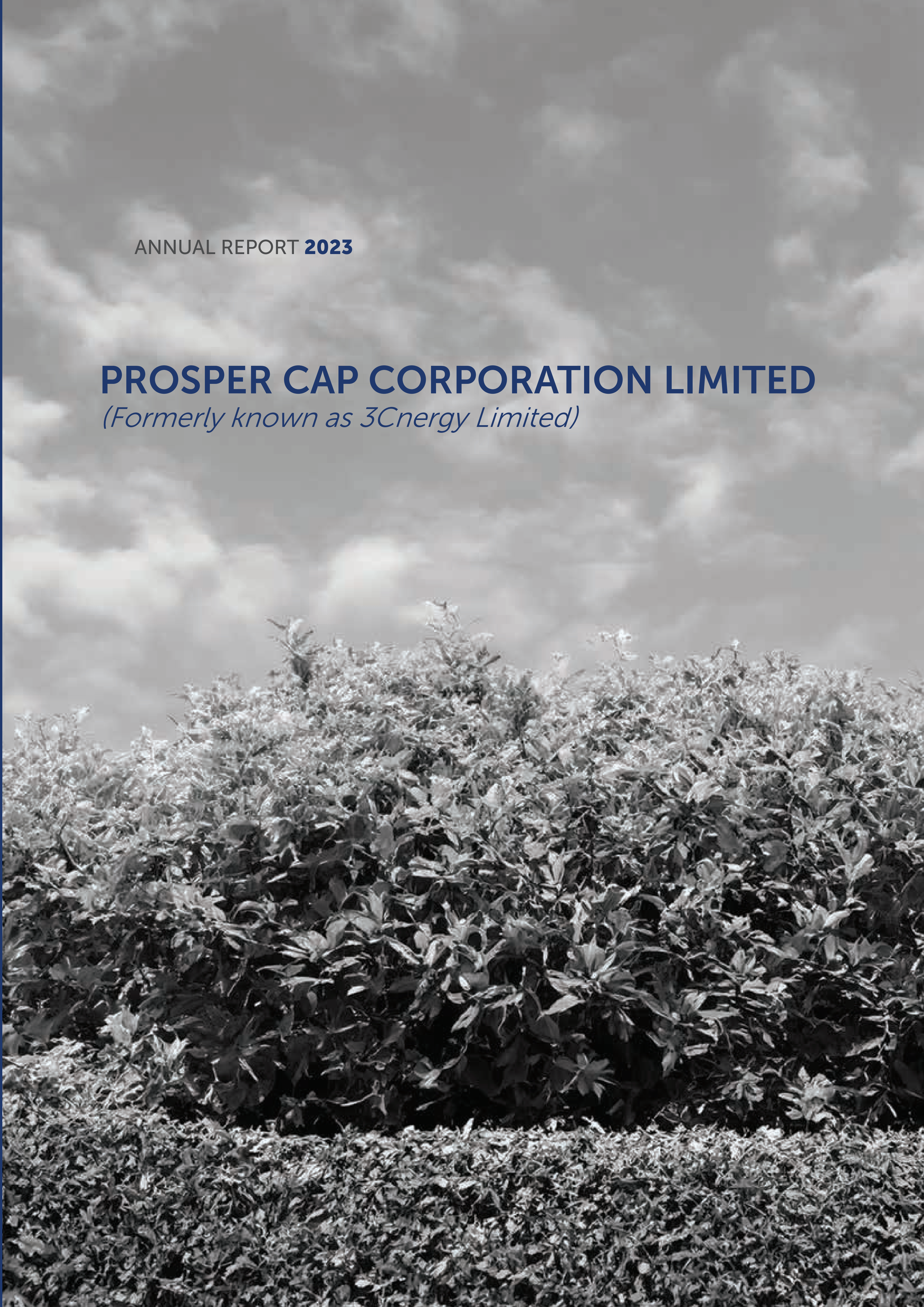
ANNUAL REPORT **2023**

# PROSPER CAP CORPORATION LIMITED

*(Formerly known as 3Cnergy Limited)*



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PROXY FORM


*This Annual Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.*

*The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.*

# CORPORATE PROFILE

Prosper Cap Corporation Limited ("**ProsperCap**") (formerly known as 3Cnergy Limited, "**3Cnergy**" or the "**Company**", together with its subsidiaries, the "**Group**") is a Singapore-based investment holding company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

On 23 January 2024, DTP Inter Holdings Corporation Pte. Ltd. ("**DTP Inter Holdings**"), a subsidiary of DTGO Corporation Limited, completed the reverse takeover ("**RTO**") of 3Cnergy via the acquisition of the entire issued share capital of DTP Infinities Limited (together with its subsidiaries, the "**DTP Infinities Group**"). Subsequently, 3Cnergy Limited was renamed as Prosper Cap Corporation Limited upon the completion of the RTO.

Prior to completion of the RTO, the Company's business activities during the financial year ended 31 December 2023 ("**FY2023**") were largely conducted through its key operating subsidiaries, Orientis Solutions Sdn Bhd ("**OSSB**") and 3C Property Consultants Pte. Ltd. ("**3CPC**").

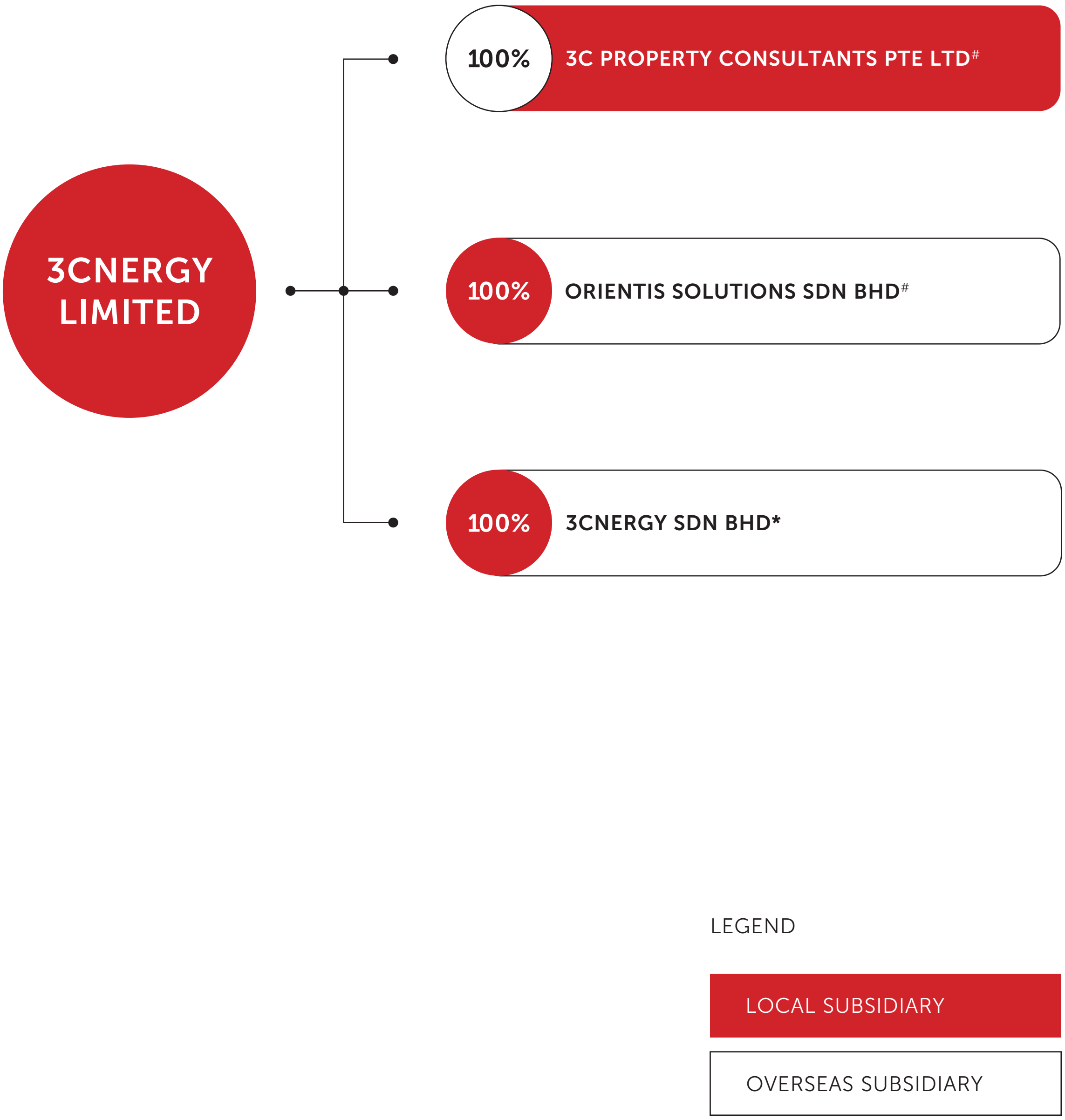
OSSB is an integrated property development management firm offering architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Complementing the Company's range of services, 3CPC provides real estate valuation and appraisal services on properties ranging from Housing & Development Board flats, private residential, commercial and industrial properties in Singapore.

In conjunction with the completion of the RTO, the Company also completed the disposal of remaining operating subsidiaries, 3CPC and OSSB on 23 January 2024. The new business activities of the Group after the completion of the RTO are investing in and managing the operations of hospitality and lodging-related business. ProsperCap owns a portfolio of 17 predominantly upscale hotels with a total of 3,383 keys located in key regional cities in England and Scotland operated under franchise agreements with well-known international hotel brands, namely Hilton, IHG and Marriott.

# CORPORATE STRUCTURE

*Corporate Structure Prior to RTO Completion on 23 January 2024*




# *Disposed subsequent to the financial year ended 31 December 2023 in connected with the completion of the RTO corporate exercise*

* *Dissolution lodgement was made with the Companies Commission of Malaysia (SSM) on 11 January 2024*

# MESSAGE TO SHAREHOLDERS

*Chairman and Acting Group CEO cum Group Financial Controller during FY2023 (and up to 23 January 2024)*

**Dear shareholders,**

On behalf of the Board of Directors in FY2023 (and up to 23 January 2024), we are pleased to present 3Cnergy's (renamed as ProsperCap with effect from 23 January 2024) annual report for FY2023.

FY2023 was an eventful year for the Company. We began the RTO of 3Cnergy, which was successfully completed on 23 January 2024 and with ProsperCap making its trading debut on 26 January 2024.

## 2023 FINANCIAL PERFORMANCE REVIEW

On 12 June 2023, the Company entered into a conditional sale and purchase agreement ("**SPA**") with DTP Inter Holdings ("**Seller**"), pursuant to which the Company shall purchase from the Seller shares representing the entire issued and paid-up ordinary shares in DTP Infinities Limited and issue new ordinary shares in the capital of the Company ("**Proposed Acquisition**"). The Proposed Acquisition, a RTO corporate exercise, was completed on 23 January 2024, shortly subsequent to financial year ended 31 December 2023.

In conjunction with the RTO, the Company completed the disposal of remaining operating subsidiaries, 3CPC and OSSB on 23 January 2024.

Pursuant to the RTO, the Company has issued and allotted:

(a) 1,344,870,969 Consideration Shares to the Seller, at the issue price of S$0.33 per Consideration Share on 23 January 2024;
(b) 643,684 PCL Loan Conversion Shares to Phileo Capital Limited, at the issue price of S$0.33 per PCL Loan Conversion Share, in full discharge of the utilised amount from the PCL Loan in accordance with the PCL Loan Agreement on 23 January 2024;
(c) 13,892,664 Conversion Shares to the Seller at the issue price of S$0.33 per Conversion Share, amounting to a partial repayment of S$4,584,579.12 utilised from the Seller's Loan on 23 January 2024;
(d) 1,970,000 PPCF Shares to PrimePartners Corporate Finance Pte Ltd, at the issue price of S$0.33 per PPCF Share on 23 January 2024;
(e) 210,000,000 Company Placement Shares pursuant to the Proposed Compliance Placement, at the issue price of S$0.33 per Company Placement Share on 23 January 2024; and
(f) 3,920,090 Further Conversion Shares to the Seller at the issue price of S$0.33 per Further Conversion Share, as repayment of S$1,293,629.74 utilised from the remaining Seller's Loan on 28 February 2024.

*(For more information, please refer to the Company's RTO announcements and the circular to shareholders of 3Cnergy dated 7 December 2023 on SGXNET.)*

Following the allotment and issuance of the above-mentioned shares, the total number of issued shares in the capital of the Company is 1,605,967,931 shares.

In FY2023, the Group recorded loss for the year of S$6.10 million as compared to profit for the year of S$6.26 million in financial year ended 31 December 2022 ("**FY2022**"), mainly due to absence of gain on disposal of subsidiary 3C Marina Park Sdn Bhd ("**3CMP**") of approximately S$7.52 million recorded in FY2022 as well as professional fees incurred for the RTO corporate exercise in FY2023.

