- Performing regular cleaning and maintenance of refrigerators to minimise the amount of refrigerant lost; and
- Purchasing only energy-efficient electrical appliances, such as LED lights and refrigerators with an NEA Tick Rating System of 4 and above, where 5 ticks represent the highest level of energy efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Environmental performance from FY2023 to FY2024

	FY2023	FY2024 ¹
Total Energy Consumption (kWh)	855,702	675,611
Direct Energy Consumption (kWh)	153,415	26,077
Indirect Energy Consumption (kWh)	702,287	649,534
Energy Consumption Intensity (kWh/employee)	9,403	7,265

Note:

1 The Group has started to disclose the indirect energy consumption since FY2023.

Target

The Group targets to reduce electricity consumption by 5% in 5 years, with FY2023 as the base year.

Progress

By comparing the KPIs, the Group reduced electricity consumption by 8% comparing to the prior fiscal year.

Conservation of Natural Resources

The Group demonstrates a strong commitment to promoting sustainable environmental development and prioritising the assessment of its business's impact on the environment and natural resources. The major resources consumption during the Group's operation are energy and water utilised. To further this commitment, the Group has set objectives and achieve by enhancing employees' awareness towards water and energy conservation in the workplace.

In terms of energy saving, the Group has implemented various measures. Computers and printers have been set to default duplex and economical modes, while employees are encouraged to switch off the lighting and air conditioning when not in use. These efforts aim to minimise energy wastage and reduce carbon emissions. Lighting systems in the offices separate light switches for different light zones and installed with motion sensors in areas not frequently used. The Group also maximises natural light in the workplace as far as practicable to ensure high efficiency of lighting. Additionally, the Group has implemented a policy allowing employees to wear casual clothes in the office every Friday and avoid wear ties and full suits in hot weather, thereby reducing the use of air conditioning.

Regarding water conservation, the Group has taken several measures. Water pressure of taps has been reduced to the lowest practical level. The Group fix dripping taps immediately, carry out regular leakage tests on concealed piping and check for overflowing tanks, as well as check water meter readings periodically and regularly check for hidden water leakage to avoid water wastage. The Group also puts up water saving reminder labels in toilets to remind staff to close faucets tightly after use. The Group is dedicated to continuously enhancing energy and water usage efficiencies, and hence to ensure responsible resource consumption and achieve the set targets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Considering the nature of our F&B business, the Group utilises packaging materials as part of its operations. To address this, the Group actively procures products that possess characteristics such as high recyclability, reduced material usage, extended shelf life, or high energy efficiency. Moreover, the Group actively advocates for the use of eco-friendly packaging materials and technologies, including self-degradable packaging materials.

Responding to Climate Change

The Group recognises the prevailing global challenge of climate change and the escalating severity of extreme weather events. As a result, the Group places significant emphasis on addressing the impacts of climate change. To effectively prepare for and respond to future occurrences of extreme weather events and natural disasters, the Group has conducted comprehensive assessments of the global and local government policies, regulatory updates, technological development and market trends. These assessments are crucial in identifying potential climate-related risks and opportunities that could have financial implications for the Group's business.

In terms of physical risks, climate change induced extreme weather conditions have the potential to result in increased in operating costs, decreased in production capacity such as supply chain interruptions, write-offs, asset impairment, and early retirement of existing assets, as well as adverse impacts on employee safety. Changes in precipitation patterns and extreme weather variability may additionally decrease the demand for services due to shift in consumer needs and lead to increased product prices driven by rising cost. To mitigate these risks, the Group has implemented comprehensive insurance coverage for properties and other vulnerable assets prone to damage from extreme weather or other physical impacts caused by climate change. The Group has also prioritised enhancing the resilience of the physical structure of properties through design and regular maintenance practices. To ensure employee safety, the Group proactively issue safety warnings to notify employees and on-site workers about the special work and safety arrangements during abnormal weather conditions, and promptly execute recovery plans and take appropriate actions after extreme weather events.

The Group has recognised the risk associated with the transition to lower-emissions technology. With the target of cutting GHG emissions, many companies have started to transform their mode of production to that with technology having lower GHG emissions. This transition could potentially lead to increased operating costs, including the implementation of new practices and processes, as well as higher maintenance cost. Furthermore, it may result in increased capital costs and a reduction in capital availability, which includes the construction of new facilities and the purchase of improving equipment.

To mitigate the negative impact of climate change on our business in the future, the Group conducts market research and review relevant reports regularly to keep abreast of market trends on climate-related issues.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL ASPECTS

Employment and Labour Practices

The Group endeavours to deliver the best quality of food and service to our customers. We are also committed to maintaining a safe, unbiased, rewarding and nurturing working environment for our valued employees.

Employment Practices

In Singapore, the Employment Act of Singapore and the Employment of Foreign Manpower Act of Singapore are the major labour laws and regulations enforced by the Ministry of Manpower (“**MOM**”) to safeguard the rights and welfare of employees. In China, the Labour Law of the People’s Republic of China and the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases are the major labour laws and regulations promulgated by the Standing Committee of the National People’s Congress of China to protect the lawful rights and interests of workers and adjust labour relations. In FY2024, the Group was not aware of any material non-compliance with the local labour laws and regulations.

There are various policies established by the Group to govern employment-related practices for all operating entities.

Policy Title	Main Content
Employee Code of Conduct	<ul style="list-style-type: none"> General conduct, dress code, attendance and punctuality, confidentiality, conflict of interest, bribery, business gifts, disciplinary procedures and summary dismissal
Standard Operating Procedures (“ SOP ”) on Employee Benefits	<ul style="list-style-type: none"> Employee benefits such as employee meals and staff discounts
Human Resource (“ HR ”) Policy	<ul style="list-style-type: none"> Recruitment, appointment, resignation and termination of employees Employee appraisal and the salary review process for daily-rated and monthly-rated employees Medical leave, overtime, annual leave and unutilised leave entitlement Compensation, working hours, and rest days

Moreover, we also abide by the Tripartite Guidelines on Fair Employment Practices to build a healthy and robust talent pool for the Group. The guidelines were established by the Tripartite Alliance Limited (“**TAL**”), which is a partnership between MOM, National Trade Union Congress and the Singapore National Employers Federation.

Recruitment and Promotion

To foster a positive corporate culture for our people, we adopt fair and merit-based recruitment and employment practices by assessing applicants based on their relevant skills, experience and qualifications. We are also firm believers that, regardless of nationality, gender, age, race, or ethnicity, all employees can make significant contributions to the Group and should be treated fairly with respect and dignity.

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As of 30 June 2024, the Group had a total of 93 employees. In FY2024, there were no confirmed incidents of non-compliance or grievances concerning human rights and labour practices standards and regulations that would have a significant impact on the Group. The employees' profiles comparison is as follows:

Indicators	Unit	FY2023	FY2024
Total number of employees	no.	91	93
By Gender			
Male	no. (%)	35 (38.5)	41 (44.1)
Female	no. (%)	56 (61.5)	52 (55.9)
By Age Group			
Below 30	no. (%)	27 (29.7)	38 (40.9)
30–50	no. (%)	20 (22.0)	21 (22.6)
Above 50	no. (%)	44 (48.3)	34 (36.6)
By Nationality			
Singapore	no. (%)	41 (45.0)	27 (29.0)
Malaysia	no. (%)	20 (22.0)	10 (10.8)
China	no. (%)	22 (24.2)	51 (54.8)
Vietnam	no. (%)	8 (8.8)	5 (5.4)
By Geographical Regions			
Singapore	no. (%)	71 (78.0)	42 (45.2)
China	no. (%)	20 (22.0)	51 (54.8)
By Employment Type			
Full-time	no. (%)	76 (83.5)	66 (71.0)
Part-time	no. (%)	15 (16.5)	27 (29.0)

We periodically review our employees' compensation packages to ensure that it remains competitive and adequate for our employees. In addition, we also emphasise that overtime hours should be kept to a minimum unless for exceptional and emergency circumstances.

Furthermore, we aim to provide work environments that are free of harassment or discrimination based on gender, physical or mental state, race, nationality, religion, age, family status or sexual orientation; or any other attribute recognised by the Singapore laws. We will respond promptly to any complaints, grievances and concerns raised by our employees regarding any form of discrimination and/or harassment.

Compensation and Dismissal

The Group's employees are expected to adhere to the Employee Code of Conduct. Employees who engage in any misconduct or whose performance is unsatisfactory may be subject to disciplinary action and/or immediate dismissal. Nonetheless, we do not tolerate unfair or wrongful dismissal of employees under any circumstances. Employees are only terminated on the grounds of serious violations of the Company's Code of Conduct, dishonest actions or unethical conduct and/or criminal wrongdoings. In FY2024, there were zero cases of dismissal and retrenchment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In FY2024, the employee turnover headcount was 67, the detailed breakdown is as follows:

Indicators	Unit	FY2023	FY2024
Total employee turnover	no.	69	67
By Gender			
Male	no. (%)	30 (85.7)	31 (75.6)
Female	no. (%)	39 (69.6)	36 (69.2)
By Age Group			
Below 30	no. (%)	25 (92.6)	23 (60.5)
30–50	no. (%)	31 (155.0)	24 (114.3)
Above 50	no. (%)	13 (29.5)	20 (58.8)
By Nationality			
Singapore	no. (%)	30 (73.2)	15 (56.0)
Malaysia	no. (%)	24 (120.0)	12 (120.0)
China	no. (%)	10 (45.5)	33 (65.0)
Vietnam	no. (%)	5 (62.5)	7 (140.0)
By Geographical Regions			
Singapore	no. (%)	61 (85.9)	37 (88.0)
China	no. (%)	8 (40.0)	30 (59.0)
By Employment Type			
Full-time	no. (%)	47 (61.8)	48 (72.73)
Part-time	no. (%)	22 (146.7)	19 (70.37)

Health and Safety

The Group is committed to taking precautionary measures in ensuring that health and safety risks are reduced or eliminated where possible. The Group actively lookout for ways to improve our workplace safety and welcome any feedbacks or reports from our employees regarding any risks identified within our work premises. Specifically, we have established the “Standard Operating Procedures for Outlet Operations”, which outlines the fundamental safe work procedures that employees are expected to follow and guidelines on how to safely perform their daily activities.

To further reinforce and instil a safety culture, posters regarding safety were affixed within our F&B outlets and work premises. The Group also strives to take care of our employees’ work-life balance and mental well-being through implementing flexible working hours for some categories of employees.

During the past three years including the reporting year, there were no reported work-related fatalities that occurred. In FY2024, there were no lost days due to work injury recorded by the Group. Also, for the Reporting Period, to the best of our Board’s knowledge, the Group was not aware of any material non-compliance with health and safety-related laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Navigating the post-COVID-19 Pandemic

In FY2024, the COVID-19 pandemic still has continuously adversely affected our business operations and more other virus occurred ceaselessly, we have placed an emphasis on ensuring a clean and hygienic environment for all employees at our head office and F&B outlets. Our initiatives to continue combating the virus are as follows:

Workplace Amenities and Protocol

Our F&B outlets and workplaces are equipped with hand sanitiser, disinfection tools and medical-grade face masks. We also perform more frequent cleaning and disinfection of touch surfaces at our offices and outlets to limit the spread of viruses. Moreover, we practise flexible working hours and places to promote work-life harmony for our employees. Employees returning to the workplace are encouraged to self-test when they feel unwell or had recent contact with an infected person. Employees are required mask-wearing and proper protective gear when working with food. We also encourage employees wearing mask indoors when serving food to customers.

Regular Communication

We actively communicate with our stakeholders through newsletters and social media platforms to relay the latest information on the COVID-19 pandemic and measures taken by the Group to safeguard the interest of our stakeholders.

Business Continuity Plan

The Group has a Business Continuity Plan (“**BCP**”) in place to communicate and relay essential information such as hygiene standards and regulatory instructions from local authorities to employees. During the COVID-19 pandemic period, the Group has staggered the workforce into two different teams to improve traceability and encouraged employees to work from home to minimise the risk of contracting the pandemic.

Training and Development

The Group believes in investing in the growth of our employees as our success is dependent on our employee’s skills, expertise and working attitude. Employees are encouraged to constantly upgrade their skills to stay up-to-date with the ever-changing business environment.

Our Human Resource department is proactive in identifying suitable training courses for our employees. Food handlers in our F&B establishments are required to attend mandatory training programmes under the requirements of the Singapore Food Agency (“**SFA**”). All our new employees would receive on-boarding and on-the-job training at the workplace. Similarly, our office executives and management team are also encouraged to attend external courses to upgrade their skills and knowledge in their respective fields.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In FY2024, a total of 8 of our employees attended SFA's food hygiene training courses with 8 training hours, the breakdown is as follows:

Employees Training ¹	No. of headcount (%)		Average training hours	
	FY2023	FY2024	FY2023	FY2024
Total	8 (8.8%)	8 (8.8%)	1	1
By Gender				
Male	2 (5.7%)	2 (5.7%)	0	0
Female	6 (10.7%)	6 (10.7%)	1	1
By Employment Category				
Senior	1 (2.8%)	1 (2.8%)	0	0
Middle	5 (21.7%)	5 (21.7%)	2	2
Junior	2 (6.3%)	2 (6.3%)	1	1

Labour Standards

In Singapore, the revised edition of Employment (Children and Young Persons) Regulations was published in 2000, where no child who is below the age of 13 years shall be employed in any occupation. Also, the Laws Governing Exploitative Child Labour of Singapore was released in 2003 that applies to children under the age of 18, where all forms of slavery or practices similar to slavery, such as the sale or trafficking of children, and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict, should be prohibited. In China, the Provisions on the Prohibition of Using Child Labour was been effective since 2002 to safeguard the legal rights and interests of minors under 16 years of age, who cannot be employed by any state organs, social organizations, enterprises and institutions, privately-run non-enterprise units or individually owned businesses.

The Group is committed to ensuring that we do not have any child and forced labour. In particular, we have formalised the minimum age requirement of 18 years old in our recruitment policies, and the Human Resource department is responsible for collecting as well as verifying the personal data and information provided by new hires. In addition, a legal-binding employment contract is signed with each employee, both permanent and temporary positions. Foreign workers are only hired after the work passes, which allows them to work legally in Singapore and PRC, are approved.

Notably, the Group has established a formal procedure to eliminate illegal labour practices which include escalation, investigation, reporting to authorities, rectification actions. If any instances of inadvertently hiring child labour arise, the Group will promptly halt their work, notify their parents or legal guardians, and facilitate their safe return home at the Group's expense. Employees reserve the right to terminate their employment contract immediately and seek appropriate financial compensation if coerced into performing job duties through violence, threats, or unlawful restrictions on personal freedom. In FY2024, the Group did not identify any operation or supplier as having a significant risk of child labour, young workers exposed to hazardous work or forced or compulsory labour. There was no breach of laws and regulations concerning child and forced labour across the Group during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Operating Practices

The Group is committed to upholding our branding and reputation to foster stakeholders' trust in our business operations as we believe that these factors are imperative to the Group's strong governance as well as sustainable development. Notably, our Board and Management are devoted to a high standard of corporate governance and have established strong internal controls in our Group.

Supplier management

The procurement activities of the Group for F&B establishments are mainly food-related products and ingredients as well as packaging materials, cleaning chemicals and tools. We are committed to responsibly managing the impact of our F&B outlets and operations by continuously reviewing relevant operational procedures as well as adhering to our guidelines. To improve supply chain efficiency and ensure the quality of raw materials, we exhibit support for local suppliers and services via local sourcing in our procurement process. During the Year, the Group had a total of 49 major suppliers: 32 of which are located in Shanghai, 12 of which are located in Singapore, 3 of which are located in Spain, 1 of which are located in Malaysia and 1 of which are located in Japan.

Selection of Suppliers

We place great importance on vendor selection and evaluation processes, which are also formalised in the Group's Procurement and Payables Management Policy. 20 major suppliers are monitored by the Procurement and Payables Management Policy. Moreover, our ingredients are sourced from suppliers who are responsible and take necessary measures to ensure that their product is safe for consumption.

The assessment criteria of our vendor include food safety and product quality, delivery timeliness and attitude, price competitiveness, after-sales services as well as company branding and reputation. Annually, we will re-evaluate the suppliers to ensure that the Group's requirements are being met. The suppliers' accreditation is monitored closely to ensure that they have achieved the required standards in accordance with our operations manual.

Social and Environmental Considerations of suppliers

We have not yet included social and environmental specifications as an assessment criterion for our vendors. However, we will collaborate with suppliers who conduct their businesses with ethics and sustainability philosophy. Should there be media coverage on negative environmental and social impacts found, for instance, excessive pollution and discharges to the environment, unfair employment practices, as well as food safety incidents, we shall review and terminate the business relationship with them.

Food Safety and Quality

The Singapore laws and legislations that observe the stringent food hygiene standards in F&B establishments are the Food Regulations (Chapter 283, Section 56(1)) of the Sale of Food Act. The SFA is the local authority that regulates the food retail industry to govern that food sold at retail outlets is safe for consumption. Also, SFA has developed "Food Hygiene Practices & Guidelines" in the form of educational materials and listed guidelines to assist food operators to upkeep their hygiene standards and ensure that the food served to the public is wholesome.

In FY2024, the Group did not committed any offence against food safety requirements, including but not limited to the Regulation 13(1) of the Sales of Food (Non-Retail Food Business) Regulations of Singapore.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Food Hygiene and Safety

All our F&B establishments on Singapore are operating under the licenses issued by SFA. The validity period of the operating license is one year and has to be renewed yearly.

We have a total of 35 food handlers and 1 food hygiene officer in our F&B outlets in Singapore, all of them are registered with SFA and have undergone the following courses under SFA requirements:

Job Classification	Courses under SFA Requirements
Food Retail	
Food Handlers	<ul style="list-style-type: none"> Singapore Workforce Skills Qualifications (“WSQ”) F&B Safety and Hygiene Policies and Procedures Basic Food Hygiene Course (“BFHC”) BFHC Refresher Course
Food Hygiene Officers	<ul style="list-style-type: none"> WSQ F&B Hygiene Audit Course BFHC Refresher Course WSQ Apply Food Safety Management System

Besides, we got a Food Business Licenses in Anhui to provide food and beverages to clients all over China Mainland.

Management of Customer Complaints

The Group is committed to providing quality service and value to customers by meeting regulatory requirements and delivering on customer service pledges. We welcome feedback from customers to improve the quality of our food offerings and services and strive to effectively respond to customer needs and preferences. Specifically, the Group has established a formal Public Relations Management Policy to handle customer complaints received via various channels, namely verbal representation, comment section on our official website, emails, social media platforms, etc. For any cases relating to food-borne illness or physical hazards found in food, the Group’s management team must be informed immediately for follow-up actions, and the “Food Borne Illness Incident Report” and/or “Physical Hazard Incident Report” shall be filed with the SFA. In FY2024, there were no products sold or shipped subject to recalls for safety and health reasons.

In FY2024, there were total five complaints received about the quality of service delivered and products sold at our F&B outlets and machinery. All the complaints are resolved in accordingly. For feedback received from customers via the verbal channel, the outlet manager would communicate to the Group Management during the regular weekly meetings for follow-up actions. In Singapore, the written feedback received from emails, the official website and social media platforms are responded to by the Operations & Human Resource Director, who would provide cash vouchers worth S\$10 to S\$50 to the customer on a case-by-case basis to resolve the issues customers have raised.

Protection of Intellectual Property (“IP”)

The logo and name of our brands of our Group have been registered as trademark. Should there be IP infringement by third parties, the Group will engage its legal counsel to take necessary action against them. In FY2024, there were zero cases of IP infringement encountered by the Group. The Group also did not collect any customer data in the reporting period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Anti-corruption Practices

The primary law and legislation in Singapore relating to bribery, extortion, fraud and money laundering include the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act ("**CDSA**") governed by the Commercial Affairs Department and the Anti-Money Laundering and Countering the Financing of Terrorism ("**AML/CFT**") regime under the enforcement of the Monetary Authority of Singapore. The primary law and legislation in China relating to bribery, extortion, fraud and money laundering include the "Criminal Law of the PRC", "Anti-Money Laundering Law of the PRC" and "Anti-Unfair Competition Law of the PRC". In this Year, our Group did not breach the above laws.

The Group is dedicated to maintaining a high standard of business conduct and is strongly against any form of corruption. Supported by fair and open communication platforms with our stakeholders, we can achieve our sustainability goals and metrics with ethical business conduct without compromising the maximisation of our economic returns. In FY2024, there were zero concluded legal cases against the Group or its employees regarding corruption or money laundering practices.

Whistleblowing Policy

The Group has also established a whistleblowing policy to encourage our employees and related third parties to raise concerns about any real or perceived misconduct, financial malpractice or irregularity through a confidential reporting channel. Under this policy, employees or any other persons may report suspected matters of wrongdoing affecting the Group to the appointed whistleblowing officer who has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. All reports are confidential, and the identity of the employee or any other person that made the report will be protected to encourage employees or any other persons to report any suspicious activities without fear of reprisal.

Anti-corruption Training and Awareness

The Group has established the Code of Conduct for Employees and Directors, an Anti-Corruption policy, as well as an Anti-Fraud and Anti-Money Laundering policy. These policies are communicated to all new employees and directors during their onboarding training.

The Group's Code of Conduct provides the guiding principles for all employees to act with integrity and honesty and serves as a tool to guard against corruption within the Group. All employees of the Group, irrespective of their position and function, are expected to fully adhere to the principles contained in the Code. Moreover, we promote the Code of Conduct to employees by advising them of any updates or revisions regularly. Additionally, there are e-training programmes in place to further strengthen employee awareness of the Code of Conduct as well as the Group's anti-fraud and internal control measures.

Community

Contribution to Local Community

The Group endeavours to help the less-privileged families in the local community. We are willing to volunteer and participate in charitable events conducted by non-profit organisations to contribute to society and enhance our presence as responsible corporate citizens.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CONTENT INDEX

The ESG Report is prepared under the ESG Reporting Guide as set out in Appendix C2 to the GEM Listing Rules.

Disclosure Reference	Description	Section/Declaration
Part B of Appendix C2: Mandatory Disclosure Requirements		
Governance Structure	<ul style="list-style-type: none"> A statement from the board containing the following elements: <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	<ul style="list-style-type: none"> ESG Governance Stakeholder Engagement
Reporting Principles	<ul style="list-style-type: none"> A description of, or an explanation of, the application of the following Reporting Principles in the preparation of the ESG Report: <ul style="list-style-type: none"> (i) Materiality (ii) Quantitative (iii) Consistency 	<ul style="list-style-type: none"> About the report Materiality Assessment Stakeholder Engagement
Reporting Boundary	<ul style="list-style-type: none"> A narrative explaining the reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report If there is a change in the scope, the issuer should explain the difference and reason for the change. 	<ul style="list-style-type: none"> About the report Materiality Assessment
“Comply or Explain” Provisions		
Aspect A1: Emissions	<ul style="list-style-type: none"> General Disclosure Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer 	<ul style="list-style-type: none"> Environmental Principles
KPI A1.1	<ul style="list-style-type: none"> Types of emissions Respective emissions data 	<ul style="list-style-type: none"> Emissions and Wastes Management: Air Pollution and Greenhouse Gases Emissions

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
KPI A1.2	<ul style="list-style-type: none"> Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) Intensity (e.g. per unit of production volume, per facility) where appropriate 	<ul style="list-style-type: none"> Emissions and Wastes Management: Air Pollution and Greenhouse Gases Emissions
KPI A1.3	<ul style="list-style-type: none"> Total hazardous waste produced (in tonnes) Intensity (e.g. per unit of production volume, per facility) where appropriate 	<ul style="list-style-type: none"> Emissions and Wastes Management: Waste Management
KPI A1.4	<ul style="list-style-type: none"> Total non-hazardous waste produced (in tonnes) Intensity (e.g. per unit of production volume, per facility) 	<ul style="list-style-type: none"> Emissions and Wastes Management: Waste Management
KPI A1.5	<ul style="list-style-type: none"> Description of emissions target(s) set Steps were taken to achieve them 	<ul style="list-style-type: none"> Environmental Principles Emissions and Wastes Management
KPI A1.6	<ul style="list-style-type: none"> Description of how hazardous and non-hazardous wastes are handled Description of reduction target(s) set and steps are taken to achieve them 	<ul style="list-style-type: none"> Emissions and Wastes Management: Waste Management
Aspect A2: Use of Resources	<ul style="list-style-type: none"> General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials 	<ul style="list-style-type: none"> Use of Resources
KPI A2.1	<ul style="list-style-type: none"> Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) Intensity (e.g. per unit of production volume, per facility) 	<ul style="list-style-type: none"> Use of Resources: Energy Consumption
KPI A2.2	<ul style="list-style-type: none"> Water consumption in total Intensity (e.g. per unit of production volume, per facility) 	<ul style="list-style-type: none"> Use of Resources: Water Consumption
KPI A2.3	<ul style="list-style-type: none"> Description of energy use efficiency target(s) set Steps were taken to achieve them 	<ul style="list-style-type: none"> Use of Resources: Energy Consumption Use of Resources: Water Consumption
KPI A2.4	<ul style="list-style-type: none"> Description of whether there is any issue in sourcing water that is fit for purpose, Water efficiency target(s) set Steps were taken to achieve them 	<ul style="list-style-type: none"> Use of Resources: Water Consumption
KPI A2.5	<ul style="list-style-type: none"> The total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced 	<ul style="list-style-type: none"> Emissions and Wastes Management: Waste Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources	<ul style="list-style-type: none"> • General Disclosure • Policies on minimising the issuer's significant impacts on the environment and natural resources 	<ul style="list-style-type: none"> • Conservation of Natural Resources
KPI A3.1	<ul style="list-style-type: none"> • Description of the significant impacts of activities on the environment and natural resources • Actions were taken to manage them 	<ul style="list-style-type: none"> • Conservation of Natural Resources
Aspect A4: Climate Change	<ul style="list-style-type: none"> • General Disclosure • Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer 	<ul style="list-style-type: none"> • Responding to Climate Change
KPI A4.1	<ul style="list-style-type: none"> • Description of the significant climate-related issues which have impacted • Actions were taken to manage them. 	<ul style="list-style-type: none"> • Responding to Climate Change
Aspect B1: Employment	<ul style="list-style-type: none"> • General Disclosure • Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer 	<ul style="list-style-type: none"> • Employment and Labour Practices
KPI B1.1	<ul style="list-style-type: none"> • Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region 	<ul style="list-style-type: none"> • Employment and Labour Practices: Employment Practices
KPI B1.2	<ul style="list-style-type: none"> • Employee turnover rate by gender, age group and geographical region 	<ul style="list-style-type: none"> • Employment and Labour Practices: Employment Practices

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
Aspect B2: Health and Safety	<ul style="list-style-type: none"> • General Disclosure • Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer 	<ul style="list-style-type: none"> • Employment and Labour Practices: Health and Safety
KPI B2.1	<ul style="list-style-type: none"> • The number and rate of work-related fatalities occurred in each of the past three years including the reporting year 	<ul style="list-style-type: none"> • Employment and Labour Practices: Health and Safety
KPI B2.2	<ul style="list-style-type: none"> • Lost days due to work injury 	<ul style="list-style-type: none"> • Employment and Labour Practices: Health and Safety
KPI B2.3	<ul style="list-style-type: none"> • Description of occupational health and safety measures adopted • How they are implemented and monitored 	<ul style="list-style-type: none"> • Employment and Labour Practices: Health and Safety
Aspect B3: Development and Training	<ul style="list-style-type: none"> • General Disclosure • Policies on improving employees' knowledge and skills for discharging duties at work • Description of training activities 	<ul style="list-style-type: none"> • Employment and Labour Practices: Training and Development
KPI B3.1	<ul style="list-style-type: none"> • The percentage of employees trained by gender and employee category (e.g. senior management, middle management) 	<ul style="list-style-type: none"> • Employment and Labour Practices: Training and Development
KPI B3.2	<ul style="list-style-type: none"> • The average training hours completed per employee by gender and employee category 	<ul style="list-style-type: none"> • Employment and Labour Practices: Training and Development
Aspect B4: Labour Standards	<ul style="list-style-type: none"> • General Disclosure • Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer 	<ul style="list-style-type: none"> • Employment and Labour Practices: Labour Standard
KPI B4.1	<ul style="list-style-type: none"> • Description of measures to review employment practices to avoid the child and forced labour 	<ul style="list-style-type: none"> • Employment and Labour Practices: Labour Standard
KPI B4.2	<ul style="list-style-type: none"> • Description of steps taken to eliminate such practices when discovered 	<ul style="list-style-type: none"> • Employment and Labour Practices: Labour Standard

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
Aspect B5: Supply Chain Management	<ul style="list-style-type: none"> General Disclosure Policies on managing environmental and social risks of the supply chain 	<ul style="list-style-type: none"> Not reported as the Group did not have policies on managing environmental and social risks of the supply chain
KPI B5.1	<ul style="list-style-type: none"> Number of suppliers by geographical region 	<ul style="list-style-type: none"> Operating Practices: Supplier Management
KPI B5.2	<ul style="list-style-type: none"> Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored 	<ul style="list-style-type: none"> Operating Practices: Supplier Management
KPI B5.3	<ul style="list-style-type: none"> Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored 	<ul style="list-style-type: none"> Operating Practices: Supplier Management
KPI B5.4	<ul style="list-style-type: none"> Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored 	<ul style="list-style-type: none"> Not reported as the Group did not include environmental impact as one of the selection criteria for suppliers
Aspect B6: Product Responsibility	<ul style="list-style-type: none"> General Disclosure Information on: <ol style="list-style-type: none"> the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress 	<ul style="list-style-type: none"> Operating Practices: Food Safety and Quality
KPI B6.1	<ul style="list-style-type: none"> Percentage of total products sold or shipped subject to recalls for safety and health reasons 	<ul style="list-style-type: none"> Operating Practices: Food Safety and Quality
KPI B6.2	<ul style="list-style-type: none"> Number of products and service-related complaints received and how they are dealt with 	<ul style="list-style-type: none"> Operating Practices: Food Safety and Quality
KPI B6.3	<ul style="list-style-type: none"> Description of practices relating to observing and protecting intellectual property rights 	<ul style="list-style-type: none"> Operating Practices: Food Safety and Quality
KPI B6.4	<ul style="list-style-type: none"> Description of quality assurance process and recall procedures 	<ul style="list-style-type: none"> Operating Practices: Food Safety and Quality
KPI B6.5	<ul style="list-style-type: none"> Description of consumer data protection and privacy policies, and how they are implemented and monitored 	<ul style="list-style-type: none"> Operating Practices: Food Safety and Quality

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Disclosure Reference	Description	Section/Declaration
Aspect B7: Anti-corruption	<ul style="list-style-type: none"> • General Disclosure • Information on: <ol style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering 	<ul style="list-style-type: none"> • Operating Practices: Anti-Corruption Practices
KPI B7.1	<ul style="list-style-type: none"> • Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases 	<ul style="list-style-type: none"> • Operating Practices: Anti-Corruption Practices
KPI B7.2	<ul style="list-style-type: none"> • Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored 	<ul style="list-style-type: none"> • Operating Practices: Anti-Corruption Practices
KPI B7.3	<ul style="list-style-type: none"> • Description of anti-corruption training provided to directors and staff 	<ul style="list-style-type: none"> • Operating Practices: Anti-Corruption Practices
Aspect B8: Community Investment	<ul style="list-style-type: none"> • General Disclosure • Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests 	<ul style="list-style-type: none"> • Community
KPI B8.1	<ul style="list-style-type: none"> • Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) 	<ul style="list-style-type: none"> • Community: Contribution to Local Community
KPI B8.2	<ul style="list-style-type: none"> • Resources contributed (e.g. money or time) to the focus area 	<ul style="list-style-type: none"> • Community: Contribution to Local Community

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of corporate transparency and accountability. The Company is committed to achieving and maintaining a high standard of corporate governance, as our Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Company's corporate governance practices are based on the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the GEM Listing Rules. To the best knowledge of the Board, save for code provision C.2.1 of the CG Code, the Company has complied with the CG Code from the Listing Date up to the date of this annual report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the "**Code of Conduct**"). After specific enquires by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Year.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and is collectively responsible for promoting the Company's success by directing and supervising its affairs. Directors make decisions objectively in the best interests of the Company. The Board meets regularly and Board meetings are held four times a year at quarterly intervals.

CHAIRMAN AND CHIEF EXECUTIVE

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Zhang can facilitate the execution of the Group's business strategies and provide a strong and consistent leadership to improve the Company's efficiency in decision-making. The Board considers that appointment of Mr. Zhang as the chairman of the Board and the chief executive officer of the Company will not impair the balance of power as all major decisions are made in consultation with members of the Board. In addition, under the supervision by the Board which currently consists of four executive Directors and three independent non-executive Directors, the interests of the Shareholders will be adequately and fairly represented. Therefore, the Board considers the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances. As such, the roles of chairman and chief executive officer of the Group were not separated in accordance with code provision C.2.1 of the CG Code.

The Board will periodically review the effectiveness of this arrangement and consider separating the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate, for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is an independent element on the Board, which can effectively exercise independent judgement, and that non-executive Directors should be of sufficient calibre and number for their views to carry weight.

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

EXECUTIVE DIRECTORS

Mr. Zhang Yang (*Chairman and Chief Executive Officer*) (appointed on 16 December 2022)

Ms. Shi Minyue

Mr. Sing Hob Ming

Ms. Zhang Lu (appointed on 5 April 2024)

Mr. John Lim Boon Kiat (resigned on 1 February 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zhao Shiwei

Mr. Wong Wah

Mr. Kuan Hong Kin Daniel

Biographical details of each Director and relationship between Board members are set out on page 7 to page 8 of this annual report.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

	Number of meetings held during the Year Attended/Eligible to attend				
	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting
Number of meetings held	5	5	2	2	1
<i>Executive Directors</i>					
Mr. Zhang Yang	5/5	N/A	2/2	2/2	1/1
Ms. Shi Minyue	5/5	N/A	N/A	2/2	1/1
Mr. Sing Hob Ming	5/5	N/A	N/A	N/A	1/1
Ms. Zhang Lu (appointed on 5 April 2024)	N/A	N/A	N/A	N/A	N/A
Mr. John Lim Boon Kiat (resigned on 1 February 2024)	3/4	N/A	1/2	2/2	1/1
<i>Independent non-executive Directors</i>					
Mr. Zhao Shiwei	5/5	5/5	–	2/2	1/1
Mr. Wong Wah	5/5	5/5	2/2	2/2	1/1
Mr. Kuan Hong Kin Daniel	5/5	5/5	2/2	2/2	1/1

CORPORATE GOVERNANCE REPORT

During the Year, the Company held 5 Board meetings, 5 Audit Committee meetings, 2 Nomination Committee meeting and 2 Remuneration Committee meeting. All the minutes of the Board meetings and meetings of Board committees were recorded in sufficient details for the matters considered by the Board and the decisions reached.