## OUTLOOK

Following the completion of the RTO on 23 January 2024, there was a re-constitution of the Board effective from the same date. The new Board of Directors (led by the new Chairman, Mr Bunyong Visatemongkolchai) and the new Chief Executive Officer, Mr Iqbal Jumabhoy, were appointed with effect from 23 January 2024. An introduction letter from the new Chairman and the new Chief Executive Officer is included, for reference, in the section entitled "Embarking on a New Growth Path" on pages 104 to 107 of this Annual Report.

The new business activities of the Group following the completion of the RTO are investing in and managing the operations of hospitality and lodging-related business. The Group now owns a portfolio of 17 predominantly upscale hotels with a total of 3,383 keys located in key regional cities in England and Scotland operated under franchise agreements with well-known international hotel brands, namely Hilton, IHG and Marriott.

## APPRECIATION

Our sincere thanks go to our existing and new Shareholders and our previous Directors for their unwavering support throughout the RTO process. We would also like to extend our gratitude to all parties for their hard work towards the successful completion of the RTO corporate exercise.

Thank you.

**Ong Pai Koo @ Sylvester**
Chairman during FY2023 (and up to 23 January 2024)

**Leow Soon Hoe**
Acting Group CEO cum Group Financial Controller during FY2023 (and up to 23 January 2024)

# BOARD OF DIRECTORS

*Information regarding the Board of Directors during FY2023 (and up to 23 January 2024)*

## ONG PAI KOO @ SYLVESTER

INDEPENDENT NON-EXECUTIVE CHAIRMAN
(resigned with effect from 23 January 2024)

Mr Ong is an independent non-executive director of 3Cnergy Limited and was appointed to the Board on 15 September 2015. Mr Ong was re-designated from Independent Director to Independent Non-Executive Chairman with effect from 11 February 2022. He also serves as the Chairman of the Nominating Committee and the Remuneration Committee and is a member of the Audit Committee.

Mr Ong has over 34 years of finance experience in various industries in both Malaysia and Singapore. He is currently the Senior General Manager of an earthworks, infrastructure and other related construction works company in Malaysia.

Mr Ong holds a Double Major Bachelor Degree in Economics and Business Administration and a MBA from Simon Fraser University, Canada.

## LAI VEN LI

LEAD INDEPENDENT DIRECTOR
(resigned with effect from 23 January 2024)

Ms Lai is the Lead Independent Director of 3Cnergy Limited and was appointed as independent director of 3Cnergy Limited on 5 January 2023. She also serves as the Chairman of the Audit Committee and is a member of the Remuneration Committee and Nominating Committee.

Ms Lai has over 20 years of corporate and investment banking experience. She formerly served as the Head of Corporate Banking at CIMB Singapore and the Head of International Corporate Banking for CIMB Group. She was responsible for business strategy and portfolio development, and the management of the asset portfolio in Singapore, Malaysia, Indonesia and other countries. She also served as a member of the Group Credit, Risk and Compliance, Asset and Liability, and Business Management committees of the bank.

Before joining CIMB Group, she worked in the international banking division at DBS. She was also partner of a real estate private equity firm.

Ms Lai presently serves on the board of directors of Avarga Limited, listed on the Main Board of Singapore Exchange Limited.

She graduated with a Bachelor of Commerce from The University of Western Australia and she is a Fellow member of CPA Australia.

## AU FOONG YEE

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
(resigned with effect from 23 January 2024)

Ms Au was the founding Managing Director and Editor-in-Chief of The Edge Property Sdn Bhd. which owns the EdgeProp.my (previously known as TheEdgeProperty.com), a weekly publication and www.EdgeProp.my. Subsequent to her retirement from the role of Managing Director and Editor-in-Chief of The Edge Property Sdn Bhd in December 2021, she was appointed as Editor Emeritus of The Edge Communications Sdn Bhd.

From 2011 to 2016, Ms Au was the Executive Editor and Chief Marketing Officer before being promoted to Managing Director of The Edge Communications Sdn Bhd. In July 2016, Ms Au relinquished the role of Managing Director of The Edge Communications Sdn Bhd to helm and drive The Edge Property Sdn Bhd. She had also served on the board of LGM Properties Corporation (LGMPC) from 11 November 2021 to 16 February 2023.

In January 2022, Ms Au was also appointed as a member of the inaugural Malaysian Ministry of Housing and Local Government's Panel of Experts (POE).

She is an Independent Non-Executive Director of Inta Bina Group Berhad, a company listed on Bursa Malaysia.

# KEY MANAGEMENT PROFILE

*Information regarding the Key Management Personnel during FY2023 (and up to 23 January 2024)*

**LEOW SOON HOE**
ACTING GROUP CHIEF EXECUTIVE OFFICER CUM GROUP FINANCIAL CONTROLLER
(Resigned with effect from 23 January 2024)

Mr Leow joined the Group as Finance Manager on 2 May 2017 and was appointed as Group Financial Controller on 30 June 2018. Mr Leow was re-designated from the Group Financial Controller to Acting Group Chief Executive Officer cum Group Financial Controller with effect from 1 January 2023. He is responsible for the overall management of the Group on top of his role as Group Financial Controller which scope of work includes accounting, finance, and reporting functions of the Group.

Prior to joining the Group, he was an auditor with RSM Chio Lim LLP and BDO Malaysia where he covered a wide range of companies including both private and public-listed companies in the retail, manufacturing, logistics, property development and construction industries.

He holds a Bachelor of Accountancy from Universiti Utara Malaysia, and is a member of the Malaysian Institute of Accountants (MIA).

# CORPORATE INFORMATION

### DIRECTORS APPOINTED WITH EFFECT FROM 23 JANUARY 2024

Mr Bunyong Visatemongkolchai
Independent Non-Executive Chairman

Mr Hansa Susayan
Vice Chairman and Non-Executive Director

Mr Iqbal Jumabhoy
Chief Executive Officer and Executive Director

Mrs Sasinan Allmand
Non-Independent Non-Executive Director

Mr Lee Kwai Seng
Non-Independent Non-Executive Director

Mr Christopher Tang Kok Kai
Independent Non-Executive Director

Mr Chiew Chun Wee
Independent Non-Executive Director

### DIRECTORS RESIGNED WITH EFFECT FROM 23 JANUARY 2024

Mr Ong Pai Koo @ Sylvester
Independent Non-Executive Chairman

Ms Lai Ven Li
Lead Independent Director

Ms Au Foong Yee
Non-Independent Non-Executive Director

### AUDIT COMMITTEE (WITH EFFECT FROM 23 JANUARY 2024)

Mr Chiew Chun Wee, Chairman
Mr Christopher Tang Kok Kai
Mr Lee Kwai Seng

### AUDIT COMMITTEE (IN EFFECT UP TO 23 JANUARY 2024)

Ms Lai Ven Li, Chairman
Mr Ong Pai Koo @ Sylvester
Ms Au Foong Yee

### NOMINATING COMMITTEE (WITH EFFECT FROM 23 JANUARY 2024)

Mr Bunyong Visatemongkolchai, Chairman
Mr Chiew Chun Wee
Mr Christopher Tang Kok Kai

### NOMINATING COMMITTEE (IN EFFECT UP TO 23 JANUARY 2024)

Mr Ong Pai Koo @ Sylvester, Chairman
Ms Lai Ven Li
Ms Au Foong Yee

### REMUNERATION COMMITTEE (WITH EFFECT FROM 23 JANUARY 2024)

Mr Christopher Tang Kok Kai, Chairman
Mr Bunyong Visatemongkolchai
Mr Chiew Chun Wee

### REMUNERATION COMMITTEE (IN EFFECT UP TO 23 JANUARY 2024)

Mr Ong Pai Koo @ Sylvester, Chairman
Ms Lai Ven Li
Ms Au Foong Yee

### COMPANY SECRETARY

Ms Cheok Hui Yee
(in effect up to 23 January 2024)
Ms Chong Pei Wen
(with effect from 23 January 2024)

### REGISTERED OFFICE

(With effect from 23 January 2024)
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Tel: (65) 6970 8117

(In effect up to 23 January 2024)
82 Ubi Avenue 4
#05-04 Edward Boustead Centre
Singapore 408832
Tel: (65) 6970 8117

Web: www.prospercap.com
(with effect from 23 January 2024)
Web: www.3cnergy.com.sg
(in effect up to 23 January 2024)

### SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

### SHARE REGISTRAR

Tricor Barbinder Share Registration Services
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619

### AUDITORS

KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Audit Partner-in-Charge

Ms Tan Kar Yee, Linda
Partner-in-charge since financial year ended
31 December 2023

### BANKERS

CIMB Bank Berhad
United Overseas Bank Limited
Public Bank Berhad

### COMPANY REGISTRATION

No. 197300314D

# FINANCIAL AND OPERATIONAL REVIEW

On 12 June 2023, the Company entered into a conditional SPA with DTP Inter Holdings, pursuant to which the Company shall purchase from DTP Inter Holdings shares representing the entire issued and paid-up ordinary shares in DTP Infinities Limited and issue new ordinary shares in the capital of the Company. The Proposed Acquisition which constitutes a RTO corporate exercise, was completed on 23 January 2024, shortly subsequent to FY2023.

With a core business focus of investing in and managing the operations of hospitality and lodging-related business, the DTP Infinities Group currently owns a portfolio of 17 predominantly upscale hotels (the "**Hospitality Assets**") located in England and Scotland, offering a total of 3,383 keys. The Hospitality Assets are operating under franchise agreements with well-known international hotel brands, namely Hilton, IHG and Marriott and managed by Valor Hospitality Europe Limited.

In conjunction with the RTO, the Company sought to dispose of its remaining operating subsidiaries, 3CPC and OSSB. On 6 July 2023, the Company entered into separate conditional sale and purchase agreements (collectively, the "**Disposal SPAs**") with each of Ms Annie Low (Liu Anni) ("**Ms Low**") and Ms Stella Chai Lu Ming ("**Ms Chai**"), pursuant to which the Company shall sell, and Ms Low and Ms Chai shall purchase, the entire issued share capital of 3CPC and OSSB respectively (collectively, the "**Proposed Disposal**"). Following the entry into the Disposal SPAs, the Group reclassified 3CPC and OSSB as a disposal group held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Accordingly, all income and expenses relating to 3CPC and OSSB were reclassified to loss from discontinued operations in FY2023. The Proposed Disposal was completed on 23 January 2024, shortly subsequent to FY2023.

The Group's recorded loss for the year of S$6.10 million in FY2023 as compared to profit for the year of S$6.26 million in FY2022, mainly due to absence of gain on disposal of subsidiary 3CMP of approximately S$7.52 million recorded in FY2022 as well as professional fees incurred for the RTO corporate exercise in FY2023.

Convertible loans were received from DTP Inter Holdings Corporation Pte. Ltd. and Phileo Capital Limited under the respective convertible loan agreements for the payment of RTO fees and expenses.

In conjunction with the RTO, the Company completed a compliance placement on 23 January 2024 ("**Compliance Placement**") raising gross proceeds of S$69.3 million. As announced on 29 February 2024 in the full year results announcement where an update on the use of proceeds from the Compliance Placement was provided, a portion of the proceeds, i.e. S$55 million has been utilized for repayment of the loan to DTP Inter Holdings. The use of proceeds from the Compliance Placement as disclosed above is in accordance with the intended uses as disclosed in the RTO circular to shareholders published on 7 December 2023. The Board will continue to provide periodic announcements on the utilisation of the balance of the proceeds from the Compliance Placement as and when the proceeds are materially disbursed.

## CONTINUING OPERATIONS

### REVENUE

The Group's revenue comprised project management services rendered by OSSB and property valuation services rendered by 3CPC. Total revenue for FY2023 and comparative for FY2022 have been reclassified to loss from discontinued operations.

### GENERAL AND ADMINISTRATIVE EXPENSES ("G&A EXPENSES")

G&A Expenses comprised mainly professional fees, Good & Services Tax expenses, staff costs, audit fees, and SGX listing expenses. The increase in G&A Expenses from S$0.56 million in FY2022 to $6.08 million in FY2023 was mainly attributable to the professional fees incurred for the RTO corporate exercise in FY2023.

# FINANCIAL AND OPERATIONAL REVIEW

## STATEMENT OF FINANCIAL POSITION

Following the entry into the Disposal SPAs, the Group has reclassified OSSB and 3CPC as a disposal group held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Accordingly, all assets and liabilities relating to 3CPC and OSSB were reclassified to Group assets held for sale and Group liabilities held for sale, respectively, as at 31 December 2023. This reclassification has resulted in reductions in the Group's other receivables and deposits.