The biographical details of each of the Directors are set out in the section headed "Directors and Senior Management" of this report.

In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed three independent non-executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The independent non-executive Directors have brought in a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors have made various contributions to the Company.

The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers such independent non-executive Director to be independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

The Board members have no financial, business, family or other material/relevant relationships with each other.

APPOINTMENTS, RE-ELECTION AND REMOVAL

In accordance with the Articles, all the Directors are subject to retirement by rotation at least once every three years. Any new Director appointed by the Board (i) to fill a casual vacancy in the Board shall hold office only until the first general meeting of the Company following his/her appointment and shall be subject to re-election at such meeting; and (ii) as an addition to the Board shall hold office until the next following annual general meeting of the Company ("AGM") and shall then be eligible for re-election.

ROLE AND RESPONSIBILITIES

The Board supervises the management of the business and affairs of the Company and ensures that it is managed in the best interests of the shareholders of the Company as a whole. The Board is primarily responsible for formulating the business strategy, reviewing and monitoring the business performance of the Company, approving the financial statements and annual budgets as well as directing and supervising the management of the Company. Execution of operational matters and the powers thereof are delegated to the management by the Board with clear directions. The Board is regularly provided with management update report to give a balanced and understandable assessment of the performance, position, development and prospects of the Company in sufficient detail.

The Board is also responsible for the corporate governance functions of the Group, which includes:

- To develop and review of the Group's policies and practices on corporate governance;
- To review and monitor the training and continuous professional development of directors and senior management;
- To review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

CORPORATE GOVERNANCE REPORT

- To develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and
- To review the Group's compliance with the CG Code and disclosure in the corporate governance report.

During the Year, the Board had reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Group's affairs, namely the Audit Committee, Remuneration Committee and Nomination Committee. Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each Board committee has also been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent profession advice in appropriate circumstances at the Group's expense.

Audit Committee

The Group established the Audit Committee on 24 April 2020 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and paragraph C.3.3 of the CG Code. The primary duties of our Audit Committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our periodic reports and accounts and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. Our Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Wah, Mr. Zhao Shiwei and Mr. Kuan Hong Kin Daniel. Mr. Wong Wah is the chairman of our Audit Committee.

During the Year, the Audit Committee held 5 meetings, at which it has reviewed and discussed the Company's audited consolidated financial results for the year ended 30 June 2023 and the unaudited consolidated financial results for the quarterly period ended 30 September 2023 and 31 March 2024 and the interim period ended 31 December 2023 including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, the effectiveness of the Group's risk management and internal control systems as well as the Group internal audit function. The Audit Committee has recommended to the Board to appoint HLB Hodgson Impey Cheng Limited as the external auditor of the Group.

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Group established the Nomination Committee on 24 April 2020 with written terms of reference in compliance with paragraph A.5.2 of the CG Code. The primary duties of our Nomination Committee include, among others, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and making recommendations on any proposed changes to our Board to complement our corporate strategy; (b) identifying individuals suitably qualified to become members of our Board and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (c) assessing the independence of our independent non-executive Directors; and (d) making recommendations to our Board on the appointment and succession planning for our Directors. Our Nomination Committee comprises three independent non-executive Directors, namely Mr. Zhao Shiwei, Mr. Kuan Hong Kin Daniel and Mr. Wong Wah, and one executive Director, namely Mr. Zhang Yang. Mr. Zhang Yang is the chairman of our Nomination Committee.

The policy for the nomination of Directors, including the nomination procedure and process, are to invite nominations from Board members or Nomination Committee members. After undertaking adequate due diligence in respect of any such nominee, the Nomination Committee makes recommendations for the Board's consideration and approval. In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee makes recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

The Nomination Committee considers the following criteria in assessing the suitability of the proposed candidate:

- (a) reputation for integrity;
- (b) accomplishment, experience and reputation in the relevant industry and other relevant sectors;
- (c) commitment in respect of sufficient time, interest and attention to the Company's business;
- (d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;
- (e) the ability to assist and support management and make significant contributions to the Company's success;
- (f) compliance with the criteria of independence as prescribed under Rule 5.09 of the GEM Listing Rules for the appointment of an independent non-executive Director; and
- (g) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

During the Year, the Nomination Committee held 2 meetings, during which it reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors and recommended to the Board for consideration the re-appointment of the retiring Directors at the AGM held on 19 February 2024. The Nomination Committee has also recommended to the Board to appoint Ms. Zhang Lu as executive Director.

CORPORATE GOVERNANCE REPORT

Board diversity policy

The Board has adopted a policy of the Board diversity (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on the Board.

Under the Board Diversity Policy, the Company considers diversity of Board members to be achieved through consideration of a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. As of the date of this report, the Board comprises one female director and six male directors with experience from industries and sectors. We are also committed to adopting similar approach to promote diversity, including but not limited to gender diversity, at all other levels of our Company from our Board downwards to enhance the effectiveness of our corporate governance as a whole.

The gender ratios in the workforce by categories of employees are set out in the section headed “Social Aspects — Employment Practices” in the Environment, Social and Governance Report in this Annual Report. The Board considers that gender diversity is currently achieved and is committed to maintain gender diversity in respect of the workforce level.

The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the objectives of its Board Diversity Policy for the Year.

Remuneration Committee

The Group established the Remuneration Committee on 24 April 2020 with written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules and paragraph B.1.2 of the CG Code. The primary duties of our Remuneration Committee, under the principle that no Director or any of his/her associates should be involved in deciding his/her own remuneration include, among others, making recommendations to our Board on (a) our remuneration policy and structure for all of our Directors and senior management; (b) the establishment of a formal and transparent procedure for developing remuneration policies; (c) the remuneration packages of our executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their offices or appointments; (d) the remuneration of our non-executive Directors; and (e) review and/or approve matter relating to share schemes under Chapter 23 of the GEM Listing Rules. Our Remuneration Committee comprises three independent non-executive Directors, namely Mr. Zhao Shiwei, Mr. Wong Wah and Mr. Kuan Hong Kin Daniel and two executive Directors namely Mr. Zhang Yang and Ms. Shi Minyue. Mr. Zhao Shiwei is the chairman of our Remuneration Committee.

During the Year, the Remuneration Committee held 2 meeting, at which the Remuneration Committee reviewed and considered the specific remuneration packages of the executive Directors, the remuneration package of newly appointed executive Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years and such letter of appointment may be terminated by either party giving at least one month’s notice in writing. Also, the independent non-executive Directors are subject to re-election on retirement by rotation at the AGM in accordance with the Articles.

CORPORATE GOVERNANCE REPORT

The Company has received written annual confirmation from each independent non-executive Director of their independence pursuant to the requirements of Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors namely Mr. Zhao Shiwei, Mr. Wong Wah and Mr. Kuan Hong Kin Daniel to be independent in accordance with the independence guidelines set out in the GEM Listing Rules for the Year.

DIRECTORS' TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of a director's responsibilities under applicable statutes and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Company will from time to time provide briefings to all Directors to develop and refresh their knowledge and skills relating to their duties and responsibilities.

All Directors are also encouraged to attend relevant training courses at the Company's expense and they are requested to provide the Company with their training records. According to the training records maintained by the Company, all Directors, namely Mr. Zhang Yang, Ms. Shi Minyue, Mr. Sing Hob Ming, Ms. Zhang Lu, Mr. Zhao Shiwei, Mr. Wong Wah and Mr. Kuan Hong Kin Daniel had attended training sessions on obligations, duties and responsibilities of directors during the Year.

AUDITOR'S REMUNERATION

The Company engaged HLB Hodgson Impey Cheng Limited as its external auditor for the Year. Analysis of the remuneration in respect of audit services provided by the external auditor is included in note 10 to the financial statements in this annual report.

COMPANY SECRETARY

The company secretary of the Company (the "**Company Secretary**") assists the Board by ensuring the Board policy and procedures are followed. The Company Secretary is also responsible for advising the Board on corporate governance matters.

The Company has appointed Mr. Yu Chun Kit as the Company Secretary.

For the year ended 30 June 2024, Mr. Yu Chun Kit undertook no less than 15 hours of relevant professional training to update his skill and knowledge in accordance with Rule 5.15 of the GEM Listing Rules. The biographical details of Mr. Yu Chun Kit is set out in the section headed "Directors and Senior Management" of this annual report.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company has established and maintained the procedures and internal controls for the handling and dissemination of inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or inside information or any use of such information for the advantage of any individual. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of Stock Exchange and the Company in due course.

CORPORATE GOVERNANCE REPORT

REMUNERATION OF SENIOR MANAGEMENT

During the Year, the remuneration bands of senior management is listed as follows:

Band of remuneration (HK\$)	No. of person(s)
HK\$0 to HK\$1,000,000	8

Further details of the remuneration of the Directors and the 5 highest paid employees are set out in note 11 to the consolidated financial statements.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors also acknowledge their responsibility to ensure the financial statements are published in a timely manner. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the external independent auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditors' Report as annexed to this report.

INDEPENDENT AUDITOR'S REMUNERATION

During the Year, the fee paid/payable to the external independent auditor of the Company and its affiliates is as follows:

Description	S\$'000
Audit services — Annual audit	137,960
Non-audit services	—
Grand total	137,960

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment, maintenance and review of the Group's risk management and internal control systems and review of their effectiveness. The Board must ensure that the Company establishes and maintains effective risk management and internal control systems to meet the objectives and safeguard the interests of the shareholders and the assets of the Company.

The Board oversees the Group's overall risk management and internal control systems on an annual basis. At the same time, the Group endeavours to identify risks, control impact of the identified risks and facilitate implementation of coordinated mitigating measures.

CORPORATE GOVERNANCE REPORT

The Board is responsible for overseeing ESG matters relating to the Group, assessing the potential impacts of ESG issues, and managing material ESG issues as part of the risk assessment and internal controls of the Group. The management and the employees of the Group who are responsible for the Group's key business operations have formed an ESG working group to manage and monitor the ESG issues, formulate the Group's ESG strategies and prepare the ESG Report.

In the course of conducting the business, the Group is exposed to various types of risks. During the Year, the following principal risks of the Group were identified and classified into strategic risks, operational risks, financial risks and compliance risks.

Strategic Risks:

Sensitivity to government policies; keeping up with new technologies and customers' taste; market competition risk, reputation risk.

Operational Risks:

Insufficient labour supply; workplace injury; disruption of IT system

Financial Risks:

Liquidity risk; credit risk; interest rate risk; inflation risk

Compliance Risks:

Risk related to occupational safety and health; risk of non-compliance with ordinances related to employment; changes of the GEM Listing Rules and relevant company regulations and ordinances

The Group does not have an internal audit department but the Group has conducted an annual review on whether there is a need for such an internal audit department. Given the Group's relatively simple corporate and operation structure, the Board, as supported by the Audit Committee, is directly responsible for risk management and internal control systems of the Group including financial, operational and compliance controls and risk management functions and for reviewing its effectiveness.

The Group's risk management and internal control system features the following processes to identify, evaluate and manage significant risks, and review the effectiveness of the risk management and internal control systems, as well as resolve material internal control defects:

- Members of the Board and Audit Committee discuss with the external independent auditor key issues in relation to internal controls, audit findings and risk management;
- The Board and Audit Committee oversees the financial reporting system and internal control procedures; in this process, management is principally responsible for the preparation of Group financial statements including the selection of suitable accounting policies;
- The external independent auditor is responsible for auditing and attesting to Group financial statements and report to the management of the Company from time to time on any weakness in controls which come to their attention; the Board and Audit Committee oversees the respective work of management and external auditors to ensure the management has discharged its duty in respect of having an effective internal control procedures.

CORPORATE GOVERNANCE REPORT

During the Year, the Board had conducted an annual review of the effectiveness of the internal control system which covered all material controls, including financial, operational and compliance controls and risk management functions of the Group. The Board considered the risk management and internal controls systems of the Group to be adequate and effective for the Year.

The Group's risk management and internal control systems are aimed to manage, rather than eliminating, the risk of failure to achieve business objectives and thus can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has the overall responsibility to maintain the adequate resources, staff qualifications and experience, training programs and the budget accounting and financial reporting.

SHAREHOLDERS' RIGHTS

Procedures for Convening General Meetings by Shareholders

Pursuant to the Articles, and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time), the Board may, whenever it thinks fit, convene an extraordinary general meeting ("EGM"). EGMs shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose requiring an EGM to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company by mail at Unit A, 12/F, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong to require an EGM to be called by the Board for the transaction of any business specified in such requisition. Such requisition should specify clearly the name of the eligible shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the eligible shareholder(s) concerned together with a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement submitted by shareholders concerned in accordance with the statutory requirements to all the registered shareholders.

The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles to all the registered shareholders. On the contrary, if the requisition has been verified as not in order or the shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the eligible shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.

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

CORPORATE GOVERNANCE REPORT

Procedures for Putting Forward Proposals at Shareholders' Meeting

Shareholders are requested to follow Article 58 of the Articles for including a resolution at an EGM. The requirements and procedures are set out above in the paragraph headed "Procedures for Convening General Meetings by Shareholders".

Procedures by which enquiries may be put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are encouraged to send their enquiries to the Board by post to the principal place of business set out in the section headed "Corporate Information" in this report. Shareholders may also make enquiries with the Board at the general meetings of the Company.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community. The Company has established a shareholders communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to, annual, interim and quarterly reports, circulars, announcements, and notices of AGMs are update on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (<https://youyinzhinengkeji.com/tzzgx>).

In addition, the Company regards the AGM as an important event as it provides an opportunity for direct communication between the Board and its shareholders. Shareholders are encouraged to attend the AGM.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has adopted shareholders communication policy with objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established several channels to communicate with the shareholders of the Company as follows:

- (I) corporate communications such as annual reports, quarterly reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "https://youyinzhinengkeji.com/tzzgx";
- (II) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (III) corporate information is made available on the Company's website at <https://youyinzhinengkeji.com/tzzgx>;
- (IV) annual and special general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management; and
- (V) the Hong Kong share registrar of the Company serves the shareholders in respect of share registration, dividend payment and related matters.

CORPORATE GOVERNANCE REPORT

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquires to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

Shareholder's communication policy was adopted by the Company to comply with the CG Code. The Company has reviewed the Company's shareholders engagement and communication activities conducted during the Year and was satisfied with the implementation and effectiveness of the shareholders' communication of the Company. The Company will continue to enhance communications and relationships with its Shareholders and investors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The ESG report are set out on page 20 to page 49 of this annual report.

DIRECTORS' REPORT

The Board is pleased to submit this annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal business activity of the Company is investment holding. The principal activities and other particulars of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

REORGANISATION AND SHARE OFFER

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 16 May 2019. Its shares were listed on GEM of the Stock Exchange on 18 May 2020. Pursuant to the reorganisation of the Group in connection with the Listing (the "Reorganisation"), the Company became the holding company of the Group on 24 April 2020. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure — Reorganisation" to the Prospectus.

DIRECTORS

The name of every person who was a Director at any point during the Year and up to date of this report is as follows:

Mr. Zhang Yang (*Executive Director*)

Ms. Shi Minyue (*Executive Director*)

Mr. Sing Hob Ming (*Executive Director*)

Ms. Zhang Lu (*Executive Director*) (appointed on 5 April 2024)

Mr. John Lim Boon Kiat (*Executive Director*) (resigned on 1 February 2024)

Mr. Zhao Shiwei (*Independent non-executive Director*)

Mr. Wong Wah (*Independent non-executive Director*)

Mr. Kuan Hong Kin Daniel (*Independent non-executive Director*)

In accordance with Article 84(1) of the Articles, Mr. Zhang Yang, Ms. Shi Minyue and Mr. Kuan Hong Kin Daniel will retire from the Board by rotation at the forthcoming AGM and, being eligible, offer himself for re-election.

In accordance with Article 83(3) of the Articles, Ms. Zhang Lu will retire from the Board by rotation at the forthcoming AGM and, being eligible, to offer themselves for re-election. Ms. Zhang Lu obtained legal opinion under Rule 5.02D of the GEM Listing Rules on 3 April 2024. Ms. Zhang Lu has confirmed that she understands her responsibilities as a Director of the Company.

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" of this report.

DIRECTORS' REPORT

RESULTS/BUSINESS REVIEW

The results of the Group for the Year are set out on page 72 to page 151 of this report. The business review of the Group for the Year, which includes the principal risks and uncertainties facing the Group, an analysis using financial key performance indicators of the Group's business, particulars of important events affecting the Group, an indication of likely future developments in the Group's business, and discussion on the Company's environmental policies and performance and the relationships with its stakeholders, can be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Environmental, Social and Governance Report" and "Independent Auditors' Report" of this annual report. The review forms part of this directors' report.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the past four financial years, as extracted from the audited consolidated financial statements, is set out on page 152 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 19 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

As at 30 June 2024, the reserves available for distribution to the shareholders of the Company is nil.

DIVIDEND POLICY

In deciding whether to propose a dividend and in determining the dividend amount, the Board takes into account, inter alia:

- (i) the actual and expected financial performance of our Group;
- (ii) retained earnings and distributable reserves of our Company and each of the other members of our Group;
- (iii) economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of our Group;
- (iv) business strategies of our Group, including future cash commitments and investment needs to sustain the long-term growth aspect of the business;
- (v) the current and future operations, liquidity position and capital requirements of our Group;
- (vi) statutory and regulatory restrictions; and
- (vii) other factors that our Board deems appropriate.