Trade and other receivables decreased by approximately S$33,000 from S$36,000 as at 31 December 2022 to S$3,000 as at 31 December 2023 due to payment received from customers and annual amortisation of prepayments during FY2023.

Cash and cash equivalents increased by approximately S$416,000 mainly due to funds received from DTP Inter Holdings under the relevant convertible loan agreement for the payments of professional fees in relation to the RTO corporate exercise.

Other payables and accruals increased by approximately S$2.01 million from S$0.10 million as at 31 December 2022 to S$2.11 million as at 31 December 2023, mainly due to outstanding professional fees related to RTO corporate exercise as at 31 December 2023.

Accumulated losses and other reserves increased by approximately S$5.97 million from S$2.95 million as at 31 December 2022 to S$8.92 million as at 31 December 2023, mainly due to loss as a result of the professional fees incurred for the RTO corporate exercise in FY2023.

The Group reported a negative working capital of S$5.65 million as at 31 December 2023 as compared to positive working capital of S$0.32 million as at 31 December 2022. Remaining cash balance as at 31 December 2023 stood at approximately S$0.80 million. The negative working capital is mainly due to the expenses in relation to the RTO corporate exercise which had yet to be completed as at 31 December 2023. The RTO completed on 23 January 2024.

## STATEMENT OF CASH FLOWS

Net cash used in operating activities in FY2023 was approximately S$0.64 million, mainly due to an operating cash outflow of approximately S$2.68 million before changes in working capital, and offset with inflow from the increase in payables of S$2.02 million.

Net cash generated from financing activities amounted to approximately S$1.12 million in FY2023 mainly attributable to the proceeds from convertible loans of S$1.13 million during FY2023.

The Group recorded a net increase in cash and cash equivalents of approximately S$0.49 million in FY2023.

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

Sustainability has become a critical success factor for companies to ensure long-term value creation. We are pleased to present the Group's annual Sustainability Report, for our financial year ended 31 December 2023 ("**FY2023**"). This report is set out on a "comply or explain" basis in accordance with Rules 711A, 711B and Practice Note 7F-Sustainability Report Guide of the Listing Manual Section B: Rules of Catalist of the SGX-ST in relation to Prosper Cap Corporation Limited (formerly known as 3Cnergy Limited) (the "**Company**", together with its subsidiaries, the "**Group**").

## BOARD STATEMENT

The key material environmental, social and governance ("**ESG**") factors for the Group have been identified, reviewed and recommended by the management and are reviewed, determined and approved by the board of directors of the Company (the "**Board**"). The Board also provides overall oversight over the management and monitoring of these factors. The Board considers sustainability issues when determining the Group's business, strategic direction and policies. The Board is always mindful of its responsibilities to shareholders and various stakeholders to create and deliver sustainable value and long-term success through its leadership and oversight of the management of the Group's business.

## REPORTING FRAMEWORK

We prepared our report with reference to the principles and requirements in the Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for Listed Companies, as well as the Global Reporting Initiatives ("**GRI**") Standards: Core Option, chosen for its user-friendly modular system and the comprehensive guidance it provides on a range of sustainability related topics. This report covers FY2023. In addition, the SGX-ST has mandated that, effective for the financial year commencing on or after 1 January 2022, all issuers must include climate-related disclosures on a 'comply or explain' basis in their annual sustainability report. Such disclosures must follow the Task Force on Climate-related Financial Disclosures ("**TCFD**")'s recommendations.

We have not sought external assurance on the preparation of this report, and we relied on our internal verification mechanisms to validate the accuracy of our FY2023 reporting in view of the Group's minimal operations while the reverse takeover corporate exercise ("**RTO**") was on-going for the bulk of FY2023. Nevertheless, we will include the internal review of our Sustainability Report within the scope of our internal audit in the future.

All the Board members onboard during FY2023 (namely, Ong Pai Koo @ Sylvester, Lai Ven Li and Au Foong Yee) had completed the mandated sustainability training course organised by Singapore Institute of Directors as required by the enhanced SGX sustainability reporting rules announced in December 2021 prior to their respective resignations on 23 January 2024 upon completion of the RTO. The current Board members appointed on 23 January 2024 will attend the relevant trainings before the first anniversary of the date of their respective appointments.

## REPORTING SCOPE

The Company has completed the disposal of its wholly-owned subsidiary, 3C Marina Park Sdn Bhd ("**3CMP**") on 13 May 2022. As a result, the operations of the Group have been significantly reduced. This report will particularly focus on the economic and operation, governance and social issues that affect our group of companies in general aspects. The report also covers the performance of our Group in FY2023. As the Group's business and operation is at the minimal for FY2023, we do not expect any potential material impact on climate-related risks and opportunities by the Group's business, strategy and financial planning. Due to the minimal operations of the Group following the disposal of 3CMP, including in FY2023, the impact on climate-related risks on the Group for FY2023 is insignificant. With the completion of the RTO on 23 January 2024, we endeavour to incrementally incorporate the TCFD recommendations into our Sustainability Report for future reporting periods. Please refer to Appendix 2 for the TCFD Content Index.

## FEEDBACK

We are committed to consider and evaluate material and constructive feedback from our stakeholders and we look forward to your feedback. Please send your feedback to ir@prospercap.com.

# SUSTAINABILITY REPORT

## GOVERNANCE STRUCTURE

Sustainability is embedded in our organisation's culture and is led from the top. The Group's governance structure supports and drives the sustainable development journey. We are guided by our code of conduct and ethics established to promote healthy corporate culture, ethical business practices and sustainability. Comprehensive policies and systems are also in place to manage sustainable practices across our various business activities.

Sustainability Governance is led by the Board and supported by all levels of the Group.

**Board of Directors**

- **Oversees the sustainability direction, strategies and policies.**

**Management/Key Executives**

- **Advises and supports the Board's decisions on sustainability matters, strategies and policies.**
- **Managing and monitoring of sustainability performance and targets.**

**Staff**

- **Implements sustainability initiatives and provide feedback on improvements.**

## STAKEHOLDER ENGAGEMENT

The Group's stakeholders include, but are not limited to, customers, shareholders, employees, suppliers and local government. We prioritise our stakeholder engagement based on the significance of their influence on our business and our dependency on them. The stakeholder engagement has been reduced in FY2023 to be in line with the minimal operations of the Group following the disposal of 3CMP. We engage with our key stakeholders on a regular basis to ensure two-way communication and this is summarised in the table below:

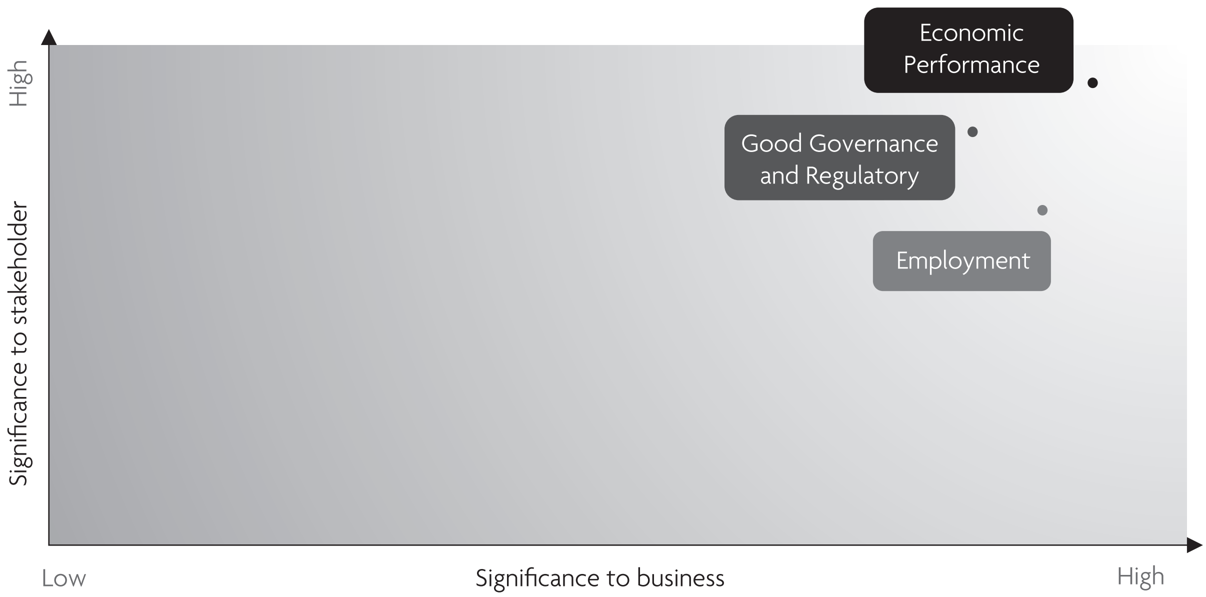
| Stakeholder | Topics of concern | Frequency of engagement | Mode of engagement |
|---|---|---|---|
| Customers | • Product quality<br>• Code of conduct | Ongoing | • Meetings<br>• Email/phone call communication |
| Shareholders | • Corporate Governance<br>• Compliance with Catalist Rules<br>• Economic performance | Half yearly/Annually/ As required | • Annual report<br>• Annual general meeting<br>• SGX announcements |
| Employees | • Staff rights and welfare<br>• Career growth<br>• Training and education opportunities<br>• Good working environment | Ad hoc/Annually | • Employee handbook<br>• Regular email communication<br>• Staff appraisal |

# SUSTAINABILITY REPORT

| Stakeholder | Topics of concern | Frequency of engagement | Mode of engagement |
|---|---|---|---|
| Suppliers | • Compliance with terms and conditions of purchasing policies and procedures<br>• Maintenance of ethical standards | Ongoing | • Meetings<br>• Email/phone call communication |
| Government and Regulators | • Compliance with rules and regulations | Ad hoc | • Government publications/written communication |

**MATERIALITY ASSESSMENT**

In order to determine what ESG factors are most relevant to us, we conducted a materiality assessment involving key internal stakeholders. After assessing ESG related business risks, opportunities and issues, we have identified certain ESG factors that we believe to be most material to us in FY2023 and they are illustrated in the materiality matrix below.




The Board acknowledges that, for better target and performance monitoring, short-, medium- and long-term targets for the above material factors should be clearly identified. The Board will endeavour to report these targets in the Sustainability Report for the financial year ending 31 December 2024 ("**FY2024**"). We aim to continue identifying, setting and refining key targets for sustainability matters that are material to our business and important for our stakeholders and to describe how targets are linked to business strategies and financial performance.

# SUSTAINABILITY REPORT

## ECONOMIC PERFORMANCE

Economic performance is very important to a company's stakeholders particularly its investors or owners, because this performance eventually provides them with a return on their investment. Other stakeholders, such as the firm's employees and the society at large, are also deemed to benefit from such performance, albeit less directly.

On 12 June 2023, the Company entered into a conditional sale and purchase agreement ("**SPA**") with DTP Inter Holdings Corporation Pte. Ltd. ("**Seller**") (collectively with the Company, the "**Parties**" and each a "**Party**"), pursuant to which the Company purchased from the Seller shares representing the entire issued and paid-up ordinary shares in DTP Infinities Limited and issue new ordinary shares in the capital of the Company as consideration ("**Proposed Acquisition**"). The Proposed Acquisition resulted in a RTO of the Company as defined under Chapter 10 of Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the SGX-ST. The Proposed Acquisition was completed on 23 January 2024, subsequent to financial year ended 31 December 2023.

In conjunction with the RTO, the Company completed the disposal of remaining operating subsidiaries, namely 3C Property Consultants Pte. Ltd. ("**3CPC**") and Orientis Solutions Sdn. Bhd. ("**OSSB**") on 23 January 2024.

Upon completion of the RTO, the Group's new business activities are investing in and managing the operations of hospitality and lodging-related business.

Performance in FY2023: The Group recorded loss for the year of S$6.10 million and the loss is mainly attributable to professional fees incurred for the RTO corporate exercise in FY2023. The Group's businesses of integrated property development management, real estate valuation and appraisal services were ongoing during FY2023, albeit contributing minimally to the performance of the Group. The target to focus on its businesses that was set previously for FY2023 has been met. In addition, the Company has completed the RTO on 23 January 2024. Hence, the target to continue to pursue and explore new business opportunities as and when they arise previously set for FY2023 has also been met after FY2023.

Target for FY2024: (a) Optimise capital structure, cost of capital and strengthen balance sheet; and (b) Asset enhancement and active asset management, portfolio expansion and diversification with a strong emphasis on green initiatives to maximise returns from its hotel investments and provide an impetus for growth.

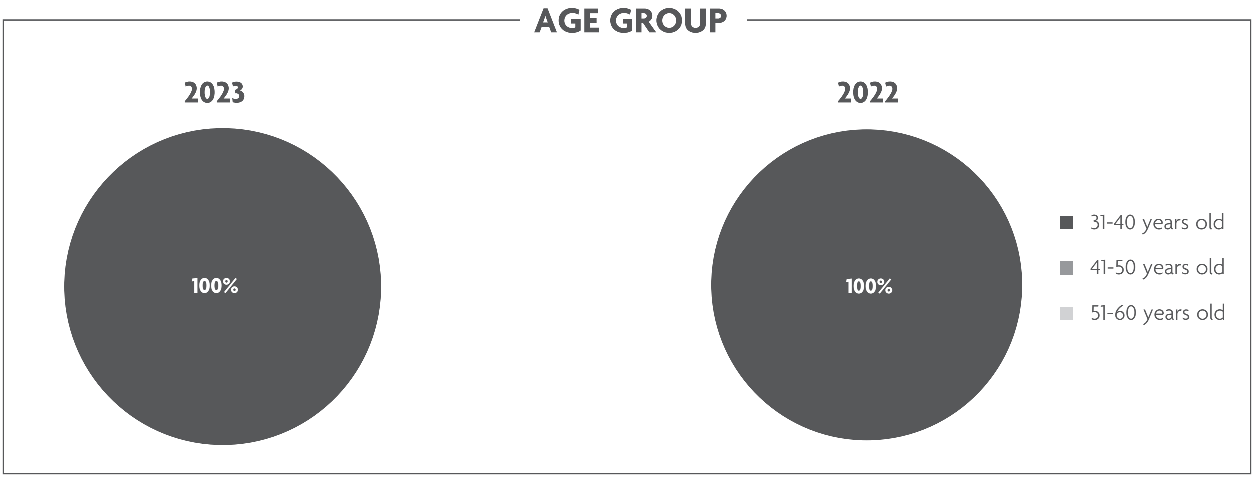
For detailed information, please refer to the financial statements section under pages 54 to 101 of this Annual Report.

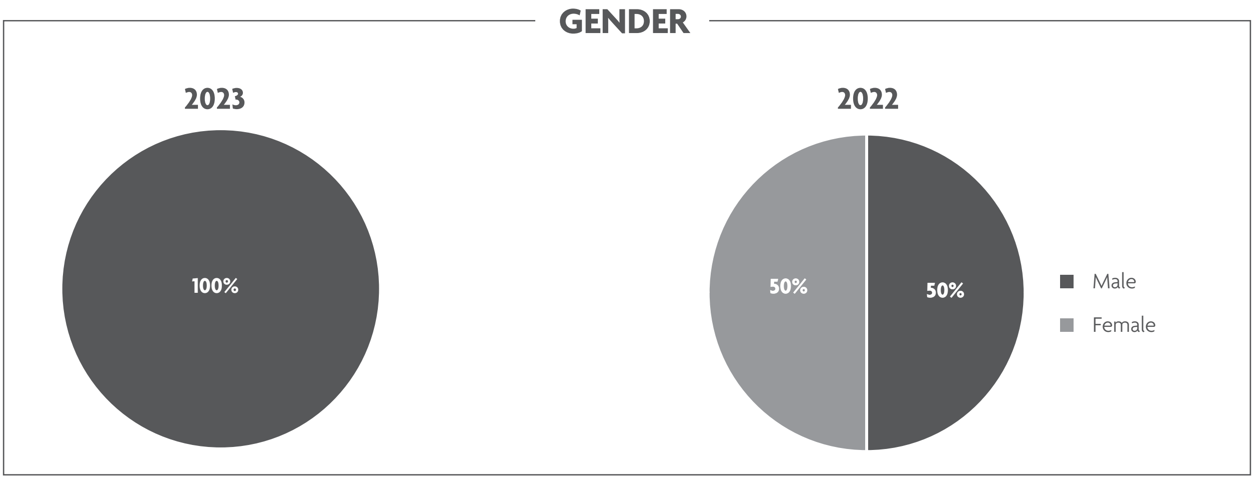
# SUSTAINABILITY REPORT

## EMPLOYMENT

Our employees have always been a key pillar in contributing to the Group's growth and success. The Group is also committed to carry out its social responsibility at the workplace for employees, and recognise that it is important to provide a safe and conducive working environment for employees. In addition, all employees are employed under fair and equitable terms. All employees are also given equal opportunities with regard to their career advancement.

Employee information of the Group as at 31 December 2023:




Gender representation declined to one category in FY2023 due to staff turnover as result of resignation and the Group has maintained only one staff in FY2023 in line with level of business operations. No new employee was hired in FY2023.

We treat all employees fairly, with respect and dignity, regardless of nationality, gender, age, race or religion. The hiring procedures are fair and non-discriminative. Staff are hired on the basis of merit, skills, experience or competency to perform the job. Our stance against fraud and abuse has been clearly set forth in the Employee Handbook where employees who have discovered/identified any action that can be reasonably construed as fraud or abuse shall report the matter to the management or directors of the Company immediately. In FY2023, there were no employee complaints received with regards to discrimination, fraud or abuse in the workplace.

# SUSTAINABILITY REPORT

The Group ensures compliance with the respective labour and employment laws, including working hours and believes in good work-life balance for our employees. The Group has adopted annual leave increment policy based on length of service of each employee and allows only limited days carry-over to another calendar year. This is to encourage employees to take time off and utilise their leave entitlements.

The Group understands that there is a continuous need to upgrade the staff skills and knowledge. This is beneficial to the staff development and also to the Group. Thus, staff are encouraged to go for courses and seminars to keep themselves updated of the latest rules and regulations and upgrade their skill and knowledge so that they have the necessary skillset to perform their duties in an ever-changing environment.

- **Code of Work Ethics**

All employees are expected to uphold and ensure that they do not engage in any interest that conflicts with any companies of the Group's businesses and ethics. The code of work ethics is published in our Company's Employee Handbook.

Performance in FY2023: There were no occurrences of occupational injuries and zero incidents of non-compliance with applicable labour and employment laws. As such, the target previously set for FY2023 has been met. In the Company's Employee Handbook, it has highlighted the importance of complying with the safety practices and regulations in the workplace to keep a safe working environment and protecting employees from occupational hazards.

Target for FY2024: To continue to cultivate a transparent and inclusive environment to attract and retain talent while ensuring a top-down approach to promote fair and ethical business dealings. The Group is also committed to complying with the applicable labour and employment laws and safeguarding our employees' health and safety against any potential workplace hazards.

The Group's business and operation were at the minimal for FY2023, hence we only focused on employee factors under the social topic. With the completion of the RTO, we endeavour to expand the social responsibility scope to focus on other stakeholders in future reports.

## GOOD GOVERNANCE AND REGULATORY

The Group strives to comply with the best practices of good governance, guided by the Singapore's Code of Corporate Governance 2018 (the "**Code**") and the relevant regulatory requirements, throughout its operations to safeguard all stakeholders' interests and value in the long term. We commit to conduct our business with integrity and require the Board and management to comply with all laws and regulations. The Group recognises that good corporate governance processes are essential for enhancing corporate sustainability. Please refer to Report on Corporate Governance under pages 19 to 46 of this Annual Report for our corporate governance practices.

We maintain a whistleblowing policy and framework, overseen by the Audit Committee, by which employees and other stakeholders may communicate their concerns regarding matters such as employee misconduct, illegal activities, suspected fraud and other dishonest activities directly to the Chairman of Audit Committee of the Company ("**AC Chairman**"), without fear of reprisals or victimisation. Identities of such persons are kept in confidence. Any such matter raised to the AC Chairman is promptly investigated, dealt with, and reported to the Board. We are pleased to report that there were zero whistleblowing reports received in FY2023.

Performance in FY2023: There were zero incidents of non-compliance with the relevant regulatory requirements. As such, the target previously set for FY2023 has been met.

Target for FY2024: To continue to ensure no incidents of non-compliance with the relevant laws and regulations, corruption, bribery, extortion, fraud and money laundering resulting in internal disciplinary action or public sanctions or regulatory disciplinary actions.

# SUSTAINABILITY REPORT

**Appendix 1**

**GRI Standards Content Index**

| GRI Standard | Disclosure | Reference/Description |
|---|---|---|
| **GRI-102: GENERAL DISCLOSURES** | | |
| 102-1 | Name of the organisation | Prosper Cap Corporation Limited |
| 102-2 | Activities, brands, products, and services | Integrated property development management and real estate valuation and appraisal services |
| 102-3 | Location of headquarters | Singapore |
| 102-4 | Location of operations | Singapore and Malaysia |
| 102-5 | Ownership and legal form | Public listed company on the Catalist of SGX-ST |
| 102-6 | Market served | Singapore and Malaysia |
| 102-7 | Scale of the organisation | Please refer to Corporate Structure section |
| 102-8 | Information on employees and other workers | Page 13 |
| 102-9 | Supply chain | Not applicable |
| 102-10 | Significant changes to organisation and its supply chain | None |
| 102-11 | Precautionary principle or approach | The Company does not specifically address the precautionary approach |
| 102-12 | External initiatives | Not applicable |
| 102-13 | Membership of associations | Member of Singapore Business Federation |
| 102-14 | Statement from senior decision maker | Page 9 |
| 102-16 | Values, principles, standard, and norms of behaviour | Pages 11 to 14 |
| 102-18 | Governance structure | Page 10 |
| 102-40 | List of stakeholder groups | Pages 10 to 11 |
| 102-41 | Collective bargaining agreements | None |
| 102-42 | Identifying and selecting stakeholders | Pages 10 to 11 |
| 102-43 | Approach to stakeholder engagement | Pages 10 to 11 |
| 102-44 | Key topics and concerns raised | Pages 10 to 11 |
| 102-45 | Entities included in the consolidated financial statements | Please refer to Corporate Structure section |
| 102-46 | Defining report content and topic Boundaries | Page 9 |
| 102-47 | List of material topics | Page 11 |
| 102-48 | Restatements of information | None |

# SUSTAINABILITY REPORT

| GRI Standard | Disclosure | Reference/Description |
|---|---|---|
| 102-49 | Changes in reporting | None |
| 102-50 | Reporting period | 1 January to 31 December 2023 |
| 102-51 | Date of most recent report | 11 April 2023 |
| 102-53 | Contact point for questions regarding the report | Page 9 |
| 102-54 | Claims of reporting in accordance with GRI Standards | Page 9 |
| 102-55 | GRI Content Index | Page 9 |
| 102-56 | External assurance | Page 9 |
| **TOPIC-SPECIFIC STANDARDS** | | |
| **GRI 201: Economic Performance** | | |
| 201-1 | Direct economic value generated and distribution | Page 12 |
| **GRI 401: Employment** | | |
| 401-1 | New employee hires and employee turnover | Page 13 |
| 403-2 | Type of injury and rates of injury, occupational diseases, lost and absenteeism and number of work-related fatalities | Page 14 |
| 405-1 | Diversity of governance bodies and employees | Page 14 |
| 406-1 | Incidents of discrimination and corrective actions taken | Page 13 |

# SUSTAINABILITY REPORT

**Appendix 2**

**TCFD CONTENT INDEX**

| TCFD recommended disclosure | | APPROACH |
|---|---|---|
| **Governance**<br>Disclosed the organisation's governance around climate-related issues and opportunities. | a. Describe the board's oversight of climate-related risks and opportunities.<br><br>b. Describe the management's role in assessing and managing climate-related risks and opportunities. | Due to the minimal operations of the Group following the disposal of 3CMP, including in FY2023, the impact on climate-related risks or opportunities for the Group for FY2023 is insignificant.<br><br>The Board of Directors will review the TCFD disclosure in FY2024 and endeavour to incrementally incorporate the TCFD recommendations into our Sustainability Report for future reporting periods covering our new business of investing in and managing the operations of hospitality and lodging-related business. |
| **Strategy**<br>Disclose the actual and potential impacts of climate-related risks and, strategy, and financial planning where such information is material. | a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.<br><br>b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.<br><br>c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Due to the minimal operations of the Group following the disposal of 3CMP, including in FY2023, the impact on climate-related risks or opportunities for the Group for FY2023 is insignificant.<br><br>The Board of Directors will review the TCFD disclosure in FY2024 and endeavour to incrementally incorporate the TCFD recommendations into our Sustainability Report for future reporting periods covering our new business of investing in and managing the operations of hospitality and lodging-related business. |

# SUSTAINABILITY REPORT

| TCFD recommended disclosure | | APPROACH |
| --- | --- | --- |
| **Risk Management**<br>Disclose how the organisation identifies, assesses, and manages climate-related risks. | a. Describe the organisation's processes for identifying and assessing climate-related risks.<br><br>b. Describe the organisation's processes for managing climate-related risks.<br><br>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | Due to the minimal operations of the Group following the disposal of 3CMP, including in FY2023, the impact on climate-related risks or opportunities for the Group for FY2023 is insignificant.<br><br>The Board of Directors will review the TCFD disclosure in FY2024 and endeavour to incrementally incorporate the TCFD recommendations into our Sustainability Report for future reporting periods covering our new business of investing in and managing the operations of hospitality and lodging-related business. |
| **Metrics and Targets**<br>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.<br><br>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.<br><br>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | Due to the minimal operations of the Group following the disposal of 3CMP, including in FY2023, the impact on climate-related risks or opportunities for the Group for FY2023 is insignificant.<br><br>The Board of Directors will review the TCFD disclosure in FY2024 and endeavour to incrementally incorporate the TCFD recommendations into our Sustainability Report for future reporting periods covering our new business of investing in and managing the operations of hospitality and lodging-related business. |

# REPORT ON CORPORATE GOVERNANCE

The Board of Directors of Prosper Cap Corporation Limited (formerly known as 3Cnergy Limited) (the "**Company**" and together with its subsidiaries, the "**Group**") (the "**Board**") is committed to maintaining high standards of corporate governance and has adopted the principles set out in the Code of Corporate Governance 2018 (the "**Code**") to promote transparency and to protect the interests of the Company's shareholders.