DIRECTORS' REPORT

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and the Articles. The dividend policy of the Company will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific period.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Year.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

The Board confirms that during the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under 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.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Tuesday, 19 November 2024 to Friday, 22 November 2024, both days inclusive, during which no transfer of shares of the Company will be effected. In the case of shares of the Company, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Monday, 18 November 2024.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 24 April 2020 (the "**Adoption Date**"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The following is a summary of the principal terms of the Share Option Scheme:

(A) Purpose of Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest ("**Invested Entity**").

(B) Participants of the Share Option Scheme

- (1) Any employee (whether full time or part time employee, including any executive Director) of our Company, any of its subsidiaries and any Invested Entity;
- (2) Any non-executive Director (including independent non-executive Director) of our Company, any of its subsidiaries or any Invested Entity;
- (3) Any supplier of goods or services to any member of our Group or any Invested Entity;

DIRECTORS' REPORT

- (4) Any customer of any member of our Group or any Invested Entity;
- (5) Any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (6) Any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (7) Any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (8) Any other group or classes of participants who have contributed or may contribute, by way of joint venture, business alliance, other business arrangement or otherwise, to the development and growth of our Group, and for the purposes of the Share Option Scheme, the option may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants or any discretionary object of a participant which is a discretionary trust.

(C) Total number of shares available for issue under the Share Option Scheme

Under the Share Option Scheme, the total number of shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the total number of shares in the Company in issue on the Listing Date, being 26,617,500 shares in the Company (representing 10% of the shares in issue of the Company as at the date of this report).

(D) Maximum Entitlement of Each Participant under the Share Option Scheme

The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of shares in the Company in issue.

(E) Period within which the Shares must be taken up under an Option

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

(F) Minimum period for which an Option must be held before it can be exercised

Unless otherwise determined by our Board and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

(G) Amount payable on acceptance of an option and the Period within which payments shall be made

A consideration of HK\$1 is payable on acceptance of the offer of grant of an option. An option may be offered for acceptance for a period of 21 days from the date on which the letter containing the offer is delivered to that participant.

DIRECTORS' REPORT

(H) Basis of determining the Exercise Price

The exercise price in respect of any particular option shall, subject to any adjustment made pursuant to the terms of the Share Option Scheme, be such price as determined by our Board, but in any case shall not be less than the highest of (i) the closing price of the shares in the Company as stated in the Stock Exchange's daily quotations sheet on the date of the grant of the option, which must be a business day; (ii) the average closing price of the shares in the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the option; and (iii) the nominal value of a share in the Company on the date of grant of the option.

(I) Remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date.

As of the report date, no share option has been granted, exercised, cancelled, or lapsed under the Share Option Scheme since the Adoption Date.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the shareholders by reason of their holding of the Company's securities.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the Year attributable to the Group's major customers and suppliers are as follows:

As a bakery outlet and restaurant chain, we have a large and diverse customer base. Our revenue deemed from our five largest customers accounted for less than 5% of our total revenue for the Year.

PURCHASES	%
— The largest supplier	10.2%
— Five largest suppliers	35.4%

None of the Directors, their associates or any shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major customers or suppliers noted above.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Year, details of significant transactions with its related parties or transactions undertaken in the normal course of business are set out in note 33 to the consolidated financial statements. None of those transactions constitutes a disclosable connected transaction pursuant to Chapter 20 of the GEM Listing Rules.

DIRECTORS' REPORT

DONATIONS

During the Year, the Group did not make any cash donation.

ISSUANCE OF SHARES

During the Year, save as the Subscription of 26,175,000 Subscription Shares, no new Shares were issued by the Company.

For the details of the Subscription during the Year, please refer to "Management Discussion and Analysis — Significant Events" in this report.

ISSUANCE OF DEBENTURES

During the Year, no debentures were issued by the Company.

DISCLOSURE OF INTERESTS AND OTHER INFORMATION

Directors' And Chief Executive's Interests And Short Positions In The Shares, The Underlying Shares Or Debentures Of The Company And Its Associated Corporations

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company 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")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the required standard of dealings as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

I. Long position in the ordinary shares of the Company

Name of Director	Nature of interest	Long/short positions	Number of ordinary shares held/interested	Percentage of shareholding
Mr. Zhang Yang	Interest in a controlled corporation (<i>Note</i>)	Long	131,850,000	49.54%

Note: These shares were held by China Uwin, a directly wholly owned corporation of Uin Holdings Limited, and Uin Holdings Limited is a directly wholly-owned corporation of Mr. Zhang Yang.

DIRECTORS' REPORT

II. Long position in the ordinary shares of associated corporation — Uin Holdings Limited

Name of Director	Nature of interest	Number of ordinary shares held/ interested	Percentage of shareholding
Mr. Zhang Yang	Beneficial owner	1	100%

Saved as disclosed above, as at 30 June 2024, none of the Directors nor the chief executive of the Company 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 pursuant to section 352 of the SFO.

Substantial Shareholders' And Other Persons' Interests And Short Positions In The Shares, And Underlying Shares Of The Company

As at 30 June 2024, the following parties had interests of 5% or more in the shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholder	Nature of interest	Number of shares held/ interested	Long/Short Positions	Percentage of shareholding
China Uwin Technology Co., Limited ("China Uwin") (note 1)	Beneficial interest	131,850,000	Long	49.54%
Uin Holdings Limited (note 2)	Interest in a controlled corporation	131,850,000	Long	49.54%
Mr. Zhang Yang	Interest in a controlled corporation	131,850,000	Long	49.54%

Note:

(1) China Uwin is a directly wholly-owned corporation of Uin Holdings Limited.

(2) Uin Holdings Limited is a directly wholly-owned corporation of Mr. Zhang Yang.

Save as disclosed above, as at 30 June 2024, the Company is not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS

All executive Directors currently in office have entered into service agreements with the Company for a term of three years commencing from the Listing Date and shall continue unless terminated by either party giving no less than three months' written notice served on the other.

Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing from the Listing Date, which may be terminated by either party giving no less than one month's written notice served on the other.

The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles.

Save as disclosed above, none of the Directors who are proposed to be re-elected at the forthcoming AGM has entered into a service contract or an appointment letter with our Company or any of our subsidiaries (other than contracts or appointment letters expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

DIRECTORS' REMUNERATION

The Directors' emoluments are subject to the Company's shareholders' approval at general meetings and such emoluments shall be determined by the Board and the Remuneration Committee with reference to Directors' duties, responsibilities and performance and the results of the Group. Details of remuneration of the Directors are set out in note 11 to the consolidated financial statements.

EMOLUMENT POLICY

The Company has established the Remuneration Committee in compliance with the GEM Listing Rules. The primary duties of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for all Directors and senior management's remuneration, on the establishment of a formal and transparent procedure for developing remuneration policy, and on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments including any compensation payable for loss or termination of office or appointment.

Under the remuneration policy of the Company, the Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group.

Details of the Directors' remuneration and the five highest paid individuals are set out in notes 11 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

The Articles provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty by any of the Directors.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Details of the related party transactions are set out in the Corporate Governance Report and note 33 to the consolidated financial statements.

Notwithstanding the above, no transaction, arrangement or contract that is significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a person who at any time during the Year was a Director or his/her connected entity had, directly or indirectly, a material interest subsisted at any time during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except for the Share Option Scheme, neither the Company nor any of its subsidiary undertakings was a party to any arrangements to enable Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the Year.

MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during the Year.

CONTROLLING SHAREHOLDER'S INTEREST IN CONTRACTS OF SIGNIFICANCE

Neither contract of significance made between the Company or any of its subsidiaries and the controlling shareholder of the Company or any of its subsidiaries, nor contract of significance made for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into during the Year.

INTEREST IN COMPETING INTERESTS

None of the Directors, the controlling shareholders of the Company, or any of their respective close associates (as defined in the GEM Listing Rules) is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Year, and is required to be disclosed pursuant to rule 11.04 of the GEM Listing Rules.

NON-COMPETITION UNDERTAKINGS

Each of controlling shareholders of the Company, Mr. Zhang, China Uwin and Uin Holdings Limited has confirmed to the Company of their respective due compliance with the terms of the deed of non-competition (the "**Deed of Non-Competition**") since the Listing Date and up to the date of this report.

Our independent non-executive Directors have reviewed compliance of the Deed of Non-Competition and were satisfied that the terms of the Deed of Non-Competition had been duly complied with and enforced since the Listing Date and up to the date of this report.

During the Year, the Board had not received any written confirmation from any of our Directors in respect of interest in any business (other than our Group) which is or is likely to be directly or indirectly in competition with our business.

DIRECTORS' REPORT

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the best knowledge of the Directors, the Company maintained a sufficient amount of public float for its shares as required under the GEM Listing Rules.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group fully complies with all laws and regulations and regularly monitors and gathers information about changes in laws, rules and regulations relevant to the Group's businesses to ensure the Group's observance of those applicable laws, rules and regulations, especially those which may have material impact on the Group.

INDEPENDENT AUDITOR

PricewaterhouseCoopers ("**PwC**") has resigned as the independent auditor of the Company with effect from 5 July 2021 and HLB Hodgson Impey Cheng Limited ("**HLB**") has been appointed as the independent auditor of the Company on 9 July 2021 to fill the casual vacancy following the resignation of PwC. For details, please refer to the announcement dated 9 July 2021. HLB has resigned as the auditor of the Company with effect from 7 June 2023 as the Company and HLB could not reach a consensus on the audit fee for the year ended 30 June 2023 and SHINEWING (HK) CPA Limited ("**SHINEWING**") has been appointed as the independent auditor of the Company on 7 June 2023. For detail, please refer to the announcement dated 7 June 2023. SHINEWING has resigned as the auditor of the Company with effect from 4 June 2024 as the Company and SHINEWING could not reach a consensus on the audit fee for the year ended 30 June 2024. Save as disclosed herein, the Company has not changed its auditor in any of the preceding three years.

The Board, with the recommendation from the Audit Committee, has resolved to appoint HLB as the auditor of the Company with effect from 4 June 2024, to fill the vacancy following the resignation of SHINEWING and to hold office until the conclusion of the next annual general meeting of the Company. For the details, please refer to the announcement of the Company dated 4 June 2024 published on the website of the Stock Exchange and the website of the Company.

HLB confirmed in its letter of resignation dated 7 June 2023 that there was no matter in connection with its resignation that they considered should be brought to the attention of the shareholders or creditors of the Company. SHINEWING confirmed in its letter of resignation dated 4 June 2024 that there was no matter in connection with its resignation that they considered should be brought to the attention of the shareholders or creditors of the Company.

The Board and the Audit Committee have also confirmed that there is no disagreements or unresolved matters between the Company and HLB or between the Company and SHINEWING in respect of the change of the auditor which should be brought to the attention of the shareholders of the Company.

The consolidated financial statements for the Year have been audited by HLB, who shall retire and, being eligible, offer themselves for re-appointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming AGM.

By Order of the Board

Global Uin Intelligence Holdings Limited

Zhang Yang

Chairman and executive Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GLOBAL UIN INTELLIGENCE HOLDINGS LIMITED

環球友飲智能控股有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Global Uin Intelligence Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 77 to 151, which comprise the consolidated statement of financial position as at 30 June 2024, 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 and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("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 Auditors' 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 Note 3 to the consolidated financial statements, which indicates that the Group incurred a loss of S\$2,191,771 and, as of that date, the Group had net current liabilities of \$6,368,005, while cash and bank balances amounted to only approximately S\$279,473 as at 30 June 2024. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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
<p>Revenue recognition of sales of bakery products and operation of restaurants</p> <p>Refer to note 3 for the Group's accounting policies on revenue recognition and note 5 for the analysis of revenue of the Group for the year ended 30 June 2024.</p> <p>The Group recognised revenue of S\$6,717,427 for the year ended 30 June 2024.</p> <p>We focused on revenue recognition in particular for sales of bakery products and operation of restaurants due to its magnitude and the characteristics of the Group's industry nature. The recording of revenue involves high volume of individual transactions derived from sales to multiple customers such that we have incurred significant time and resources in carrying out our work in this area.</p>	<p>Our audit procedures included, and were not limited to, the following:</p> <ul style="list-style-type: none"> • Understood management's key internal controls over the revenue recognition process; • Performed analytical procedures, such as analysing the gross profit margins reported by the Group and comparing the actual result of the current year with that of the prior year; • Performed test of details and cut-off procedures which included inspection of corresponding supporting documents on a sample basis; and • We tested samples of journal entries posted to revenue accounts selected on risk-based criteria. <p>Based on the procedures performed, we considered that the sales transactions being tested were supported by the available evidence.</p>

INDEPENDENT AUDITORS' REPORT

OTHER MATTER

The consolidated financial statements of the Group for the year ended 30 June 2023, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 January 2024.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditors' 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 OF THE COMPANY AND THE AUDIT COMMITTEE 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 IFRSs 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

AUDITORS' 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 auditors' report that includes our opinion, 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment 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 of the Company.
- Conclude on the appropriateness of the Company's 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 auditors' 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 auditors' 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.

INDEPENDENT AUDITORS' REPORT

- 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Audit Committee, 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in this independent auditors' report is Mr. Kwok Tsz Chun.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Kowk Tsz Chun

Practising Certificate Number: P06901

Hong Kong

30 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	NOTES	2024 S\$	2023 S\$ (Restated)
Revenue	5	6,717,427	11,178,050
Other income	6	41,241	206,869
Other gains/(losses), net	7	784,290	208,505
Raw materials and consumables used		(3,171,730)	(2,446,975)
Employee benefit costs	10	(3,168,376)	(5,000,228)
Expenses under short-term and variable lease payments	15	(184,286)	(257,294)
Depreciation of right-of-use assets	15	(528,811)	(2,568,804)
Depreciation of plant and equipment	14	(20,776)	(699,444)
Impairment loss on right-of-use assets	15	(514,583)	(1,814,884)
Expected credit loss on trade receivables		(42,550)	-
Impairment loss on plant and equipment	14	(8,698)	(1,248,392)
Impairment loss on inventories		-	(68,948)
Other expenses	10	(1,801,332)	(2,473,256)
Finance income	8	9,848	65,348
Finance costs	8	(149,292)	(274,527)
Loss before income tax		(2,037,628)	(5,193,980)
Income tax expense	9	(154,143)	(211,080)
Loss for the year	10	(2,191,771)	(5,405,060)
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		42,179	(13,163)
Total comprehensive expense for the year		(2,149,592)	(5,418,223)
Profit/(loss) attributable to:			
Owners of the Company		(2,238,651)	(5,034,703)
Non-controlling interests		46,880	(370,357)
		(2,191,771)	(5,405,060)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		(2,190,805)	(5,043,366)
Non-controlling interests		41,213	(374,857)
		(2,149,592)	(5,418,223)
			(Restated)
Loss per share			
Basic and diluted (S\$ cents)	13	(0.91)	(2.10)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2024

	NOTES	2024 S\$	2023 S\$ (Restated)
ASSETS			
Non-current assets			
Plant and equipment	14	540,177	184,101
Right-of-use assets		355,519	935,713
Deferred tax assets	25	88,844	359,082
Deposits and prepayment	16	562,332	436,347
		1,546,872	1,915,243
Current assets			
Inventories	17	66,561	57,820
Trade and other receivables, deposits and prepayments	16	1,741,462	924,700
Cash and cash equivalents	18	279,473	166,719
		2,087,496	1,149,239
Total assets		3,634,368	3,064,482
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	19	488,559	441,360
Share premium	19	8,496,491	7,100,029
Other reserves	20	1,780,379	1,780,379
Exchange reserves	21	39,551	(8,298)
Accumulated losses		(15,594,809)	(13,356,155)
		(4,789,829)	(4,042,685)
Non-controlling interest	33	(354,880)	(396,093)
Total (deficit)/equity		(5,144,709)	(4,438,778)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2024

	NOTES	2024 S\$	2023 S\$ (Restated)
LIABILITIES			
Non-current liabilities			
Provision for reinstatement cost	22	38,530	208,888
Lease liabilities	15	196,166	1,268,570
Deferred tax liabilities	25	88,880	180,134
		323,576	1,657,592
Current liabilities			
Trade and other payables	26	1,468,410	1,871,120
Amounts due to related parties	27	5,449,355	1,685,185
Current income tax liabilities		104,469	129,602
Lease liabilities	15	712,454	1,753,857
Provision for reinstatement cost	22	62,146	79,133
Contract liabilities	23	510,589	–
Borrowings	24	148,078	326,771
		8,455,501	5,845,668
Total liabilities		8,779,077	7,503,260
Net current liabilities		(6,368,005)	(4,696,429)
Total equity and liabilities		(3,634,368)	(3,064,482)

The consolidated financial statements on pages 77 to 151 were approved and authorised for issue by the Board of Directors on 30 September 2024 and are signed on its behalf by:

Mr. Zhang Yang
Director

Ms. Shi Minyue
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Attributable to the equity holders of the Company						Non-controlling interests	Total equity/(deficit)
	Share capital	Share premium	Other reserve	Exchange fluctuation reserve	Accumulated loss	Sub-total		
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
As at 1 July 2022								
(as originally presented)	441,360	7,100,029	1,780,379	365	(8,682,349)	639,784	(21,236)	618,548
Effect of the adoption of amendments to IAS 12 (Note 2)	-	-	-	-	360,897	360,897	-	360,897
As at 1 July 2022 (Restated)	441,360	7,100,029	1,780,379	365	(8,321,452)	1,000,681	(21,236)	979,445
Loss for the year	-	-	-	-	(4,873,817)	(4,873,817)	(370,357)	(5,244,174)
Other comprehensive income/ (expense) for the year:								
Exchange differences on translation of foreign operation	-	-	-	(8,663)	-	(8,663)	(4,500)	(13,163)
Total comprehensive expense for the year	-	-	-	(8,663)	(4,873,817)	(4,882,480)	(374,857)	(5,257,337)
As at 30 June 2023 and 1 July 2023								
(as originally presented)	441,360	7,100,029	1,780,379	(8,298)	(13,556,166)	(4,242,696)	(396,093)	(4,638,789)
Impact of the adoption of Amendments to IAS 12 (Note 2)	-	-	-	-	200,011	200,011	-	200,011
As at 1 July 2023 (Restated)	441,360	7,100,029	1,780,379	(8,298)	(13,356,155)	(4,042,685)	(396,093)	(4,438,778)
Loss for the year	-	-	-	-	(2,238,651)	(2,238,651)	46,880	(2,191,771)
Other comprehensive income for the year:								
Exchange differences on translation of foreign operation	-	-	-	47,846	-	47,846	(5,667)	42,179
Total comprehensive expense for the year	-	-	-	47,846	(2,238,651)	(2,190,805)	41,213	(2,149,592)
Share subscription during the year (Note 19)	47,199	1,396,462	-	-	-	1,443,661	-	1,443,661
As at 30 June 2024	488,559	8,496,491	1,780,379	39,548	(15,594,806)	(4,789,829)	(354,880)	(5,144,709)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	2024 S\$	2023 S\$
Cash flow from operating activities		
Loss before income tax	(2,037,628)	(5,193,980)
Adjustment for:		
— Depreciation of plant and equipment	20,776	699,444
— Depreciation of right-of-use assets	528,811	2,568,804
— Impairment loss on plant and equipment	8,698	1,248,392
— Impairment loss on right-of-use asset	514,583	1,814,884
— Impairment loss on inventories	—	68,948
— (Reversal of)/provision for reinstatement cost	(303,805)	1
— Finance costs	149,292	274,527
— Finance income	(9,848)	(65,348)
— Gain on lease modifications	(784,290)	(246,753)
— Loss on disposals of plant and equipment	—	38,248
— Government grants	—	(186,756)
Operating (loss)/profit before working capital changes	(1,913,411)	1,020,411
Changes in working capital:		
— (Increase)/Decrease in trade and other receivables, deposits and prepayments	(896,393)	719,815
— Decrease/(Increase) in inventories	25,570	(3,901)
— Decrease in trade and other payables	(360,402)	(181,884)
— Increase in contract liabilities	510,589	—
Cash (used in)/generated from operations	(2,634,047)	1,554,441
Income tax paid	(293)	(104)
Net cash (used in)/generated from operating activities	(2,634,340)	1,554,337
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	192,133	125,000
Purchase of plant and equipment	(580,773)	(124,270)
Interest income received	1,042	15
Net cash (used in)/generated from investing activities	(387,598)	745

CONSOLIDATED STATEMENT OF CASH FLOWS*For the year ended 30 June 2024*

	2024	2023
	S\$	S\$
Cash flows from financing activities		
Repayment of borrowings	(178,693)	(253,217)
Interest paid on borrowings	(42,470)	(30,834)
Interest repayment of lease liabilities	(103,089)	(231,967)
Principal repayment of lease liabilities	(1,798,512)	(4,289,200)
Repayment to the related parties	–	(116,778)
Advance from the related parties	3,815,899	1,077,371
Government grants received	–	186,756
Proceeds from issues of shares	1,443,661	–
Net cash generated from/(used in) financing activities	3,136,796	(3,657,869)
Net decrease in cash and cash equivalents	114,858	(2,102,787)
Cash and cash equivalents at beginning of the year	166,719	2,270,293
Effects of currency translation on cash and cash equivalents	(2,104)	(787)
Cash and cash equivalents at end of the year	279,473	166,719

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. GENERAL INFORMATION AND REORGANISATION

Global Uin Intelligence Holdings Limited (“the Company”) (formerly known as “Global Dining Holdings Limited” till 28 December 2022) was incorporated in the Cayman Islands on 16 May 2019 as an exempted company with limited liability under Companies Law Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) principally engage in the manufacturing and retailing of bakery products and operation of restaurants.

The Company’s immediate and ultimate holding company is China Uwin Technology Co., Limited (“China Uwin”), a company incorporated in Hong Kong with limited liability which is beneficially and wholly-owned by Mr. Zhang Yang (“Mr. Zhang”).

These consolidated financial statements are presented in Singapore dollars (“SGD” or “S\$”), which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to IFRSs issued by the International Accounting Standards Board (the “IASB”), which are effective for Group’s financial year beginning on or after 1 July 2023:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendment 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

The application of the amendments to IFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements, except for the following application of amendments to IAS 12 Deferred Tax related to Assets and liabilities arising from a Single Transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions in accordance with the transition provision.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The Group has applied the amendments on temporary differences related to leases as at 1 July 2022.

Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets at 1 July 2022, with cumulative effect recognised as an adjustment to the balances of retained profits and non-controlling interests at that date. The quantitative impact on the financial statements is summarised below:

Impact on the consolidated statements of financial position:

	Increase/(decrease)		
	As at 30 June 2024	As at 30 June 2023	As at 30 June 2023
Assets			
Deferred tax assets	88,844	359,082	941,001
Total non-current assets	88,844	359,082	941,001
Total assets	88,844	359,082	941,001
Equity			
Accumulated losses	36	(200,011)	(360,897)
Total deficit	36	(200,011)	(360,897)
Liabilities			
Deferred tax liabilities	88,880	159,071	580,104
Total non-current liabilities	88,880	159,071	580,104
Total liabilities	88,880	159,071	580,104
Total equity and liabilities	88,844	359,082	941,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

Impact on the consolidated statements of profit and loss:

	Increase/(decrease)	
	As at 30 June 2024	As at 30 June 2023
Income tax expense	(200,047)	160,886
Loss for the year	(200,047)	160,886
Total comprehensive expenses for the year	(200,047)	160,886
Loss attributable to:		
Owners of the Company	(200,047)	160,886
Total comprehensive expense attributable to:		
Owners of the Company	(200,047)	160,886
Loss per share		
Basic and diluted (\$\$ cents)	(0.08)	0.07

Note: The adoption of amendments to IAS 12 did not have any impact on other comprehensive (expense)/income for the years ended 30 June 2024 and 2023.

New and amendments to IFRSs issued but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ²
Amendments to IAS 1	Non-current Liabilities with Covenants ²
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ²
Amendments to IAS 21	Lack of Exchangeability ³
Amendments to IFRS 9	Amendments to Classification and Measurement of Financial Instruments ⁴
IFRS 18	Presentation and Disclosure in Financial Statement ⁵
IFRS 19	Subsidiaries without Public Accountability Disclosure ⁵

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

⁴ Effective for annual periods beginning on or after 1 January 2026.

⁵ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that, except as described below, the application of the new and amendments to IFRSs will have no material impact on the results and the financial position of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

Amendments to IAS 1 Classification of Liabilities as Current or Non-current issued in 2020 (the "2020 Amendments") clarify the requirements for classifying liabilities as current or non-current. Amendments to IAS 1 Non-current Liabilities with Covenants issued in 2022 (the "2022 Amendments") further clarify the requirements for classification of non-current liabilities with covenants. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with future covenants, the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered as settlement of a liability.

The amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within twelve months.

The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. However, an entity that applies the 2020 Amendments early is also required to apply the 2022 Amendments, and vice versa.

Based on the Group's outstanding liabilities as at 30 June 2024, the application of the amendments will not result in change in the classification of the Group's liabilities.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 sets out significant new requirements for how financial statements are presented, with particular focus on the statement of profit or loss, including requirements for mandatory subtotals to be presented, aggregation and disaggregation of information, as well as disclosures related to management-defined performance measures. The aim of IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

The application of the new standard in the future will have no effect of the measurement of any items in the consolidated financial statements but affect the presentation and disclosure on the consolidated financial statements. The directors of the Company are currently assessing the impact that the application of the standard will have on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Compliance with IFRSs and Hong Kong Companies Ordinance

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The significant accounting policies are set out below.

Going concern basis

During the year ended 30 June 2024, the Group recorded a consolidated net loss of S\$2,191,771 and, as of that date, the Group had net current liabilities of S\$6,368,005, while cash and bank balances amounted to only approximately S\$279,473 as at 30 June 2024. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

In the preparation of the Group's consolidated financial statements, the directors of the Company (the "directors") have prepared a cash flow forecast covering a period of not less than twelve months from the date of consolidated financial statements and have given careful consideration to the Group's future liquidity and performance and its available sources of financing to continue as a going concern. After taking into account the following considerations in preparing the cash flow forecast, in the opinion of directors, the consolidated financial statements have been prepared on a going concern basis:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Going concern basis *(Continued)*

a. **Financial support from the ultimate holding company**

China Uwin, the ultimate holding company agreed to continuously provide financial support for the continuing operations of the Company so as to maintain sufficient working capital to realise its assets and discharge its liabilities in the normal course of businesses.

b. **Operating plans**

Management has been endeavoring to improve the Group's operating results and cash flows through various cost control measures and close certain underperforming retail outlets in Singapore. And the management will enhance the future operating cash flows from expanding the existing business in the PRC markets.

c. **Waiver of repayments of amounts due to related parties**

Mr. Yuan Chao ("袁超"), the related party of the Group, agreed not to call for any repayment of amount due to him totaling S\$1,961,240 as at 30 June 2024 before 31 January 2026.

Mr. Goh Leong Heng Aris and Ms. Anita Chia Hee Mei, the related parties of the Group, agreed not to call for any repayment of amount due to them totaling S\$1,817,213 as at 30 June 2024 until the Group is in a financial position to do so.

Notwithstanding the above, material uncertainties exist that may cast significant doubt on the Group's ability to continue as going concern, which depends on (i) whether the Subscription shall subsequently be completing; (ii) the success of the Group's expansion of operations in the PRC; (iii) the successful implementation of measures described above in the normal course of businesses.

Should the Group be unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Going concern basis *(Continued)*

d. New Investment injection from independent third party signed after year ended

An investment agreement has been reached by the Group and to the Group's investment in fund injection in the major operating subsidiary- 安徽秋田智能科技有限公司 of the new business operating segment-provision for intelligent drink of a total of RMB15,000,000 after the year ended date.

Notwithstanding the above, material uncertainties exist that may cast significant doubt on the Group's ability to continue as going concern, which depends on (i) whether the Subscription shall subsequently be completing; (ii) the success of the Group's expansion of operations in the PRC; (iii) the successful implementation of measures described above in the normal course of businesses.

Should the Group be unable to continue as a going concern, it may be unable to realise its assets and discharge its liabilities in the normal course of business. Adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains controls until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Basis of consolidation *(Continued)*

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportional share of net assets of the relevant subsidiaries upon liquidation.

Fair value measurement

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Acquisition of business are accounted for the acquisition of subsidiaries by the Group which qualifies as business combination, except for those acquisitions which qualify as a common control combination and are therefore accounted for using the merger accounting.

Under the acquisition of business, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange and, all acquisition-related costs are expensed. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of profit or loss and other comprehensive income.

Revenue from contracts with customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue from contracts with customers *(Continued)*

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

(a) Sales of bakery products

Revenue from sales of bakery products is recognised at a point in time when the products are delivered.

(b) Operation of restaurants

The Group operates chains of restaurants and provides catering services. Revenue is recognised when the related services have been rendered to customers.

(c) Provision for intelligent drink vending machine

The Group provides the intelligent drinking powder to retail customers. Revenue is recognised when the related products have been delivered to customers.

Revenue from provision for intelligent drink vending machine segment (revenue recognised at point in time)

The Group mainly sells drinking powder to the catering restaurants operators for this segment.

Per the structure of the sales contract and the actual operation of drinking machine (collectively known as the related products), the Group provides a significant service of integrating the drink vending machine (in which no alternative uses other than the Group’s drinking powder) with drinking powder promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted. Therefore, a single performance obligation is being assessed accordingly.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue from provision for intelligent drink vending machine segment (revenue recognised at point in time) *(Continued)*

Revenue is recognised when control of the related products has been transferred, being when the drinking powder have been delivered to the restaurants operators' shop outlets. Following the delivery, the Group has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery, subject to the Group's final contract signing and further negotiation. When the customer initially purchases the goods, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Leases

Definition of 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.

For contracts entered into or modified on or after the date of initial application of IFRS16, or arising from business combinations the Group assesses whether a contract is or contains a lease based on the definition at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of warehouse 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 recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

As a lessee *(Continued)*

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from COVID-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

As a lessee (Continued)

Lease liabilities (Continued)

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, initially measured using index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

As a lessee *(Continued)*

Lease modifications

Except for COVID-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases 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.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Singapore dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of Exchange fluctuation reserve (attributable to non-controlling interests as appropriate).

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Governments grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefits costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'loss before income tax' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Taxation *(Continued)*

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities - resulting in net deductible temporary differences.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Plant and equipment

Plant and equipment held for use in the supply of services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of 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 the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of plant and equipment and right-of-use assets are estimated individually. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established or otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Inventories

Inventories are stated at the lower of cost and the net realisable value. Costs of the inventories are determined on a first-in-first-out ("FIFO") method and comprises invoiced cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligations, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets, estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when the group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivable arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

Classification and measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets which are subject to impairment assessment under IFRS 9 (including trade and other receivables and cash at banks). The amount of ECL is updated at each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting period. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables without significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Significant increase in credit risk

In assessing whether the credit risk 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 when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Measurement and recognition of ECL (Continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as financial liabilities or equity

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, lease liabilities, amount due to related parties and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Derecognition/modification of financial liabilities (Continued)

Except for changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform in which the Group applies the practical expedient, when the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Related parties transactions

A party is considered to be related to the Group if:

- (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 of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Related parties transactions *(Continued)*

(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 mean that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the 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 parent of the entity); or
- (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 parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealing with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Group and a related party, regardless of whether a price is charged.

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 Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments 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 nature of production processes, the type or class of customers, the methods used to distribute the products or to provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination on lease term of contracts with renewal options

The Group applies judgements to determine the lease term for lease contracts in which it is a lessee that include renewal option, specifically, the leases relating to retail bakery outlets, restaurants and office. The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

When assessing reasonable certainty, the Group considers all relevant facts and circumstances including economic incentives/penalties for exercising or not exercising the options. Factors considered include:

- if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

During the year ended 30 June 2024, no extension options for leases (2023: two) were exercised upon the expiry of the guaranteed lease term. As disclosed in Note 7, gain on lease modifications amounting to S\$784,290 (2023: S\$246,753) was recognised in the consolidated statement of profit or loss and other comprehensive income, upon derecognition of the relevant lease liabilities and right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

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

Right-of-use assets and plant and equipment are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

As at 30 June 2024, the carrying amounts of right-of-use assets and plant and equipment amounted to S\$355,519 and S\$540,177 (2023: S\$935,713 and S\$184,101) respectively. Impairment losses amounted to S\$514,583 and S\$8,698 (2023: S\$1,814,884 and S\$1,248,392) were recognised for right-of-use assets and plant and equipment respectively during the year ended 30 June 2024. Details of the right-of-use assets and plant and equipment are disclosed in Notes 15 and 14 respectively.

5. REVENUE AND SEGMENT INFORMATION

The operating segments have been identified on the basis of internal management reports prepared in accordance with the Group's accounting policies set out in Note 3. The executive directors of the Company have been identified as the chief operating decision maker ("CODM"). The CODM monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment.

The Group operates under three operating segments:

1. sale of bakery products — operation of retail bakery outlets;
2. operation of restaurants — operation of fast casual dining restaurants; and
3. provision of intelligent drink vending machine.