The Company has established various self-regulating and monitoring mechanisms to ensure that effective corporate governance is practised as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and financial performance of the Group.

This report describes the Company's corporate governance processes and structures that were in place during the financial year ended 31 December 2023 ("**FY2023**"), with specific reference made to the principles and provisions of the Code. Where there are deviations from the Code, appropriate explanations are provided.

During FY2023 (and up to 23 January 2024), the composition of the Board and the relevant Board Committees (as defined below) was as follows:

| Name of Directors | Board of Directors | Audit Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|
| Mr Ong Pai Koo @ Sylvester | Independent Non-Executive Chairman | Member | Chairman | Chairman |
| Ms Lai Ven Li | Lead Independent Director | Chairman | Member | Member |
| Ms Au Foong Yee | Non-Independent Non-Executive Director | Member | Member | Member |

Following completion of the reverse takeover ("**RTO**") corporate exercise on 23 January 2024, there was a re-constitution of the Board effective from the same date. The composition of the Board and the relevant Board Committees (as defined below) with effect from 23 January 2024 (which remain unchanged as at the date of this report) are as follows:

| Name of Directors | Board of Directors | Audit Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|
| Mr Bunyong Visatemongkolchai | Independent Non-Executive Chairman | – | Chairman | Member |
| Mr Hansa Susayan | Vice Chairman and Non-Executive Director | – | – | – |
| Mr Iqbal Jumabhoy | Chief Executive Officer ("**CEO**") and Executive Director | – | – | – |
| Mrs Sasinan Allmand | Non-Independent Non-Executive Director | – | – | – |
| Mr Lee Kwai Seng | Non-Independent Non-Executive Director | Member | – | – |
| Mr Christopher Tang Kok Kai | Independent Non-Executive Director | Member | Member | Chairman |
| Mr Chiew Chun Wee | Independent Non-Executive Director | Chairman | Member | Member |

# REPORT ON CORPORATE GOVERNANCE

The current Board consists of seven directors, comprising one executive director and six non-executive directors. Three out of the seven Board members are independent directors. Mr Bunyong Visatemongkolchai is the independent non-executive chairman of the current Board and Mr Iqbal Jumabhoy is the current CEO.

The current Audit Committee ("**AC**") comprises three directors (Mr Chiew Chun Wee, Mr Christopher Tang Kok Kai and Mr Lee Kwai Seng), all of whom are non-executive and the majority of whom, including the AC Chairman (Mr Chiew Chun Wee), are independent.

The current Nominating Committee ("**NC**") comprises three directors (Mr Bunyong Visatemongkolchai, Mr Christopher Tang Kok Kai and Mr Chiew Chun Wee) and all three directors, including the NC Chairman (Mr Bunyong Visatemongkolchai), are independent.

The current Remuneration Committee ("**RC**") comprises three directors (Mr Christopher Tang Kok Kai, Mr Bunyong Visatemongkolchai and Mr. Chiew Chun Wee), all of whom are non-executive and all three directors, including the RC Chairman (Mr Christopher Tang Kok Kai), are independent:

As this report describes the Company's corporate governance processes and structures during FY2023, (i) references in this report to the corporate governance processes and structures of the "Board", "AC", "NC" and "RC" refer to those of the then-existing Board, AC, NC or RC (as the case may be) during FY2023; and (ii) as the current Board was only appointed with effect from 23 January 2024 (and members of the current Board/Board Committees had not participated in discussions relating to the Company's corporate governance processes and structures during FY2023), views of the current Board, AC, NC or RC (as the case may be) contained in this report are based solely on their review of publicly available information including those released via SGXNet and the Board/Board Committee papers and records made available to them.

## A. BOARD MATTERS

### THE BOARD'S CONDUCT OF AFFAIRS

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

Apart from its statutory responsibilities under the Companies Act 1967 of Singapore (the "**Companies Act**"), and requirements pursuant to the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("**Catalist Rules**"), the Board sets the overall strategic directions of the Group and approves all major investments.

The main duties of the Board include:

- reviewing corporate strategies and business plans;
- ensuring Company's compliance with laws, regulations, policies, directions, guidelines and internal code of conduct;
- approving quarterly, half-year and full-year results announcements, where applicable;
- approving annual report, financial results and accounts;
- approving annual budget, material acquisitions and disposal of assets;

# REPORT ON CORPORATE GOVERNANCE

- approving interested person transactions;
- ensuring the adequacy of internal controls, risk management and periodic reviews of the Group's financial performance and compliance;
- ensuring accurate, adequate and timely reporting to and communication with shareholders; and
- all matters of strategic importance.

Matters which are specifically reserved to the full Board for approval include, *inter alia*, those involving a conflict of interest, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance, dividends, financial results and corporate strategies. Members of the Board facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

To facilitate effective management, certain functions have been delegated by the Board to various committees, namely the AC, NC and RC (collectively, the "**Board Committees**"). These Board Committees function within clearly defined terms of reference, which are reviewed on a regular basis. The Chairman of the respective Board Committees will report to the Board on the outcome of the Board Committee meetings.

Board members are provided with regular updates on changes to relevant laws, regulations and accounting standards, particularly on new laws and regulations, from time to time in the discharge of their duties as directors.

Management would conduct briefing and orientation programme(s) for newly appointed director to ensure that the director is familiar with the Group's business, operations and processes, as well as his/her duties as a director. The Company also encourages directors to attend seminars and trainings with the latest updates on changes in relevant regulations, accounting standards, corporate governance practices and guidelines from the SGX-ST that affect the Group. Upon appointment of each director, the Company will also provide a formal letter to each director which sets out their duties and obligations.

Ms Lai Ven Li joined the Board on 5 January 2023. Ms Lai was briefed on the roles and obligations of a director of a SGX listed company as well as the Group's businesses, operations, and processes. Ms Lai has also attended the required trainings on the roles and responsibilities of a director of a SGX listed company as prescribed by the SGX within one year from her appointment date.

During AC meetings in FY2023, the Company's internal auditors briefed and updated the AC members on the developments in the governance standards, if any. The external auditors also updated the AC on the changes in accounting standards and relevant laws.

During Board meetings in FY2023, the Chairman and the acting Group CEO cum Group Financial Controller provided updates to the other directors on the development of the real estate and property development industries in Singapore and Malaysia, including regulatory changes and the foreseeable impact on the Group.

During FY2023, the development/training programmes attended by the directors included the following:

- Listed Entity Director programmes;
- Sustainability training; and
- Challenges faced by SMEs in ESG integration

# REPORT ON CORPORATE GOVERNANCE

The Board was also updated on changes to the Code of Corporate Governance, sustainability matters and related regulations, where applicable.

The Board met two times during FY2023. Ad-hoc Board meetings were called as and when deemed necessary by the Board to address any specific or significant matters that arose. The Company's Constitution provides for directors to convene meetings other than physical meetings, by teleconferencing, videoconferencing or other electronic means of communication[1].

Attendance at the Board, Board Committees and general meetings during FY2023 is disclosed as follows:

| | Board | | Audit Committee | | Remuneration Committee | | Nominating Committee | | | Extraordinary General Meetings | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Name of Directors** | **No. of meetings held** | **No. of meetings attended** | **No. of meetings held** | **No. of meetings attended** | **No. of meetings held** | **No. of meetings attended** | **No. of meetings held** | **No. of meetings attended** | **Annual General Meeting** | **No. of meetings attended** | **No. of meetings attended** |
| Ong Pai Koo @ Sylvester[(1)] | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | √ | 2 | 2 |
| Lai Ven Li[(2)] | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | √ | 2 | 2 |
| Au Foong Yee[(1)] | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | √ | 2 | 1 |

(1) Mr Ong Pai Koo @ Sylvester and Ms Au Foong Yee resigned as directors on 23 January 2024.

(2) Ms Lai Ven Li was appointed as Lead Independent Director, AC Chairman and a member of RC and NC on 5 January 2023 and resigned on 23 January 2024.

The Board requires directors to be able to commit sufficient time and attention to the affairs of the Board and their relevant Board Committees. A discussion of the procedure for assessing the directors' commitment to the Company is set out below under Principle 4.

**Access to Information**

Each member of the Board has access to complete, adequate and timely information regarding the Group as may be required for the discharge of his duties and responsibilities.

As a general rule, notices are sent to the directors one week in advance of Board meetings, followed by the Board papers which include financial results, budgets and all related information, in order for the directors to be adequately prepared for the meetings. Senior management personnel may be invited to attend board meetings to address queries from the directors. The directors also have unrestricted and independent access to the Company's senior management personnel.

The directors have separate and independent access to the company secretary(ies). The company secretary(ies) is available whenever required, to respond to queries of any director and to ensure that Board procedures are followed and applicable rules and regulations are complied with. The company secretary(ies) or their representative attended all board meetings conducted during FY2023. The appointment and removal of the company secretary(ies) is a matter for the Board's consideration as a whole.

The Board (whether as individual members or as a group) has direct access to independent professional advisers, where so requested by them, at the expense of the Company.

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1 The Company's Constitution has been further updated with effect from 29 November 2023 to provide for directors to participate in meetings by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, without a director being in the physical presence of another director or directors.

# REPORT ON CORPORATE GOVERNANCE

## BOARD COMPOSITION AND GUIDANCE

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

During FY2023 (and up to 23 January 2024), the Board comprised all non-executive directors as follows:

| Name of Directors | Board of Directors | Audit Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|
| Mr Ong Pai Koo @ Sylvester(1) | Independent Non-Executive Chairman | Member | Chairman | Chairman |
| Ms Lai Ven Li(2) | Lead Independent Director | Chairman | Member | Member |
| Ms Au Foong Yee(1) | Non-Independent Non-Executive Director | Member | Member | Member |

(1) Mr Ong Pai Koo @ Sylvester and Ms Au Foong Yee resigned as directors and from their respective Board Committee appointments on 23 January 2024.

(2) Ms Lai Ven Li was appointed as Lead Independent Director, AC Chairman and a member of RC and NC on 5 January 2023 and resigned on 23 January 2024.

The Company endeavours to maintain a strong and independent element on the Board. During FY2023 (and up to 23 January 2024), the Board consisted of three directors, two of whom were independent directors. Accordingly, the Company complied with the requirement under Rule 406(3)(c) of the Catalist Rules that independent directors must comprise at least one-third of the Board.

The Board considers an independent director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement in the best interests of the Company.

The independence of each independent director is assessed at least annually by the NC based on the guidelines on independence specified in the Code and the circumstances set out in Rule 406(3)(d) of the Catalist Rules.

The independent directors of the Board during FY2023 (and up to 23 January 2024) have confirmed that they do not have any relationship with the Company or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement with a view to the best interests of the Company. As at the date of the completion of the RTO and their respective resignations on 23 January 2024, none of the independent directors indicated in the table below have served beyond nine years from the date of their first appointment:

| Independent Directors | Date of First Appointment | No. of years since Appointment |
|---|---|---|
| Ong Pai Koo @ Sylvester | 15 September 2015 | 8 years and 4 months |
| Lai Ven Li | 5 January 2023 | 1 year and 1 month |

The NC reviews the independence of the directors, Board structure, size and composition annually.

# REPORT ON CORPORATE GOVERNANCE

The current NC has reviewed and determined that the said independent directors are independent; and further, that no individual or small group of individuals dominate the Board's decision-making process.