The CODM considers the business from a product perspective. They reviewed the qualitative factors such as business activities, economic and legal characteristics and quantitative factors such as financial performance to assess the performance of the operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

Segment result as presented below represents operating profit/loss before unallocated finance income, unallocated finance costs, listing expense and unallocated other expenses and other losses. The segment information provided to the CODM for the year is as follows:

For the year ended 30 June 2024	Sales of bakery products S\$	Operation of restaurants S\$	Provision of intelligent drink vending machine S\$	Total S\$
Revenue from external customers recognised at a point in time	2,757,785	2,106,456	1,853,186	6,717,427
Raw materials and consumables used	(1,096,259)	(693,179)	(1,382,292)	(3,171,730)
Employee benefit cost	(1,053,060)	(1,213,788)	(550,764)	(2,817,612)
Expenses under short-term lease and variable lease payments	(119,517)	(64,769)	-	(184,286)
Depreciation of right-of-use assets	(238,686)	(137,096)	(153,029)	(528,811)
Depreciation of plant and equipment	(725)	-	(20,051)	(20,776)
Delivery agent service charging	(19,644)	(94,709)	-	(114,353)
Impairment loss on right-of-use assets	(343,214)	(171,369)	-	(514,583)
Impairment loss on plant and equipment	(8,698)	-	-	(8,698)
Impairment loss on inventories	-	-	-	-
Expected credit loss in trade receivables	-	-	(42,550)	(42,550)
Utilities and other expenses	(77,371)	(97,255)	-	(174,626)
Finance income	7,268	1,538	-	8,806
Finance cost	(77,657)	(49,658)	(21,977)	(149,292)
Other income	8,385	19,588	13,268	41,241
Other gains/(loss),net	287,093	497,197	-	784,290
Segment results	25,700	102,956	(304,209)	(175,553)
Finance income	-	-	-	1,042
Finance cost	-	-	-	-
Unallocated other expenses and other losses	-	-	-	(1,863,117)
Loss before income tax	-	-	-	(2,037,628)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)

For the year ended 30 June 2023	Sales of bakery products S\$	Operation of restaurants S\$	Total S\$
Revenue from external customers recognised			
at a point in time	6,287,073	4,890,977	11,178,050
Raw materials and consumables used	(1,257,334)	(1,189,641)	(2,446,975)
Employee benefit cost	(2,957,466)	(1,820,926)	(4,778,392)
Expenses under short-term lease and variable lease payments	(147,572)	(109,722)	(257,294)
Depreciation of right-of-use assets	(1,530,588)	(1,038,216)	(2,568,804)
Depreciation of plant and equipment	(275,321)	(424,123)	(699,444)
Delivery agent service charging	(54,049)	(200,244)	(254,293)
Impairment loss on right-of-use assets	(542,278)	(1,272,606)	(1,814,884)
Impairment loss on plant and equipment	(1,073,862)	(174,530)	(1,248,392)
Impairment loss on inventories	(41,684)	(27,264)	(68,948)
Utilities and other expenses	(761,505)	(493,801)	(1,255,306)
Finance income	40,101	25,232	65,333
Finance cost	(162,397)	(81,296)	(243,693)
Other income	56,545	150,324	206,869
Other gains net	161,034	47,471	208,505
Segment results	(2,259,303)	(1,718,365)	(3,977,668)
Finance income	–	–	15
Finance cost	–	–	(30,834)
Unallocated other expenses and other losses	–	–	(1,185,493)
Loss before income tax	–	–	(5,193,980)

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Information about major customers

There is no single external customer which contributed to more than 10% of the Group's revenue during the years ended 30 June 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. REVENUE AND SEGMENT INFORMATION (Continued)**Geographical information**

The Group's operations are located in Singapore and the People's Republic of China ("PRC").

Information about the Group's revenue from external customers and non-current assets is presented based on the location of the operations.

	Year ended 30 June	
	2024	2023
	S\$	S\$
Revenue from external customers		
— Singapore	3,587,825	10,178,939
— PRC	3,129,602	999,111
	6,717,427	11,178,050
Timing of revenue recognition		
— At point in time	6,717,427	11,178,050

	As at 30 June	
	2024	2023
	S\$	S\$
Non-current assets		
— Singapore	89,929	1,406,905
— PRC	1,368,099	149,256
— Unallocated – Deferred tax assets	88,844	359,082
	1,546,872	1,915,243

All revenue contracts are for one year or less, as permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. OTHER INCOME

	Year ended 30 June	
	2024	2023
	S\$	S\$
Government grant (Note (i))	16,421	186,756
Others	24,820	20,113
	41,241	206,869

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the year ended 30 June 2024***6. OTHER INCOME** *(Continued)**Note (i):*

Government grant mainly comprised Job Support Scheme ("JSS"), Special Employment Credit ("SEC"), Job Growth Incentive ("JGI"), Enabling Employment Credit ("EEC"), Skill Future Enterprise Credit ("SFEC") and Progressive Wage Credit Scheme ("PWCS") granted to the Group by the Singapore authorities in premise of certain conditions. There are no unfulfilled conditions and other contingencies attached to the receipts of the Group.

JSS

JSS was introduced by the Singapore Government in February 2020 to provide relief and assistance to companies amidst the outbreak of Coronavirus (COVID-19), with the aim of helping businesses retain their local employees during this period of uncertainty.

For the year ended 30 June 2024, the Group recognised JSS grant of S\$ Nil (2023: S\$98,982).

SEC

Under SEC, Singapore Government provides wage offsets to employers hiring Singaporean workers aged 55 and above and earning up to S\$4,000 a month. For the year ended 30 June 2024, the Group recognised SEC grant of S\$10,395 (2023: S\$13,833).

JGI

The JGI supports employers to expand local hiring from September 2020 to September 2021 (inclusive), so as to create good and long-term jobs for locals. For the year ended 30 June 2024, the Group recognised JGI grant of S\$Nil (2023: S\$18,154).

EEC

The EEC is a new wage offset scheme to support the employment of persons with disabilities. For the year ended 30 June 2024, the Group recognised EEC grant of S\$889 (2023: S\$Nil).

SFEC

Under SFEC, Singapore government could encourage employers to invest in enterprise transformation and capabilities of their employees. For the year ended 30 June 2024, the Group recognised SFEC grant of S\$Nil (2023: S\$732).

PWCS

Under PWCS, Singapore government provided transitional wage support for employers to adjust to upcoming mandatory wage increases for lower-wage workers covered by the Progressive Wage and Local Qualifying Salary requirements and voluntarily raise wages of lower-wage workers. For the year ended 30 June 2024, the Group recognised PWCS grant of S\$5,137 (2023: S\$55,055).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

7. OTHER GAINS/(LOSSES), NET

	Year ended 30 June	
	2024	2023
	S\$	S\$
Loss on disposals of plant and equipment	–	(38,248)
Gain on lease modifications	784,290	246,753
	784,290	208,505

8. FINANCE INCOME/(COSTS)

	Year ended 30 June	
	2024	2023
	S\$	S\$
Interest income on:		
— bank deposits	1,042	15
— unwinding of discount on rental deposits	8,806	65,333
	9,848	65,348
Interest expense on:		
— lease liabilities	(103,089)	(231,967)
— bank borrowings	(42,470)	(30,834)
— provision for reinstatement cost (Note 22)	(3,733)	(11,726)
	(149,292)	(274,527)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

9. INCOME TAX EXPENSE

Singapore income tax has been provided at the rate of 17% (2023: 17%) on the estimated assessable profit during the year.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. The PRC subsidiaries, 上海超凱帆盛餐飲管理有限公司, 戀食餐飲管理(上海)有限公司 and 上海超滿帆福餐飲管理有限公司, have been assessed as a Small Low-profit Enterprise (小型微利企業) during both years and subjected to a tax rate of 5% (2023: 5%) for the year ended 30 June 2024.

The income tax expense charged to profit or loss represents:

	Year ended 30 June	
	2024	2023
	S\$	S\$
		(Restated)
Tax expense attributable to loss:		
— Current income tax/(credit)	(24,841)	96,520
— Deferred tax (<i>Note 24</i>)	178,984	114,560
Income tax expense	154,143	211,080

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 30 June	
	2024	2023
	S\$	S\$
		(Restated)
Loss before income tax	(2,037,628)	(5,193,980)
Tax calculated at the rates applicable in different jurisdictions	(256,469)	(664,163)
Tax effect of income not taxable for tax purpose	(140,665)	(80,625)
Tax effect of expenses not deductible for tax purpose	223,660	667,956
Tax effect of tax losses not recognised	158,910	173,491
Increase in deferred tax resulting from leases and right-of-use assets	200,047	160,886
Tax exemptions (<i>Note</i>)	(31,340)	(46,465)
Taxation	154,143	211,080

Note:

Under corporate income tax in Singapore, all companies qualifying as a tax resident in Singapore, other than new startups, will receive a tax exemption of 75% on the first S\$10,000 and a further 50% on the next S\$190,000 of chargeable income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

10. EMPLOYEE BENEFIT COSTS/LOSS FOR THE YEAR

	Year ended 30 June	
	2024	2023
	S\$	S\$
Loss for the year has been arrived at after charging:		
Directors' and chief executive's emoluments (<i>Note 11</i>)	220,391	221,836
Staff costs (excluding directors' and chief executive's emoluments)		
— Salaries, wages, allowances and other benefits	2,508,100	3,726,831
— Contributions to retirement benefits scheme	284,885	422,813
— Others	155,000	628,748
	2,947,985	4,778,392
Total staff costs	3,168,376	5,000,228
Depreciation for plant and equipment	20,776	699,444
Depreciation for right-of-use assets	528,811	2,568,804
Total depreciation and amortisation	549,587	3,268,248
Impairment loss on plant and equipment	8,698	1,248,392
Impairment loss on right-of-use assets	514,583	1,814,884
Impairment loss on inventories	—	68,948
Total impairment losses	523,281	3,132,224
Expected credit loss on trade receivables	42,550	—
Utilities	174,626	433,278
Delivery agent service charges	114,353	254,293
Auditor's remuneration	137,960	276,500
Legal and professional fees	358,879	720,777
Other operating expenses	1,015,514	788,408
Total other expenses	1,801,332	2,473,256

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS**(a) Directors' emoluments**

The remuneration of every director for the years ended 30 June 2024 and 2023 was as follows:

Name	Salaries and Fees	Employer's contribution to defined contribution plans	Other plans	benefits	Total
	S\$	S\$	S\$	S\$	S\$
Year ended 30 June 2024					
<i>Executive directors</i>					
Mr. John LIM Boon Kiat (Note i)	18,107	–	–	–	18,107
Mr. Zhang Yang (Note ii)	31,041	–	–	–	31,041
Ms. Shi Minyue (Note ii)	31,041	–	–	–	31,041
Mr. Sing Hob Ming (Note ii)	31,041	–	–	–	31,041
Ms. Zhang Lu (Note vi)	7,760	–	–	–	7,760
<i>Independent non-executive Directors</i>					
Mr. Zhao Shiwei (Note iii)	31,041	–	–	–	31,041
Mr. Kwok Kin Kwong Gary (Note iv)	–	–	–	–	–
Mr. Wong Wah (Note v)	39,319	–	–	–	39,319
Mr. Kuan Hong Kin Daniel (Note v)	31,041	–	–	–	31,041
	220,391	–	–	–	220,391
Year ended 30 June 2023					
<i>Executive directors</i>					
Mr. John LIM Boon Kiat (Note i)	65,659	–	–	–	65,659
Mr. Zhang Yang (Note ii)	16,661	–	–	–	16,661
Ms. Shi Minyue (Note ii)	16,661	–	–	–	16,661
Mr. Sing Hob Ming (Note ii)	16,661	–	–	–	16,661
<i>Independent non-executive Directors</i>					
Mr. Zhao Shiwei (Note iii)	16,661	–	–	–	16,661
Mr. Kwok Kin Kwong Gary (Note iv)	18,561	–	–	–	18,561
Mr. Wong Wah (Note v)	39,661	–	–	–	39,661
Mr. Kuan Hong Kin Daniel (Note v)	31,311	–	–	–	31,311
	221,836	–	–	–	221,836

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

(a) Directors' emoluments *(Continued)*

Notes:

- (i) Mr. John Lim Boon Kiat was re-designated from an independent non-executive director of the Company to an executive director of the Company on 16 December 2021 and re-designated and resigned as the chairman of the Board of the Company on 29 June 2022 and 16 December 2022, respectively. Mr. John Lim Boon Kiat has resigned as an executive director on 1 February 2024.
- (ii) Mr. Zhang Yang, Ms. Shi Minyue, Mr. Sing Hob Ming were appointed as executive directors of the Company on 16 December 2022. Mr. Zhang Yang was appointed as the chairman of the Board and the chief executive officer of the Company on 16 December 2022.
- (iii) Mr. Zhao Shiwei was appointed as an independent non-executive director on 16 December 2022.
- (iv) Mr. Kwok Kin Kwong Gary resigned as an independent non-executive director on 16 December 2022.
- (v) Mr. Wong Wah and Mr. Kuan Hong Kin Daniel were appointed as Independent Non-executive directors of the Company on 9 February 2021.
- (vi) Ms. Zhang Lu was appointed as an executive director on 5 April 2024.

The remuneration shown above represents remuneration received and receivable from the Group by these directors. No directors waived or agreed to waive any emolument, and there were no emoluments paid by the Group to any directors as an inducement to join or upon joining the Group or as a compensation for loss of office during the years ended 30 June 2024 and 2023.

i. Director's retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the year.

ii. Director's termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year.

iii. Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company during the year.

iv. Information about loans, quasi-loans and dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year, other than amounts due to related parties as presented on the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)**(a) Directors' emoluments** (Continued)**v. Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts 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 year or at any time during the year.

(b) Five highest paid individuals

The five highest paid employees of the Group during the year included five key management personnel, who are not directors (2023: two directors, details of whose remuneration are set out in Note 34(a)). Details of the remuneration of the highest paid individuals other than director for the years ended 30 June 2024 and 2023 are analysed below:

	Year ended 30 June	
	2024	2023
	S\$	S\$
Wages, salaries and allowances	217,200	166,900
Employer's contribution to defined contribution plans	36,924	28,136
Others	–	670
	254,124	195,706

The emoluments of these five highest paid individuals fell within the following bands:

	Year ended 30 June	
	2024	2023
	S\$	S\$
HK\$1 – HK\$1,000,000 (equivalent from S\$0.17 to S\$172,450)	–	5
HK\$1,000,001 – HK\$1,500,000 (equivalent from S\$172,450 to S\$258,675)	5	–
	5	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)**(c) Emoluments of senior management**

Other than the emoluments of the directors and the five highest paid individuals as disclosed in Notes 34(a) and 11(b) respectively, the emoluments of the senior management fell within the following bands:

	Year ended 30 June	
	2024	2023
	S\$	S\$
HK\$1 – HK\$1,000,000 (equivalent from S\$0.17 to S\$172,450)	–	–

12. DIVIDEND

The Board of directors do not recommend a payment of any dividend for the year ended 30 June 2024 (2023: Nil).

13. LOSS PER SHARE

	Year ended 30 June	
	2024	2023
	S\$	S\$
		(Restated)
Loss:		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	(2,238,651)	(5,034,703)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating for basic loss per share	246,167,260	240,000,000

The basic and diluted loss per share are the same as there were no potential ordinary shares in issue for the years ended 30 June 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

14. PLANT AND EQUIPMENT

	Leasehold improvements S\$	Machineries S\$	Furniture and fixture S\$	Computer and IT equipment S\$	Motor vehicle S\$	Total S\$
Year ended 30 June 2023						
Opening net book amount	1,538,671	328,959	105,300	52,720	166,120	2,191,770
Additions	104,599	12,717	6,954	-	-	124,270
Depreciation	(541,901)	(87,124)	(23,444)	(30,971)	(16,004)	(699,444)
Impairment	(818,649)	(209,597)	(66,901)	(15,201)	(138,044)	(1,248,392)
Disposals	(152,356)	(4,728)	(5,414)	(750)	-	(163,248)
Exchange realignment	(16,694)	6,609	1,205	97	(12,072)	(20,855)
Closing net book amount	113,670	46,836	17,700	5,895	-	184,101
As at 30 June 2023						
Cost	2,561,596	644,073	183,537	189,176	133,235	3,711,617
Accumulated depreciation and impairment	(2,447,926)	(597,237)	(165,837)	(183,281)	(133,235)	(3,527,516)
Net book amount	113,670	46,836	17,700	5,895	-	184,101
Year ended 30 June 2024						
Opening net book amount	113,670	46,836	17,700	5,895	-	184,101
Additions	18,213	562,560	-	-	-	580,773
Depreciation	(811)	(19,965)	-	-	-	(20,776)
Impairment	(3,392)	(4,404)	(884)	(18)	-	(8,698)
Disposals	(127,680)	(42,431)	(16,145)	(5,877)	-	(192,133)
Exchange realignment	-	(2,419)	(671)	-	-	(3,090)
Closing net book amount	-	540,177	-	-	-	540,177
As at 30 June 2024						
Cost	683,674	823,950	82,452	39,798	133,235	1,763,109
Accumulated depreciation and impairment	(683,674)	(283,773)	(82,452)	(39,798)	(133,235)	(1,222,932)
Net book amount	-	540,177	-	-	-	540,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

14. PLANT AND EQUIPMENT *(Continued)*

Refer to Note 15 for impairment assessment of plant and equipment.

The plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Shorter of lease term or 6 years
Machineries	10 years
Furniture and fixtures	10 years
Computers and IT equipment	5 years
Motor vehicle	10 years

15. LEASE**(i) Right-of-use assets**

	As at 30 June	
	2024	2023
	S\$	S\$
Retail bakery outlets, restaurants and office	355,519	929,571
Motor vehicles	–	6,142
	355,519	935,713

The amount includes payment of principal and interest portion of lease liabilities and variable lease payments and short-term leases. These amounts could be presented in operating or financing cash flows.

For both years, the Group leases various retail bakery outlets, restaurants and office and motor vehicles for its operation. Leases contracts are entered into for fixed term of 2 to 9 years (2023: 2 to 9 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Extension options are included in the lease of restaurants. Certain periods covered by extension options were included in these lease terms as the Group was reasonably certain to exercise the option.

Lease of retail bakery outlets and restaurants are either with only fixed lease payments or contain variable lease payment that are based on 0.5% to 1% (2023: 0.5% to 1%) of sales and minimum annual lease payment that are fixed over the lease term.

Additions to the right-of-use assets for the year ended 30 June 2024 amounted to S\$510,082 (2023: S\$2,422,922), mainly due to new office leases related to provision for intelligent drink vending machine segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the year ended 30 June 2024***15. LEASE** *(Continued)***(i) Right-of-use assets** *(Continued)****Impairment assessment of plant and equipment and right-of-use assets***

During the years ended 30 June 2024 and 2023, the Group's business performance has been negatively impacted by COVID-19 and post-COVID-19 economy. Management has performed an assessment on the Group's non-current assets, primarily comprising plant and equipment and right-of-use assets as at 30 June 2024 and 2023. In this connection, management reviewed the results of operation of each retail bakery outlet and restaurant, representing different cash-generating units ("CGUs") in determining whether any impairment indicator exists with each of the CGUs under review. For those outlets and restaurants where an impairment indicator was noted, management assessed the recoverable amount of the CGU based on value-in-use calculation using projected cash flow covering a 5-year period or the expected period, whichever is shorter, of each outlet and restaurant.

In preparing the value-in-use calculation of the relevant CGU, management considered the economic impact of post-COVID-19 on the Group's operation and the expected pace of recovery of the economy of Singapore and the PRC. That calculation used cash flow projections based on financial budgets approved by management covering a 5-year period or the expected period of that the CGU is operated, whichever is shorter, and adopted a revenue growth rate of 2.0% and 2.0% for the operating Singapore components and for the operating PRC components respectively (2023: 2.5% for operating Singapore components and 4.2% for operating PRC components)

Other key assumption adopted in the impairment assessment is the pre-tax discount rate ranging from 11.47% and from 11.51% to 18.68% for the operating Singapore components and for the operating PRC components respectively (2023: from 11.45% to 11.66% for Singapore components and from 27.90% to 42.39% for PRC components), which was determined based on the market's weighted average cost of capital. The results of the assessment indicated that the impairment charge amounted to S\$514,583 and S\$8,698 (2023: S\$1,814,884 and S\$1,248,392) was made to right-of-use assets and plant and equipment respectively.

The recoverable amounts of the Plant and Equipment and Right-of-use assets (collectively known as the relevant assets) have been determined based on their value in use.

For Singapore subsidiaries and PRC subsidiaries under sales of bakery products segment and operation of restaurants segment, the Group estimates the value in use of the plant and equipment and right-of-use assets using the discount rates aforementioned.

For sale of bakery products segment, the plant and equipment and right-of-use assets were impaired to their recoverable amount of S\$ Nil (2023: S\$525,776), for the operation of restaurants segment, the plant and equipment and right-of-use assets were impaired to their recoverable amount of S\$ Nil (2023: S\$606,093), which is their carrying values at year ended.

For the provision of intelligent drink vending machine, the management of the Group determined that no impairment loss has been recognised for the year ended 30 June 2024 in respect of the plant and equipment and right-of-use assets related to this segment, as its recoverable amount of S\$2,839,978 (2023:N/A) amount exceeds the carrying amount of the plant and equipment and right-of-use assets held as at 30 June 2024, due to the future growths and prospects foreseen by the management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

15. LEASE (Continued)**(ii) Lease liabilities**

	As at 30 June	
	2024	2023
	S\$	S\$
Non-current	196,166	1,268,570
Current	712,454	1,753,857
	908,620	3,022,427

	As at 30 June	
	2024	2023
	S\$	S\$
Amounts payable under lease liabilities		
Within one year	712,454	1,753,857
After one year but within two years	196,166	905,602
After two year but within five years	–	362,968
	908,620	3,022,427
Less: Amount due for settlement within 12 months (shown under current liabilities)	(712,454)	(1,753,857)
Amount due for settlement after 12 months	196,166	1,268,570

The Group entered into lease arrangements with independent third parties in relation to certain retail bakery outlets, restaurants and office and motor vehicles. The lease terms ranged from 2 to 3 years (2023: 2 to 9 years). The weighted average incremental borrowing rates applied to lease liabilities was ranged from 3.67% to 9.18% and ranged from 3.67% to 6.50% per annum as at 30 June 2024 and 2023, respectively.

During the year ended 30 June 2024, the Group entered into a number of new and renewal arrangements in respect of retail bakery outlets, restaurants and office and recognised lease liabilities of S\$510,082 (2023: S\$2,422,922).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

15. LEASE (Continued)**(iii) Amounts recognised in profit or loss**

	As at 30 June	
	2024	2023
	S\$	S\$
Gain on lease modifications	784,290	246,753
Impairment loss on right-of-use assets	514,583	1,814,884
Depreciation expense on right of use assets		
— Retail bakery outlets, restaurants and office	522,669	2,547,249
— Motor vehicles	6,142	21,555
Interest expense on lease liabilities	103,089	231,967
Expenses relating to short-term leases and variable lease payment	184,286	257,294

During the year ended 30 June 2024, the Group terminated the lease for retail bakery outlets and restaurants and derecognised right-of-use asset and lease liability of S\$1,136,782 and S\$1,383,535 respectively, resulting in a gain on termination of lease of S\$784,290 being recognised in profit or loss.

(iv) Others

During the year ended 30 June 2024, the total cash outflow for leases amount to S\$1,942,948 (2023: S\$4,778,461).

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the relevant leased retail bakery outlets and restaurants. The breakdown of lease payments for these retail bakery outlets, restaurants and office and motor vehicle is as follows.

	As at 30 June	
	2024	2023
	S\$	S\$
Fixed payments	1,798,512	4,521,167
Variable payments	144,436	257,294
Total payments	1,942,948	4,778,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

16. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June	
	2024	2023
	S\$	S\$
Trade receivables from third parties	555,636	104,549
Rental deposits	288,119	845,541
Other prepayments and deposits	1,460,039	410,957
	2,303,794	1,361,047
Less: non-current portion	(562,332)	(436,347)
	1,741,462	924,700

For sale of bakery products and operation of restaurant's segment, trade receivables comprised, among others, receivables from credit card institutions for customers' payments settled by credit cards and receivables from delivery services agents. Such amounts are normally settled within 3 to 15 business days from transaction dates. Generally, there is no credit period granted to customers.

For provision for intelligent drink vending machine segment's trade receivables, for details of the credit risk assessment, please kindly refer to note 29(b).

The Group's trade receivables and other receivables and deposits are denominated in SGD and RMB. The carrying amount of trade receivables approximate their fair values due to their short-term maturities.

The ageing analysis of the trade receivables based on invoice date (net of allowance for expected credit losses) is as follows:

	As at 30 June	
	2024	2023
	S\$	S\$
Current	420,886	–
1–30 days	–	104,549
31–60 days	–	–
61–90 days	44,944	–
91–120 days	20,673	–
Over 120 days	69,133	–
	555,636	104,549

The maximum exposure to credit risk as at 30 June 2024 and 2023 is the carrying value of the financial assets mentioned above. The Group does not hold any collateral as security.

As at 30 June 2024 and 2023, no trade receivables related to sale of bakery products and operation of restaurant's segments were past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

17. INVENTORIES

	As at 30 June	
	2024	2023
	S\$	S\$
Raw materials and packaging materials	66,561	57,820

18. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flow, cash and cash equivalents include the following:

	As at 30 June	
	2024	2023
	S\$	S\$
Cash and bank balances on the consolidated statement of financial position	279,473	166,719

The Group's cash and cash equivalents are denominated in the following currencies:

	As at 30 June	
	2024	2023
	S\$	S\$
SGD	13,373	124,034
United States Dollar ("US\$")	19	13
Hong Kong Dollar ("HK\$")	101,129	38,435
Renminbi ("RMB")	164,952	4,237
	279,473	166,719

The Group's bank deposits carry interest at prevailing market rates for the both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

19. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Equivalent nominal value of ordinary share S\$
Authorised:		
Ordinary shares of HK\$0.001 each		
As at 1 July 2022, 30 June 2023, 1 July 2023 and 30 June 2024	600,000,000	1,099,752

	Number of ordinary shares	Share capital S\$	Share premium S\$	Total S\$
Issued and fully paid:				
As at 1 July 2021, 30 June 2022, 1 July 2022 and 30 June 2023	240,000,000	441,360	7,100,029	7,541,389
Share issued upon placing of new shares (note a)	26,175,000	47,199	1,396,462	1,443,661
At 30 June 2024	266,175,000	488,559	8,496,491	8,985,050

- a. On 5 April 2024, a total of 26,175,000 new shares were successful allotted and issued at the subscription price of HKD0.32 per right share. Further details were set out in the Company's announcement.

20. OTHER RESERVES

As at 30 June 2024 and 2023, reserves of the Group represent the difference between value of the consideration paid by the Company to the then shareholders of the Group and the combined capital of the Operating Companies after completion of the Reorganisation on 24 April 2020.

21. EXCHANGE RESERVES

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency Singapore dollars are recognised directly in other comprehensive income and accumulated in exchange reserves. Exchange differences accumulated in the exchange reserves are reclassified to profit or loss on the disposal of the foreign operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

22. PROVISION FOR REINSTATEMENT COST

	As at 30 June	
	2024	2023
	S\$	S\$
Beginning of year	288,021	276,294
Addition during the year	112,727	3,543
Utilisation during the year	(303,805)	(3,542)
Unwinding of discount (<i>Note 8</i>)	3,733	11,726
	100,676	288,021
Less: non-current portion	(38,530)	(208,888)
Current portion	62,146	79,133

23. CONTRACT LIABILITIES

	As at 30 Jun 2024	As at 30 Jun 2023
	S\$	S\$
Advance receipts from provision for intelligent drink vending machine ("Advance Receipts")	510,589	-
Current	510,589	-
Non-current	-	-
	510,589	-

- a) As at 1 July 2022, contract liabilities amounted to S\$ Nil.

Contract liabilities, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on the Group's earliest obligation to transfer goods or services to the customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

23. CONTRACT LIABILITIES (Continued)

- b) The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	Advance Receipts S\$
For the year ended 30 June 2024	
Revenue recognised that was included in the contract liability balance at the beginning of the year	–
For the year ended 30 June 2023	
Revenue recognised that was included in the contract liability balance at the beginning of the year	–

24. BORROWINGS

	As at 30 June	
	2024	2023
	S\$	S\$
Bank overdraft	100,178	85,772
Bank loans	47,900	240,999
Total	148,078	326,771
Secured	148,078	326,771

Bank overdrafts carry interest at market rates which range from 4% to 7% (2023: 4% to 7%) per annum. Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	As at 30 June	
	2024	2023
	S\$	S\$
On demand	148,078	326,771
	148,078	326,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

24. BORROWINGS (Continued)

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

	As at 30 June	
	2024	2023
	S\$	S\$
Fixed rate		
— expiring within one year	405,000	799,001
	405,000	799,001

For the year ended 30 June 2024, bank borrowings are denominated in SGD and bear fixed interest rates between 6.25% to 6.50% per annum (2023: 6.25% to 6.50% per annum). The fair value of non-current borrowings approximates the carrying value of the non-current borrowings at the end of each reporting period as they bear interest at rates which approximate the current incremental borrowing rate for similar types of lending and borrowing arrangements.

As at 30 June 2024, the borrowings with carrying amounts of S\$12,300 (2023: S\$86,008) and S\$35,600 (2023: S\$154,991) are secured by joint personal guarantee by Mr. Goh Leong Heng Aris and Ms. Anita Chia Hee Mei, the directors of subsidiaries, with the maximum guarantee amounted to S\$300,000 (2023: S\$300,000), and by corporate guarantees provided by the Company, with the maximum guarantee amounted to S\$253,000 (2023: S\$740,000), respectively.

25. DEFERRED TAXATION

	As at 30 June	
	2024	2023
	S\$	S\$
Deferred tax assets	88,844	359,082
Deferred tax liabilities	(88,880)	(180,134)
	(36)	178,948

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

25. DEFERRED TAXATION (Continued)

The movement in the deferred tax assets of the Group during the year are as follows:

	Lease liabilities S\$	Total S\$
Deferred tax assets		
At 1 July 2022	–	–
Adjustments (note 2)	941,001	941,001
At 1 July 2022 (restated)	941,001	941,001
Credited to profit or loss (Note 9)	(581,912)	(581,912)
At 30 June 2023(restated)	359,089	359,089
Credited to profit or loss (Note 9)	(270,245)	(270,245)
As at 30 June 2024	88,844	88,844

The movements in the deferred tax liabilities of the Group during the year are as follows:

	Right-of-use assets S\$	Accelerated tax depreciation S\$	Total S\$
Deferred tax liabilities			
At 1 July 2022	–	67,389	67,389
Adjustments (note 2)	580,104	–	
At 1 July 2022 (restated)	580,104	67,389	647,493
Charged to profit or loss (Note 9)	(421,026)	(46,326)	(467,352)
As at 30 June 2023(restated)	159,078	21,063	180,141
Charged to profit or loss (Note 9)	(70,198)	(21,063)	(91,261)
As at 30 June 2024	(88,880)	–	(88,880)

At the end of the reporting period, the Group has estimated unused tax losses of S\$3,093,649 (2023: S\$2,131,061) available for offset against future profits. As at 30 June 2024, included in the estimated unused tax losses, approximately S\$2,318,378 will expire within 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the year ended 30 June 2024***26. TRADE AND OTHER PAYABLES**

	As at 30 June	
	2024	2023
	S\$	S\$
Trade payables	473,588	455,461
Other payables:		
— Goods and services and other tax payable	258,805	158,392
— Accruals for operating expenses	708,035	1,234,557
— Other	27,982	22,710
	1,468,410	1,871,120

The Group's trade and other payables are denominated in the following currencies:

	As at 30 June	
	2024	2023
	S\$	S\$
Trade payables:		
— SGD	340,205	315,902
— RMB	133,383	139,559
	473,588	455,461
Other payables:		
— SGD	275,305	840,484
— HK\$	72,930	368,280
— RMB	646,587	206,895
	1,468,410	1,871,120

The carrying amount of trade and other payables approximate their fair values due to their short maturities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the year ended 30 June 2024***26. TRADE AND OTHER PAYABLES** *(Continued)*

The average credit period on trade payables is 30–90 days. The ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June	
	2024	2023
	S\$	S\$
0–30 days	184,528	76,881
31–60 days	17,318	124,493
61–90 days	11,629	199,227
91–120 days	3,831	53,767
Over 120 days	256,282	1,093
	473,588	455,461

27. AMOUNTS DUE TO RELATED PARTIES

Amounts due to related parties of S\$1,961,240 and S\$1,817,213 and \$1,670,902 (2023: S\$1,373,480, S\$311,705 and Nil) represent the amounts due to the non-controlling interest of subsidiaries in PRC, Mr. Yuan (“袁超”), and Ms. Anita Chia Hee Mei, Mr. Goh Leong Heng Aris and China Uwin are unsecured, interest-free, denominated in RMB, SGD and SGD respectively, and repayable on demand.

28. CAPITAL RISK MANAGEMENT

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given that the directors have prepared a cash flow forecast covering a period of not less than twelve months from the date of consolidated financial statements and have given careful consideration to the Group’s future liquidity and performance and its available sources of financing to continue as a going concern, after taking into account the considerations stated in section “Going concern basis” in Note 3, in the opinion of directors, the Group has ability to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

29. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

	2024	2023
	S\$	S\$
Financial assets		
Financial assets at amortised cost	1,651,738	1,345,495
Financial liabilities		
Financial liabilities at amortised cost	7,974,463	6,905,503

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, cash and cash equivalents, trade and other payables, borrowings, amounts due to related parties and lease liabilities. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

Market risk*Foreign exchange risk*

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

As at 30 June 2024 and 2023, the Group has exposure to foreign exchange risk as a result of transactions that are denominated in currencies other than functional currency of the Company and its subsidiaries. The foreign currency giving rise to this risk is mainly US\$, HK\$ and RMB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

29. FINANCIAL INSTRUMENTS *(Continued)***(b) Financial risk management objectives and policies** *(Continued)***Market risk** *(Continued)***Foreign exchange risk** *(Continued)*

The Group's currency exposure with respect to US\$, HK\$ and RMB is as follows:

	2024	2023
	S\$	S\$
Financial assets		
Cash and cash equivalents		
— US\$	19	13
— HK\$	102,335	38,435
— RMB	163,746	4,237
	266,100	42,685
Financial liabilities		
Other payables		
— HK\$	(72,930)	(368,280)
— RMB	(646,587)	(206,895)
	(719,517)	(575,175)
Net financial assets subject to currency exposure		
— US\$	19	13
— HK\$	29,405	(329,845)
— RMB	(482,841)	(202,658)
	(453,417)	(532,490)

Had SGD be strengthened/weakened by 5% (2023: 5%) against US\$ with all other variables held constant, the loss after income tax for the year ended 30 June 2024 would have been lower/higher by S\$217 (2023: higher/lower by S\$1).

Had SGD be strengthened/weakened by 5% (2023: 5%) against HK\$ with all other variables held constant, the loss after income tax for the year ended 30 June 2024 would have been lower/higher by S\$40,900 (higher/lower for the year ended 30 June 2023: S\$14,000).

Had SGD be strengthened/weakened by 5% (2023: 5%) against RMB with all other variables held constant, the loss after income tax for the year ended 30 June 2024 would have been lower/higher by S\$23,257 (2023: S\$8,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the year ended 30 June 2024***29. FINANCIAL INSTRUMENTS** *(Continued)***(b) Financial risk management objectives and policies** *(Continued)***Market risk** *(Continued)**Interest rate risk*

The Group is exposed to fair value interest rate risk in relation to fixed-rate borrowings and lease liabilities. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movement based on interest rate level and outlook.

The Group also exposed to cash flow interest rate risk in relation to its bank balances. The Group considered interest rate risk on bank balances is insignificant and thus no sensitivity analysis is presented.

Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. As at 30 June 2024, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The credit risk of the Group mainly arises from bank balances, trade and other receivables and deposits. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with investment grade credit rating are accepted.

For sales of bakery products and operation of restaurants segments, the Group has policies in place to ensure that sales are made to customers through channels with appropriate credit histories and to limit the amount of credit exposure to credit card companies and delivery services agents.

Sales to customers are required to be settled in cash or using electronic payment means, mitigating credit risk. The Group is not exposed to major credit risk with respect to its business segment.