The Board's Diversity Policy provides that, in reviewing Board composition, the NC will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately, so as to avoid groupthink and foster constructive debate. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The current NC is of the view that, in relation to the Board in place during FY2023, the Board size and composition are adequate and appropriate to facilitate effective decision making, after taking into consideration the nature and scope of the Group's then operations. The current NC is also of the view that, in relation to the Board and Board Committees in place during FY2023, such Board and Board Committees comprise persons whose diverse skills and experience provide for an effective Board; and who as a group, collectively possesses core competencies necessary for the effective functioning of the Board and an informed decision-making process. The current Board believes that board diversity embraces various factors such as gender diversity, a need for individuals from all backgrounds, skill-sets, life experiences, abilities and beliefs for a better Board performance. Board diversity is an on-going, incremental process. The Company will strive to enhance the disclosure in relation to board diversity over time. Any other targets, plans, timelines, and further progress made towards implementing the policy and/or achieving the targets on board diversity will be disclosed in future annual reports.

Non-executive directors and independent directors provide, amongst other things, strategic guidance to the Company based on their professional knowledge, in particular, assisting, constructively challenging and developing strategic proposals. Non-executive directors and independent directors also help to review the performance of Management in meeting agreed goals and objectives and to exercise oversight over performance reporting and disclosure. To this end and where appropriate, they are encouraged to arrange for meetings without Management being present, on a regular basis and at times deemed necessary. As the Group's business and operations were minimal in FY2023, the non-executive directors and independent directors conducted a meeting once without the presence of Management during the financial year.

The non-executive directors and independent directors met the internal and external auditors without the presence of Management at least once during the AC meeting in FY2023. The purpose of such meeting was to provide feedback to the Board and/or Chairman as appropriate.

**CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

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

The Code stipulates that the roles of Chairman and CEO should, in principle, be separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

In respect of FY2023 (and up to 23 January 2024), Mr Ong Pai Koo @ Sylvester was the independent non-executive chairman of the Board and Mr Leow Soon Hoe was the acting CEO, and their roles were separate. There was a clear separation of the roles and responsibilities between the Chairman and the acting CEO in FY2023. The Chairman assumes responsibilities for, amongst others, the effective function of the Board, while the CEO is responsible for the overall management of our Group's business operations based on the Board decision. The current Board is of the view that in FY2023, the process of decision making by the Board was independent with the establishment of the various Board Committees which were chaired by the independent directors. Also, with two-thirds of the Board consisting of independent directors during FY2023, there was adequate accountability and safeguards to ensure an appropriate balance of power and authority for good corporate governance.

# REPORT ON CORPORATE GOVERNANCE

The role of the Chairman includes ensuring that Board meetings are held when necessary and setting the Board meeting agenda in consultation with the company secretary(ies) and ensuring that the Board is provided with adequate and timely information. In FY2023, there were two Board meetings held formally. As Chairman, Mr Ong Pai Koo @ Sylvester's role included:

- Leading the Board to ensure its effectiveness on all aspects of its roles;
- Setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- Promoting a culture of openness and debate at the Board;
- Ensuring that the directors receive complete, adequate and timely information;
- Ensuring effective communication with shareholders;
- Encouraging constructive relations within the Board and between the Board and Management;
- Facilitating the effective contribution of non-executive directors in particular; and
- Promoting high standards of corporate governance.

The CEO's/acting CEO's performance is reviewed annually by the NC whilst his remuneration package is reviewed by the RC annually. The NC will also review the appointments to the Board, when required.

**Lead Independent Director**

Ms Lai Ven Li was appointed as the Lead Independent Director on 5 January 2023 and resigned on 23 January 2024.

During FY2023, Ms Lai Ven Li was the Lead Independent Director appointed to lead and co-ordinate the activities of the independent directors. The Lead Independent Director was responsible for assisting the Chairman and the Board to ensure effective corporate governance in managing the affairs of the Board and the Company.

During FY2023, the Lead Independent Director was the principal liaison on Board issues between the independent directors and the Chairman.

She was also available to shareholders with concerns in the event that normal interactions with the Chairman or acting CEO failed to resolve their concerns or where such channels of communication were considered inappropriate.[2]

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2 With effect from 23 January 2024, the current Board is of the view that the Company is not required to appoint a lead independent director given that the Chairman and Chief Executive Officer with effect from 23 January 2024 are not the same person and are not immediate family members, and further taking into account that the Chairman is not part of the Management team and is an independent director. The Chairman, who is an independent director, provides leadership to the Board and is available to shareholders where they have concerns, including where contact through the normal channels of communication with Management are inappropriate or inadequate.

# REPORT ON CORPORATE GOVERNANCE

## BOARD MEMBERSHIP

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

The NC is established for the purposes of ensuring that there is a formal and transparent process for all Board appointments.

In line with Provision 4.2 of the Code (that the NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent), the Company has established an NC, the composition of which complies with the Code.

For FY2023 (and up to 23 January 2024), the NC comprised three directors, the majority of whom, including the Chairman, were independent:

| | |
|---|---|
| Mr Ong Pai Koo @ Sylvester | (Chairman) |
| Ms Lai Ven Li | (Member) |
| Ms Au Foong Yee | (Member) |

The principal roles and functions of the NC include the following:

(a) to make recommendations to the Board on all Board appointments and re-nominations, having regard to contribution and performance of the directors;

(b) to ensure that directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;

(c) to determine annually whether a director is independent or as and when circumstances require, guided by guidelines in the Code and the Catalist Rules;

(d) to decide if a director is able and has adequately carried out his duties as a director where he has multiple listed company board representations;

(e) to make recommendations to the Board on relevant matters relating to the review of succession plans for directors (in particular the Chairman and the CEO) and key management personnel;

(f) to make recommendations to the Board on relevant matters relating to the review of training and professional development programmes for the Board and its directors; and

(g) to decide how the performance of the Board may be evaluated and propose objective performance criteria.

The NC ensures that there is a formal and transparent process for all appointments to the Board. It has adopted written terms of reference defining its membership, administration and duties.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position.

# REPORT ON CORPORATE GOVERNANCE

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations. The NC will review, assess and meet with the candidates before making recommendations to the Board. In recommending new directors to the Board, the NC takes into consideration the skills and experience required to support the Group's business activities or strategies, the current composition and size of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability. The NC makes recommendations to the Board on re-appointments of directors based on their contributions and performance, together with the review of the range of expertise, skills and attributes of existing Board members, and the needs of the Board, keeping in mind the requirement for board diversity at all times.

The Constitution of the Company requires one-third of the directors for the time being, or if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation and shall be eligible for re-election by the shareholders in every annual general meeting of the Company ("**AGM**"). Directors appointed by the Board during the financial year, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM.

The current NC has recommended to the Board that Mr Bunyong Visatemongkolchai, Mr Hansa Susayan and Mr Iqbal Jumabhoy be nominated for re-election at the forthcoming AGM. In making the recommendation, the current NC had considered the director's overall contributions and performance and the current Board has accepted the current NC's recommendation.

Mr Bunyong Visatemongkolchai, upon re-election as a director of the Company, will remain as Chairman of the current Board, Chairman of the current NC, and a member of the current RC. Mr Bunyong Visatemongkolchai is considered an independent non-executive director and he has no relationships including immediate family relationship with other directors, the Company or its substantial shareholders.

Mr Hansa Susayan, upon re-election as a director of the Company, will remain as Vice Chairman of the current Board and Non-Executive Director.

Mr Iqbal Jumabhoy, upon re-election as a director of the Company, will remain as CEO and Executive Director.

Each member of the current NC shall abstain from voting on any resolutions in respect of the assessment of his performance and his re-nomination as a director.

Although some of the Board members in place during FY2023 (and up to 23 January 2024) had multiple board representations on listed companies, the current NC is satisfied that sufficient time and attention had been given by the directors to the Group. Based on the number of other board representation of the directors as disclosed in the table below, the then-existing NC had made a recommendation that the maximum number of listed company board representations which any director may hold is 5. The current NC will continue to review from time to time the board representations of each director appointed with effect from (and after) 23 January 2024 to ensure that the directors continue to meet the demands of the Group and are able to discharge their duties adequately.

Key information about the Board members in place during FY2023 (and up to 23 January 2024), including their principal commitments, is presented in this Annual Report under the heading "Board of Directors".

# REPORT ON CORPORATE GOVERNANCE

The details of the Board in place during FY2023 (and up to 23 January 2024), including the year of initial appointment and re-election, as well as directorship in other listed companies, are disclosed as follows:

| Name of Director | Appointment | Date of Initial Appointment | Date of Last Re-election | Directorship in other Listed Companies (existing and for the preceding three years) |
|---|---|---|---|---|
| Ong Pai Koo @ Sylvester | Independent Non-Executive Chairman | 15 September 2015 | 27 April 2023 | – |
| Ms Lai Ven Li | Lead Independent Director | 5 January 2023 | 27 April 2023 | Existing<br><br>Singapore:<br>Avarga Limited |
| Ms Au Foong Yee | Non-Independent Non-Executive Director | 4 February 2022 | 26 April 2022 | Existing<br><br>Malaysia:<br>Inta Bina Group Berhad |

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in, amongst others, the Code, the Catalist Rules and the Companies Act. On a yearly basis, the NC also seeks written confirmation from the directors on their independence and their interests in the Company, or any of their related corporations, substantial shareholders or officers, including interests in contracts or other arrangements. Having regard to the foregoing, the current NC is of the view that none of the independent directors of the then-existing Board in place during FY2023 (and up to 23 January 2024) has any relationship that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgment and ability to act in the interests of all shareholders as a whole. As and when any relationship which is likely to interfere, or be reasonably perceived to interfere, an independent director's business judgment and ability to act in the interests of all shareholders as a whole arises, the affected director is required to disclose such relationship to the Board.

**BOARD PERFORMANCE**

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

Performance evaluation of the Board is aimed at giving directors an opportunity to gauge their effectiveness individually and collectively. It also helps to ensure continual improvement in the Board's decision-making process as it provides a benchmark by which future performance can be measured.

The NC evaluates the performance of the Board and Board Committees and that of the individual directors based on performance criteria set by the Board.

The criteria for assessing the Board's and Board Committees' performance include Board composition and size, Board processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance to and communication with Management. The criteria for assessing individual director's contribution include, *inter alia*, the level of contribution to Board meetings, commitment of time and overall effectiveness.

As part of the evaluation process, the directors will complete appraisal forms which are then collated by the company secretary(ies) who will submit to the Chairman of the NC in the form of a summary report. The summary report will be discussed during the NC meeting with a view to implementing recommendations to further enhance the effectiveness of the Board.

# REPORT ON CORPORATE GOVERNANCE

The current NC has reviewed the overall performance of the then-existing Board and Board Committees in place during FY2023 (and up to 23 January 2024) in terms of its roles and responsibilities and the conduct of its affairs as a whole for FY2023 and is of the view that the performance of the then-existing Board as a whole has been satisfactory. The current NC has also reviewed each individual director's performance in terms of attendance, areas of expertise, adequacy of preparation for board meetings, participation in board discussion, and participation in their own specialist relevant area during FY2023 and is of the view that the performance of each individual director has been satisfactory.

All then-existing NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance. The Company has not engaged an external facilitator in the evaluation process.

**B. REMUNERATION MATTERS**

**PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

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

The RC is established for the purposes of ensuring that there is a formal and transparent process for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.

In line with Provision 6.2 of the Code (that the RC comprises at least three directors, all of whom are non-executive and the majority of whom, including the Chairman, are independent), the Company has established a RC, the composition of which complies with the Code.

For FY2023 (and up to 23 January 2024), the RC comprised three directors, all of whom were non-executive and the majority of whom, including the Chairman, were independent:

| | |
|---|---|
| Mr Ong Pai Koo @ Sylvester | (Chairman) |
| Ms Lai Ven Li | (Member) |
| Ms Au Foong Yee | (Member) |

The main role of the RC is to review and recommend to the Board the remuneration packages and terms of employment of the directors and the key executives of the Company. The RC also considers all aspects of remuneration, including termination terms to ensure they are fair. The RC meets at least once a year with all members of the committee in attendance. In its review and approval of the recommendations on remuneration policies and packages for the directors and key executives, the RC covers all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind.

In FY2023, the RC's recommendations were made with inputs from the acting CEO, where required, and submitted for endorsement by the entire Board. The non-independent and independent directors were compensated based on fixed directors' fees taking into consideration their contributions, responsibilities and time spent. Payments of directors' fees were endorsed by the Board before being subject to shareholders' approval at each AGM.

Remuneration of the Group's key executive officer was recommended by the RC with inputs from the acting CEO, where required, and reviewed by the Board. The review took into account the value and the extent of contribution of the staff towards the financial health and business needs of the Company. The acting CEO abstained from voting on any resolutions in respect of his own remuneration package.

# REPORT ON CORPORATE GOVERNANCE

In addition, in discharging its functions, the RC may obtain independent external remuneration consultants' advice as it deems necessary and the cost of which will be borne by the Company. The RC did not engage any external remuneration consultants during FY2023.

Each member of the RC shall abstain from voting on any resolutions in respect of his or her own remuneration package.

## LEVEL AND MIX OF REMUNERATION

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

The current RC and the current Board are of the view that the remuneration of the directors and key executives in FY2023 is adequate but not excessive in order to attract, retain and motivate them to operate the Company successfully.

The Group's remuneration structure for the key management personnel comprised both fixed and variable components. The fixed component is in the form of a monthly base salary. Any adjustment to the fixed monthly base salary takes into consideration the key management personnel's performance against jobs and responsibilities, general economic environment conditions and prevailing inflation rates, among others. The variable component is in the form of a variable bonus that is linked to the Group's performance as well as the individual's performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term success of the Group and ensure that the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

During FY2023 (and up to 23 January 2024), the Group had an employment agreement with its acting CEO. The acting CEO or the Group may terminate the employment agreement by giving the other party, *inter alia*, not less than two months' notice in writing or two months' salary in lieu of notice in writing. The Group does not have any termination, retirement, or post-employment benefits granted to the acting CEO, directors, and key executive officers. The employment agreement with the acting CEO was ended with effect from the RTO completion on 23 January 2024.

The non-executive directors receive directors' fees in accordance with their contributions, taking into account factors such as effort, time spent and responsibilities of the directors.

## DISCLOSURE ON REMUNERATION

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

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating employees. The Group subscribes to linking executive remuneration to corporate and individual performance based on annual appraisal of employees. The level and structure of remuneration of directors and key management executives are aligned with the long-term interest and risk policies of the Company.

# REPORT ON CORPORATE GOVERNANCE

In considering the disclosure of remuneration of the directors and key management personnel, the current Board has regarded the industry conditions in which the Group operates as well as the sensitive nature of such information. The current Board believes that full detailed disclosure of the remuneration of each director and each key management personnel would be prejudicial to the Group's interest given the highly competitive environment. The current Board has instead presented such information in the form of remuneration bands.

For FY2023, the Company did not have key management personnel (who was not a director or acting CEO). A breakdown showing the level and mix of each individual director's and acting CEO's remuneration for FY2023 is disclosed in the table below:

| Name | Fees (%) | Salary(#) (%) | Bonus (%) | Other Benefits (%) | Share-based Compensation (%) | Total (%) |
|---|---|---|---|---|---|---|
| **Directors**<br>**Remuneration in the band below S$250,000** | | | | | | |
| Ong Pai Koo @ Sylvester | 100 | – | – | – | – | 100 |
| Lai Ven Li[1] | 100 | – | – | – | – | 100 |
| Au Foong Yee | 100 | – | – | – | – | 100 |
| **CEO and acting CEO**<br>**Remuneration in the band below S$250,000** | | | | | | |
| Leow Soon Hoe[2] | – | 94 | 6 | – | – | 100 |

(1) Ms Lai Ven Li was appointed as Lead Independent Director on 5 January 2023 and resigned on 23 January 2024.

(2) Mr Leow Soon Hoe was re-designated as Acting Group CEO cum Group Financial Controller on 1 January 2023 and resigned on 23 January 2024.

(#) Refers to basic salary and CPF contribution by employer.

Total remuneration paid to the key management personnel (who are not directors) for the financial year ended 31 December 2023 was approximately S$116,000.

There was no employee in the Group who is an immediate family member of a director, the acting CEO or a substantial shareholder of the Company whose remuneration exceeded S$100,000 during FY2023. During FY2023, no employee of the Group was a substantial shareholder of the Company.

Performance Share Plan ("**PSP**")

At present, the Company does not have a PSP. The previous PSP expired in January 2021 without being renewed. There were no share awards granted under the previous PSP.

# REPORT ON CORPORATE GOVERNANCE

## C. ACCOUNTABILITY AND AUDIT

### RISK MANAGEMENT AND INTERNAL CONTROLS

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

The Board recognises its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include a structured Enterprise Risk Management ("**ERM**"), management reviews of key transactions, and the assistance of the Group's external and internal auditors to review financial statements and internal controls covering key risk areas.

**Risk Management**

Since FY2013, the Group has in place an ERM programme which covers the following areas:

- ***ERM policies and procedures***

An overall framework for risk management has been documented in a manual disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the terms of reference of the various personnel and committee responsible for monitoring and managing risks in the Group. The ERM process also requires ongoing identification of key risks to the Company and reporting these risks to the Board to better determine whether appropriate measures could be taken to address relevant risks. Risk workshops were conducted for the key management personnel to cover a structured approach of identification and assessment of risks.

- ***Risk Appetite of the Company***

Generally, the Group will rely on Management to monitor day-to-day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses for Board approval. The Company's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the Group's operating results are required to be brought to the immediate attention of the Board.

The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also put in place to manage these risks, such as transferring them to third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits are conducted regularly to assess the ongoing compliance with the established controls to address any key risk areas where applicable.

- ***Risk assessment and monitoring***

Based on the ERM framework, the nature and extent of risks to the Company will be assessed regularly and risk reports covering top risks to the Group will be submitted to the Board on a yearly basis. The risk report of the Company has been submitted and discussed by the Board in FY2023. A set of risk registers to document risks arising from this ERM exercise has also been established to document all key risks and the corresponding countermeasures and will be updated whenever new risks emerge.

# REPORT ON CORPORATE GOVERNANCE

**Internal Controls**

The Board recognises the importance of sound internal controls, risk management practices and corporate governance. It is committed to maintaining a robust and effective system of internal controls. This is to safeguard shareholders' interests and the Group's assets. The Board affirms its overall responsibility for the Group's systems of internal controls and risk management and for reviewing the adequacy and integrity of those systems on an annual basis.

The Group has been establishing a system of internal controls to promote effectiveness and efficiency of operations, reliability of financial reports and compliance with relevant laws and regulations. The internal controls include detailed policies and procedures to guide key operations, documented delegation of authority over key business transactions and specific control activities within the business workflow processes. The system of internal controls is also reviewed independently on an on-going basis, as part of both the annual internal and external audit plans.

During FY2023, the Group's internal auditors had conducted one review exercise of the effectiveness of the Group's internal controls and operating procedures. The Group's external auditors had also reviewed the internal accounting controls that are relevant to their audit. Any non-compliance and recommendation for improvement was reported to the then-existing AC.

Other than the above risk report from the ERM, the current Board has also received assurance from the Acting Group CEO cum Group Financial Controller during FY2023 (and up to 23 January 2024) that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Company's risk management and internal control systems are effective and adequate.

The current Board, with the concurrence of current AC, is of the opinion that, the system of internal controls maintained by the Group's Management throughout FY2023 is adequate and effective to address the financial, operational, compliance and information technology risks as at 31 December 2023.

The current Board and current AC are of the opinion that, the Company's internal controls were adequate based on:

- The internal controls established and maintained by the Group;
- Reports issued by the internal auditors and external auditors;
- Risk report arising from the ERM;
- Regular reviews performed by Management, and annual review undertaken by the then-existing AC and the then-existing Board; and
- Assurance from the Acting Group CEO cum Group Financial Controller during FY2023 (and up to 23 January 2024).

The current Board acknowledges that it is responsible for maintaining a sound system of internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. Internal control can provide only reasonable and not absolute assurance against material misstatement, losses, human errors, fraud or other irregularities.

**Interested Person Transactions ("IPT")**

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC for review and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and its minority shareholders.

# REPORT ON CORPORATE GOVERNANCE

## AUDIT COMMITTEE

**Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

In line with Provision 10.2 of the Code (that the AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent), the Company has established an AC, the composition of which complies with the Code.

For FY2023 (and up to 23 January 2024), the AC comprised three directors, all of whom were non-executive and the majority of whom, including the Chairman, were independent:

| | |
|---|---|
| Ms Lai Ven Li | (Chairman) |
| Mr Ong Pai Koo @ Sylvester | (Member) |
| Ms Au Foong Yee | (Member) |

The current Board is of the view that the members of the AC during FY2023 (and up to 23 January 2024) were appropriately qualified, having accounting or related financial management expertise or experience as the Board interprets such qualification, to discharge their responsibilities. None of the AC members were previous partners or directors of the Company's external and internal audit firms within the last two years and none of the AC members held any financial interest in the external and internal audit firms engaged.

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records and develop and maintain an effective system of internal controls. The responsibilities of the AC include the following:

(a) to review with the external auditors the audit plan, their evaluation of the system of internal accounting controls to the extent that such controls are relevant to their audit of the financial statements, their audit report, their management letter and Management's response;

(b) to review quarterly, half-yearly and annual financial statements (where applicable) before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas (including the need for product liability insurance), significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with the SGX-ST and other relevant statutory/regulatory requirements;

(c) to review the internal controls and procedures and ensure co-ordination between the external auditors and Management, review the assistance given by Management to the auditors and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

(d) to review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;

(e) to consider the appointment or re-appointment of the external auditors, the audit fees, and matters relating to the resignation or dismissal of the auditors;

(f) to review transactions falling within the scope of interested person transactions in the Catalist Rules, and in particular, matters pertaining to acquisitions and realisations;

# REPORT ON CORPORATE GOVERNANCE

(g) to review and assess the Company's foreign exchange and hedging policies including whether the Company has in place adequate and appropriate hedging policies and used appropriate instruments for hedging, if applicable;

(h) to review the adequacy and structure of the finance function on an on-going basis and take appropriate remedial actions as may be necessary;

(i) to conduct annual internal control audits to review the Group's internal controls and procedures so as to review its adequacy and effectiveness;

(j) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(k) to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and

(l) reviewing the assurance from the Acting Group CEO cum Group Financial Controller during FY2023 (and up to 23 January 2024) on the financial records and financial statements.

The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the operating results or financial position of the Company. Each member of AC will abstain from voting in respect of matters in which he/she is interested.

The AC meets with the external auditors and internal auditors without the presence of Management at least once in every financial year. The AC has met with the external auditors and internal auditors without the presence of Management once in FY2023. The AC has reasonable resources to enable it to discharge its functions properly.

For FY2023, the aggregate amount of fees payable to KPMG LLP ("**KPMG**"), the external auditors of the Company, was S$1,060,000 (exclusive of Goods and Services Tax), all being audit related work carried out by the external auditors and there was no non-audit related work carried out by the external auditors. As such, the current AC has recommended to the current Board that KPMG be nominated for re-appointment as the Company's auditors at the forthcoming AGM. The current AC is also satisfied with the level of cooperation rendered by Management to the external auditors and the adequacy of the scope and quality of their audits.

In performing its functions, the AC has explicit authority to investigate any matter within its terms of reference, having full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings.

The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The AC met two times during FY2023. During the AC meetings, the external auditors updated the AC on the changes in accounting standards which may have a direct impact on financial statements.[3]

[3] The current AC has convened two meetings subsequent to the end of FY2023 with key management and the internal and external auditors of the Company. The external auditors have updated the current AC on the changes in accounting standards which may have a direct impact on financial statements.

# REPORT ON CORPORATE GOVERNANCE

**Whistle-Blowing Policy**

In FY2023, the Company has put in place a whistle-blowing framework whereby employees of the Company and external parties may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and for appropriate follow up actions. The details of the whistle-blowing policies and arrangements have been made available to all employees. A whistle-blower channel is available for all employees and external parties to anonymously report whistle-blowing events.

All whistleblowing reports received are reviewed by the Chairman of the AC. Upon receipt of any report, the AC will review it and if deemed necessary appoint an investigator with no personal interest in the matter to conduct an investigation into the matters disclosed. The Company is committed to ensuring protection of the whistleblowers against detrimental or unfair treatment, the identity of the whistleblower and their reports will be treated confidentially and fairly.

The AC is responsible for oversight and monitoring of whistleblowing, and oversees the whistleblowing policy and its related procedures. Half yearly reports will be submitted to the AC stating, if any, the number and nature of complaints received, the results of investigation, follow up actions and unresolved complaints. There were no whistle-blowing reports received in FY2023.

**Internal Audit**

The AC is aware that an internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the Group's internal controls system. Accordingly, the internal audit function was outsourced to Crowe Governance Sdn Bhd who reports primarily to the AC. Crowe Governance Sdn Bhd is part of an international auditing firm network and they perform their work based on their Internal Audit Methodologies which are consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.[4]

The internal auditors report directly to the Chairman of the AC although they also report administratively to the acting CEO. The main function of the internal auditors is to review the effectiveness and quality of the systems of control of the Company and this review is performed with impartiality, proficiency and due professional care. The internal audit function is independent of the activities or operations of the Company. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC reviews and approves the internal audit plan submitted by the internal audit function. On an ongoing basis, the internal auditors report to the AC any significant weaknesses and risks identified in the course of the internal audits conducted. Recommendations to address control weaknesses are further reviewed by the internal auditors based on implementation timeline agreed with Management.