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 88.07% (2023: N/A) of the total trade receivables as at 30 June 2024. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group has concentration of credit risk as 33.54% (2023: N/A) and 88.07% (2023: N/A) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

29. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Impairment of financial assets

Trade and other receivables, deposits and bank balances of the Group are subject to the ECL model.

For trade receivables, the Group applies the IFRS 9 simplified approach to measure ECL, which uses a lifetime expected loss allowance. To measure the ECL, trade receivables has been grouped based on shared credit risk characteristics and the invoice date. The expected loss rates are based on the payment profiles of sales over a period of 12 months before end of reporting period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. According to the above mentioned consideration, the Group does not expect any significant default possibility and the ECL rate is minimal during the year.

For deposits and other receivables, management assesses the credit quality of the counterparties, taking into account the historical risk of default and capacity to meet its contractual cash flow obligations in the near term. Loss allowance recognised, if any, was limited to 12m ECL as these financial assets at amortised cost are considered to be of low credit risk primarily because historically they had no history of default and the debtors had capacity to meet their contractual cash flow obligations in the near term. No impairment loss are provided for such financial assets as at 30 June 2024 and 2023. The ECL rate is minimal during the year.

For bank balances, the credit risk on bank balances are limited because the majority of the counterparties are reputable banks with high credit-ratings assigned by international credit-ratio agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rate, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

29. FINANCIAL INSTRUMENTS *(Continued)***(b) Financial risk management objectives and policies** *(Continued)***Credit risk** *(Continued)**The Group's exposure to credit risk*

The tables below detail the credit quality of the Group's financial assets.

30 June 2024	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
Trade receivables from third parties	16	Note 29(b)(i)	Lifetime ECL (simplified approach)	598,186	(42,550)	555,636
Rental deposits	16	Performing	12-month ECL	288,119	–	288,119
Other deposits and other receivables	16	Performing	12-month ECL	528,510	–	528,510
Bank balance	18	Performing	12-month ECL	279,355	–	279,355
				1,694,170	(42,550)	1,651,620

30 June 2023	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
Trade receivables from third parties	16	Note 29(b)(i)	Lifetime ECL (simplified approach)	104,549	–	104,549
Rental deposits	16	Performing	12-month ECL	845,541	–	845,541
Other deposits and other receivables	16	Performing	12-month ECL	228,686	–	228,686
Bank balance	18	Performing	12-month ECL	81,834	–	81,834
				1,260,610	–	1,260,610

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the year ended 30 June 2024***29. FINANCIAL INSTRUMENTS** *(Continued)***(b) Financial risk management objectives and policies** *(Continued)***Credit risk** *(Continued)**The Group's exposure to credit risk (Continued)**(b)(i) Trade receivables*

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired).

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The ageing analysis of the trade receivables based on due date is as follows:

	As at 30 June 2024		As at 30 June 2023	
	Average Loss rate	Trade receivable (Gross) S\$	Average Loss rate	Trade receivable (Gross) S\$
Current	1.45%	481,206	N/A	104,549
1-30 days	9.07%	18,709		–
31-60 days	14.49%	68,811		–
61-90 days	17.03%	6,703		–
91-120 days	100%	4,478		–
Over 120 days	100%	18,279		–
		598,186		104,549

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

29. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies** (Continued)**Liquidity risk**

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the shorter and longer term. The Group maintains liquidity by a number of sources including orderly realisation of short-term financial assets that the Group considers appropriate and long term financing including long-term borrowings are also considered by the Group in its capital structuring. The Group aims to maintain flexibility in funding by keeping sufficient bank balances and available credit lines which enable the Group to continue its business in the foreseeable future.

The table below analyses the non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay. The amounts of the Group's borrowings in the table below included interest payments computed using contractual rate as follows:

	Weighted average interest rate %	On demand and less than 1 year S\$	Between 1 and 2 years S\$	Between 2 and 5 years S\$	More than 5 years S\$	Total undiscounted cash flows S\$	Carrying amount S\$
As at 30 June 2024							
Trade and other payables	-	1,468,410	-	-	-	1,468,410	1,468,410
Borrowings	6.47	148,078	-	-	-	148,078	148,078
Amount due to related parties	-	5,449,355	-	-	-	5,449,355	5,449,355
Lease liabilities	7.69	748,999	199,289	-	-	948,288	908,620
As at 30 June 2023							
Trade and other payables	-	1,871,120	-	-	-	1,871,120	1,871,120
Borrowings	6.47	326,771	-	-	-	326,771	326,771
Amount due to related parties	-	1,685,185	-	-	-	1,685,185	1,685,185
Lease liabilities	5.23	1,859,093	928,944	377,599	-	3,165,636	3,022,427

Fair value estimation

The carrying amount of current financial assets and liabilities, carried at amortised cost, approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Amounts due to related parties S\$	Borrowings S\$	Lease liabilities S\$	Total S\$
As at 1 July 2022	770,209	579,988	6,324,978	7,675,175
— Finance cost (<i>Note 8</i>)	–	30,834	231,967	262,801
Cash flows				
— Interest paid	–	(30,834)	(231,967)	(262,801)
— Principal elements of payments	960,593	(253,217)	(4,289,200)	(3,581,824)
Non-cash changes				
— Additions to lease liabilities	–	–	2,422,922	2,422,922
— Rent concessions	–	–	–	–
— Derecognition of lease liabilities	–	–	(1,383,535)	(1,383,535)
Exchange realignment	(45,617)	–	(52,738)	(98,355)
As at 30 June 2023 and 1 July 2023	1,685,185	326,771	3,022,427	5,034,383
— Finance cost (<i>Note 8</i>)	–	42,470	103,089	145,559
Cash flows				
— Interest paid	–	(42,470)	(103,089)	(145,559)
— Principal elements of payments	3,815,899	(178,693)	(1,798,512)	1,838,694
Non-cash changes				
— Additions to lease liabilities	–	–	510,082	510,082
— Derecognition of lease liabilities	–	–	(897,017)	(897,017)
Exchange realignment	(51,729)	–	71,640	19,911
As at 30 June 2024	5,449,355	148,078	908,620	6,506,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS*For the year ended 30 June 2024***31. RETIREMENT BENEFITS PLANS****Singapore**

The Group operates a Central Provident Fund Scheme (the "CPF Scheme") under the Central Provident Fund Act (Chapter 36 of the Laws of Singapore) for employees employed under the jurisdiction of the Employment Act (Chapter 91 of the Laws of Singapore). The CPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the CPF Scheme, the employer and its employees are each required to make contributions to the CPF Scheme at generally 17% and 20% of the employees' relevant income, subject to a cap of monthly relevant income of generally SGD6,000. There are different CPF rates applied to the senior workers aged 55 and above. Contributions to the CPF Scheme vest immediately.

During the years ended 30 June 2024 and 2023, the Group had no forfeited contributions under the CPF and the retirement benefits scheme utilised to reduce the existing levels of contributions. As at 30 June 2024 and 2023, there was no forfeited contribution under the CPF and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.

The PRC

As stipulated by rules and regulations in the PRC, subsidiaries in the PRC are required to contribute to a state-managed retirement plan for all its employees at a certain percentage of the basic salaries of its employees. The state-managed retirement plan is responsible for the entire pension obligations payable to all retired employees. Under the state-managed retirement plan, the Group has no further obligation for the actual pension payments or post-retirement benefits beyond the annual contribution.

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of entity	Principal activities	Place and date of incorporation	Particular of share capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company	
				Directly		Indirectly		2024	2023
				2024	2023	2024	2023		
%	%	%	%	%	%				
Anita Bakery Pte. Ltd.	Retailing of confectionery and bakery products	Singapore, 10 March 2014	S\$100,000	-	-	100	100	100	100
Aris Gourmet Bakery Pte. Ltd.	Retailing of confectionery and bakery products	Singapore, 7 February 2014	S\$200,000	-	-	100	100	100	100
Laura Baguette Pte. Ltd.	Operation of restaurants	Singapore, 31 May 2017	S\$100,000	-	-	100	100	100	100
Laura Café Pte. Ltd.	Operation of restaurants	Singapore, 9 April 2019	S\$100,000	-	-	100	100	100	100
Proofer Bakery Pte. Ltd.	Retailing of confectionery and bakery products, and operation of restaurant	Singapore, 2 July 2014	S\$305,000	-	-	100	100	100	100
Proofer Boulangerie Pte. Ltd.	Retailing of confectionery and bakery products	Singapore, 17 January 2014	S\$200,000	-	-	100	100	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

32. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of entity	Principal activities	Place and date of incorporation	Particular of share capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Company	
				Directly		Indirectly		2024	2023
				2024	2023	2024	2023	2024	2023
				%	%	%	%	%	%
Proofer Pizzeria Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 28 September 2017	S\$100,000	-	-	100	100	100	100
Proofer (Tanjong Pagar) Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 22 April 2015	S\$199,000	-	-	100	100	100	100
Yuba Hut Pte. Ltd.	Operation of restaurant	Singapore, 24 February 2017	S\$200,000	-	-	100	100	100	100
Yuba Hut (Hillion) Pte. Ltd.	Operation of restaurant	Singapore, 24 November 2016	S\$176,000	-	-	100	100	100	100
Yuba Hut (Northpoint) Pte. Ltd.	Operation of restaurant	Singapore, 30 December 2016	S\$100,000	-	-	100	100	100	100
Yuba Hut (POIZ). Ltd.	Operation of restaurant	Singapore, 3 January 2018	S\$170,000	-	-	100	100	100	100
300 BC Bakery Pte. Ltd.	Retailing of confectionary and bakery products	Singapore, 6 February 2018	S\$110,000	-	-	100	100	100	100
Caracara Tea Pte. Ltd.	Retailing of snack bars and bubble tea	Singapore, 13 May 2020	S\$100,000	-	-	100	100	100	100
Food Lab Pte. Ltd.	Operation of restaurants	Singapore, 8 July 2020	S\$100,000	-	-	100	100	100	100
上海超凱帆盛餐飲管理有限公司 [#]	Operation of restaurants	People's Republic of China, 14 April 2021	US\$3,000,000	-	-	100	100	100	100
戀食餐飲管理(上海)有限公司	Operation of restaurants	People's Republic of China, 9 June 2021	RMB500,000	-	-	99	99	99	99
上海超滿帆福餐飲管理有限公司	Operation of restaurants	People's Republic of China, 13 January 2022	RMB500,000	-	-	51	51	51	51
安徽秋田智能科技有限公司 [#]	Provision of intelligent drink vending machine	People's Republic of China, 31 August 2023	HKD20,000,000	-	-	100	-	100	-

[#] The company is a wholly foreign owned enterprise established in PRC.

The above table lists the major subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTEREST

Details of a subsidiary that has a non-controlling interest that is material to the Group:

Name of subsidiary	Place of incorporation	Proportion of ownership interest held by non-controlling interest		Proportion of voting power held by non-controlling interest		(Profit)/Loss allocated to non-controlling interest		Accumulated losses in non-controlling interest	
		2024	2023	2024	2023	2024	2023	2024	2023
		%	%	%	%	S\$	S\$	S\$	S\$
上海超滿帆福餐飲管理有限公司	People's Republic of China	49	49	49	49	47,562	(378,364)	(359,585)	(407,147)

The summarised financial information in respect of the Group's subsidiary that has non-controlling interest that is material to the Group, before intragroup elimination:

上海超滿帆福餐飲管理有限公司

	30 June 2024 S\$	30 June 2023 S\$
Current assets	165,316	17,847
Non-current assets	–	–
Current liabilities	(832,642)	(532,619)
Non-current liabilities	–	(278,827)
Total equity	(667,325)	(793,599)
Deficit attributable to owners of the Company	(307,740)	(386,452)
Accumulated losses in non-controlling interests	(359,585)	(407,147)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

33. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTEREST *(Continued)*

	30 June 2024 S\$	30 June 2023 S\$
Revenue	441,754	313,615
Expenses	(344,689)	(1,076,531)
Profit (loss) for the year	97,066	(762,916)
Profit (loss) attributable to owners of the Company	49,504	(389,087)
Profit (loss) attributable to the non-controlling interests	47,562	(373,829)
Profit (loss) for the year	97,066	(762,916)
Other comprehensive income attributable to owners of the Company	18,318	(8,392)
Other comprehensive income attributable to non-controlling interests	17,600	(4,535)
Other comprehensive income for the year	35,918	(12,927)
Dividends paid to non-controlling interests	–	–
Net cash inflow (outflow) from operating activities	210,737	289,786
Net cash inflow (outflow) from investing activities	–	(133,867)
Net cash inflow (outflow) from financing activities	(212,704)	(162,462)
Net cash inflow (outflow)	(1,967)	(6,543)

34. RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The directors are of the view that the following parties were related parties that had material transactions or balances with the Group during the year.

Name	Relationship with the Group
Mr. Goh Leong Heng Aris	Director of subsidiaries
Ms. Anita Chia Hee Mei ("Mrs. Goh")	Director of subsidiaries
Mr. Yuan ("袁超")	Non-controlling interest of subsidiaries

Save as disclosed elsewhere in these financial statements, the Group has the following significant transactions carried out with related parties in the ordinary course of business during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

34. RELATED PARTY TRANSACTIONS (Continued)**(a) Key management compensation**

The aggregate remuneration of key personal management, including the Company's directors and certain highest paid employees, as disclosed in Note 11, is as follows:

	Year ended 30 June	
	2024	2023
	S\$	S\$
Wages, salaries and allowances	217,200	446,176
Employer's contribution to defined contribution plans	36,924	30,675
Others	–	–
	254,124	476,851

(b) Balances with related parties

	As at 30 June	
	2024	2023
	S\$	S\$
Amounts due to related parties	5,449,355	1,685,185

Terms and currency denomination of the balances with related parties are disclosed in Note 27. Such balances are non-trade in nature.

(c) Balances with related parties under common control by director

	As at 30 June	
	2024	2023
	S\$	S\$
Amounts due to companies under common control by director (included in other payable)	23,718	–

35. EVENTS AFTER THE END OF THE REPORTING PERIOD

Except for the matters disclosed under the "Management Discussion and Analysis", the Board of directors is not aware of any significant event requiring disclosure that has taken place subsequent to the date of this annual report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

36. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

		As at 30 June	
		2024	2023
	Note	S\$	S\$
ASSETS			
Non-current asset			
Interests in subsidiaries	(i)	3,442,000	–
Current assets			
Deposits and prepayments		17,241	14,700
Cash and cash equivalents		84,632	38,241
		101,873	52,941
Total assets		3,543,873	52,941
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		488,559	441,360
Reserves	(iv)	48,219,166	46,822,704
Accumulated losses	(iv)	(48,824,375)	(48,006,382)
Total equity		(116,650)	(742,318)
LIABILITIES			
Current liabilities			
Other payables		509,987	368,277
Amounts due to related parties	(ii)	1,670,901	389,220
Amounts due to subsidiaries	(iii)	1,479,635	37,762
Total liabilities		3,660,523	795,259
Total equity and liabilities		3,543,873	52,941

The statement of financial position of the Company was approved by the Board of Directors on 30 September 2024 and was signed on its behalf.

Mr. Zhang Yang
 Director

Ms. Shi Minyue
 Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

36. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)***Statement of financial position of the Company** *(Continued)**Note (i):* Investments in subsidiaries

As at 30 June 2024, investments in subsidiaries are carried at cost of S\$42,983,007 (2023: S\$39,541,007) less accumulated impairment loss of S\$39,541,007 (2023: S\$39,541,007).

Note (ii): Amounts due to related parties

The amounts due to related parties are unsecured, interest-free, denominated in S\$ and repayable on demand.

Note (iii): Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest-free, denominated in S\$ and repayable on demand.

Note (iv): Reserve movement of the Company

	Share Capital S\$	Share Premium S\$	Accumulated losses S\$	Total S\$
As at 1 July 2021	441,360	46,822,704	(7,169,949)	40,094,115
Loss and total comprehensive expense for the year	–	–	(415,725)	(415,725)
As at 30 June 2022 and 1 July 2022	441,360	46,822,704	(7,585,674)	39,678,390
Loss and total comprehensive expense for the year	–	–	(40,420,708)	(40,420,708)
As at 1 July 2023	441,360	46,822,704	(48,006,382)	(742,318)
Loss and total comprehensive expense for the year	–	–	(817,993)	(817,993)
Share Issued upon placing of new shares <i>(Note 19)</i>	47,199	1,396,462	–	1,443,661
As at 30 June 2024	488,559	48,219,166	(48,824,375)	(116,650)

FINANCIAL SUMMARY

A summary of key financial figures of the Group for the last four financial years, extracted from audited financial statements in this annual report and the Prospectus of the Company dated 29 April 2020, is as follows.

KEY FINANCIAL FIGURES

	Year ended 30 June				
	2024	2023	2022	2021	2020
	S\$	S\$	S\$	S\$	S\$
		(Restated)			
Revenue	6,717,427	11,178,050	11,961,710	14,136,821	14,739,159
(Loss)/profit before income tax and listing expenses	(2,037,628)	(5,193,980)	(1,581,965)	(4,815,227)	1,034,349
(Loss)/profit before income tax	(2,037,628)	(5,193,980)	(1,581,965)	(4,815,227)	(2,575,471)
Net (loss)/profit attributable to owners of the Company	(2,238,651)	(5,034,703)	(1,685,280)	(4,883,965)	(2,587,052)
Total assets	3,634,368	3,064,482	10,765,522	17,195,016	24,613,705
Total liabilities	8,779,077	7,503,260	10,146,974	14,868,877	17,405,041
Net (liabilities)/assets	(5,144,709)	(4,438,778)	618,548	2,326,139	7,208,664