Since the engagement of the internal audit function and subsequent to its review of the scope and results of the internal audit, the current AC is satisfied that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group. The current AC will continue to assess the adequacy and effectiveness of internal audit function annually. The current AC has met once subsequent to the end of FY2023 with the internal auditors without the presence of Management.

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[4] Following completion of the Group's RTO Corporate exercise, the Group has outsourced its internal audit function to BDO Advisory Pte Ltd.

# REPORT ON CORPORATE GOVERNANCE

## D. SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

The Group's corporate governance culture and awareness promotes fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Companies Act and the Constitution of the Company. All shareholders are treated fairly and equitably.

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

The Company informs shareholders of rules, including voting procedures, that govern general meetings of the Company so as to allow the shareholders the opportunity to participate effectively in and vote at general meetings.

The Constitution of the Company allows members of the Company, being individuals, to appoint not more than two proxies to attend, speak and vote on their behalf at the general meetings.

At the general meetings of the Company, shareholders are given the opportunity to air their views and ask directors questions regarding the Group. Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and goals. The general meetings are the principal forum for dialogue with shareholders.

The Constitution of the Company currently does not permit shareholders to vote at general meetings in absentia (such as via mail, email or fax). In line with Principle 11 of the Code, shareholders nevertheless have the opportunity to appoint proxies to vote on his behalf at the meeting through proxy forms sent in advance. As the authentication of shareholder identity and other related security and integrity issues remain a concern, the Company has decided for the time being, not to implement absentia voting methods such as voting via mail, email or fax.

The directors, including the Chairman of each of the Board Committees are present at the general meetings to answer questions from the shareholders. At the AGM, the external auditors are also present to assist the directors in addressing any relevant queries by shareholders about the conduct of audit and the preparation and content of the auditors' report. All directors' serving at the time of the meetings attended such meetings that were held during FY2023 except for one director who was absent for the extraordinary general meeting held on 26 December 2023.

The Company ensures that there are separate resolutions at general meetings on each distinct issue unless the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions. Further, all resolutions at general meetings are put to vote by poll in the presence of independent scrutineer(s). The Company prepares minutes of general meetings which are made available to shareholders via SGXNet and the Company's website within one month from the date of the general meetings.

The Company does not have a policy on payment of dividends. The Company did not declare dividends for FY2023 due to the losses incurred during FY2023.

# REPORT ON CORPORATE GOVERNANCE

**ENGAGEMENT WITH SHAREHOLDERS**

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

The Board is aware of its obligations to shareholders and has devised investor relations policies to allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders and to convey pertinent information to shareholders. In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all shareholders should be equally and timely informed of all major developments and events that impact the Group. Information is communicated to shareholders through:

- annual reports issued to all shareholders. Non-shareholders may access the SGXNET for static copies of the Company's annual reports;
- quarterly, half and full-year results announcements on the SGXNet, where applicable;
- other announcements on the SGXNet; and
- press releases on major developments regarding the Company.

The Company held an AGM on 27 April 2023 via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"). The minutes of the said AGM has been published on SGXNET on 26 May 2023. Pursuant to the Order, in the last AGM, shareholders were invited to send their questions which was to be addressed prior to and/or during the AGM. No questions were received from shareholders for the AGM held on 27 April 2023. Please refer to the Notice of AGM on pages 108 to 113 or proxy form of this Annual Report for the instructions for the upcoming AGM.

For questions raised by shareholders in relation to any agenda item of the notice of general meetings, the Company may organise media/analyst briefing to solicit and understand shareholders' view when such need arises.

The investor relations policy also explains that in FY2023, shareholders with questions may contact the Company by email to enquiries@3cnergy.com.sg. Through that contact, the Company may respond to such questions.

**E. MANAGING STAKEHOLDERS RELATIONSHIPS**

**ENGAGEMENT WITH STAKEHOLDERS**

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

The Company undertakes a formal stakeholder engagement exercise to determine the environmental, social and governance issues that are important to the material stakeholder groups and to manage its relationships with such groups. These issues form the materiality matrix reviewed by and approved by the Board, before they are published annually in the Company's sustainability report. The Company's executives are also involved in ongoing engagements with these same stakeholders through various other channels.

In FY2023, the Company maintained a corporate website, www.3cnergy.com.sg with contact details for shareholders to channel their comments and queries.

The Company's approach to stakeholder engagement and materiality assessment can be found in the Sustainability Report.

# REPORT ON CORPORATE GOVERNANCE

## F. DEALING IN SECURITIES

In accordance with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal code of conduct to provide guidance to the directors and all officers of the Company not to deal in the Company's shares during the period commencing one month prior to the announcement of the Company's quarterly (where applicable), half-year and full-year financial results and ending on the date of the announcement of the financial results.

The Group has reminded its directors and officers that it is an offence under the Securities and Futures Act 2001, for a listed issuer or its officers to deal in the Company's shares when the officers are in possession of unpublished material price-sensitive information in relation to those securities. Directors and officers are expected to observe insider-trading laws at all times even when dealing in the Company's Shares within permitted trading periods. The directors and officers should not deal in the Company's securities on short-term considerations.

The Company has complied with the internal code of conduct for FY2023.

## G. MATERIAL CONTRACTS

On 3 April 2023, the Company entered into a shareholder loan agreement with Phileo Capital Limited ("**Lender**""), a controlling shareholder of the Company, pursuant to which the Lender agreed to grant a non-interest bearing loan of a principal sum of up to Singapore Dollars Two Hundred and Fifty Thousand (S$250,000.00). On 12 June 2023, the loan was converted into a convertible loan.

On 12 June 2023, the Company entered into a conditional sale and purchase agreement ("**SPA**") with DTP Inter Holdings Corporation Pte. Ltd. ("**Seller**"), pursuant to which the Company shall purchase from the Seller shares representing the entire issued and paid-up ordinary shares in DTP Infinities Limited and issue new ordinary shares in the capital of the Company ("**Proposed Acquisition**"). The Proposed Acquisition was completed on 23 January 2024.

The Company has entered into a convertible loan agreement dated 12 June 2023, a supplemental agreement to the convertible loan agreement dated 22 August 2023 and a further supplemental agreement to the convertible loan agreement dated 25 October 2023, with the Seller pursuant to which the Seller agreed to grant an interest free loan facility of an aggregate principal amount of up to S$7,000,000 in one or more loans, for the purpose solely of payment of such portions of the professional advisers' costs and operating expenses or fees incurred by the Company to be borne by the Seller as set out in the SPA between Seller and the Company by allotting up to 21,212,121 shares to the Seller. On 23 January 2024, the convertible loan amounting to S$4,584,579.12 was converted into 13,892,644 shares. On 28 February 2024, a further S$1,293,629.74 was converted to 3,920,090 shares in full discharge of the utilised amount.

On 12 June 2023, the Company entered into a convertible loan agreement with Phileo Capital Limited, pursuant to which Phileo Capital Limited agreed to grant a non-interest bearing loan of S$250,000 in aggregate principal amount ("**PCL Loan**" and the convertible loan agreement for the PCL Loan, the "**PCL Loan Agreement**") for the purpose solely of payment of professionals costs to be borne by the Company pursuant to the terms of the SPA. On 23 January 2024, the convertible loan amounting to S$212,416.03 was converted into 643,684 shares, in full discharge of the utilised amount of the PCL Loan in accordance with the PCL Loan Agreement.

Save for the transactions disclosed above, there were no material contracts entered into by the Group involving the interest of the acting CEO, or any director or controlling shareholder of the Company, either subsisting at the end of the financial year, or if not then subsisting, entered into since the end of the previous financial year.

# REPORT ON CORPORATE GOVERNANCE

## H. INTERESTED PERSON TRANSACTIONS

The Company has adopted internal guidelines in respect of any transactions with interested persons and has set out the procedures for the review and approval of the Company's IPTs. The main objective is to ensure that all IPTs are conducted on arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority shareholders.

The new Board had reviewed all IPTs for the financial year under review. The aggregate value of IPTs entered into for the financial year under review is as follows:

| Name of Interested Person | Nature of Relationship | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000) |
|---|---|---|---|
| | | S$'000 | S$'000 |
| **Publiq Development Group Sdn Bhd**<br>Project Consultancy Services & recovery of incidentals | An associate of Mr Tong Kooi Ong | – | (*) |
| **3C Marina Park Sdn Bhd**<br>Facilities Management Services & Corporate-Related Services | An associate of Mr Tong Kooi Ong | – | 22 |

(*) Less than $1,000

The Group has a general mandate from shareholders to enter into the following types of IPTs during FY2023:

1. Real Estate Agency Services
2. Facilities Management Services
3. Project Management Services
4. Purchase of advertising-related services from The Edge Media Group
5. Financial Assistance and Services
6. Lease of Properties or Spaces
7. Secondment of Staff
8. Corporate-Related Services

with Mr Tong Kooi Ong and/or his Associates (including future associates).

## I. NON-SPONSOR FEES

PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") was appointed as the Sponsor of the Company with effect from 23 June 2021. The aggregate amount of non-sponsor fees paid to PPCF, for FY2023, is S$650,000, for acting as the financial adviser to the Company in respect of the RTO corporate exercise.

# REPORT ON CORPORATE GOVERNANCE

**Directors standing for re-election at the Annual General Meeting**

The following information relating to Mr Bunyong Visatemongkolchai, Mr Hansa Susayan and Mr Iqbal Jumabhoy, each of whom are standing for re-election as a director at the forthcoming AGM, is provided pursuant to Rule 720(5) of the Catalist Rules.

| | |
|---|---|
| Name of Director | Bunyong Visatemongkolchai |
| Date of Appointment | 23 January 2024 |
| Date of last re-appointment (if applicable) | Not applicable |
| Age | 66 |
| Country of principal residence | Thailand |
| The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process) | The re-election of Mr Visatemongkolchai was recommended by the Nominating Committee and the Board having considered the recommendation of the Nominating Committee, approved the nomination for re-election of Mr Visatemongkolchai. |
| Whether appointment is executive, and if so, the area of responsibility | Non-executive |
| Job Title | Independent Director, Chairman of the Board of Directors, Chairman of Nominating Committee and a member of Remuneration Committee. |
| Professional qualifications | • Bachelor of Laws from Thammasat University in Thailand in 1979;<br>• Master of Laws from Temple University, USA in 1995;<br>• Mini Masters of Business Administration (MBA) from Chulalongkorn University, Thailand in 1997;<br>• Deputy District Chief Training Course, Class 48 from the Institute of Administration Development in 1981;<br>• Director Accreditation Program (DAP), Class 119/2015 from the Thai Institute of Directors (IOD) in 2015;<br>• Advanced Audit Committee Program (AACP), Class 30/2018 from the Thai Institute of Directors (IOD) in 2018; and<br>• Role of the Chairman Program (RCP), Class 52/2022 from the Thai Institute of Directors (IOD) in 2022 |
| Working experience and occupation(s) during the past 10 years | 2010 to 2012: Bangkok Commercial Asset Management Company Limited (Asset Management Specialist) |
| Shareholding Interest in the listed issuer and its subsidiaries | Nil |
| Any relationship<br><br>(including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries | No |
| Conflict of Interest (including any competing business) | No |

# REPORT ON CORPORATE GOVERNANCE

| | |
|---|---|
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Rules of Catalist has been submitted to the listed issuer | Yes |
| Other Principal Commitments including Directorships – Past (for the last 5 years) and Present | Past Directorships:<br>1. TFD Real Estate Management Company Limited<br>2. Thai Credit Guarantee Corporation<br>3. Latex Systems Public Company Limited<br><br>Present Directorships:<br>1. BIC Corporation Company Limited<br>2. Tree Money Holding Company Limited<br>3. Bangkok Commercial Asset Management Public Company Limited<br>4. World Flex Public Company Limited<br>5. Able Asset Company Limited<br><br>Other principal commitments:<br>Nil |
| Information required under items (a) to (k) of Appendix 7F of the Rules of Catalist | There is no change to the responses previously disclosed by Mr Visatemongkolchai under items (a) to (k) of the Appendix 7F of the Rules of Catalist in respect of Mr Visatemongkolchai's appointment as Director announced on 23 January 2024 which were all "No". |
| (Disclosure applicable to the appointment of director only) Any prior experience as a director of an issuer listed on the Exchange? | Not applicable |

| | |
|---|---|
| Name of Director | Hansa Susayan |
| Date of Appointment | 23 January 2024 |
| Date of last re-appointment (if applicable) | Not applicable |
| Age | 68 |
| Country of principal residence | Thailand |
| The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process) | The re-election of Mr Susayan was recommended by the Nominating Committee and the Board having considered the recommendation of the Nominating Committee, approved the nomination for re-election of Mr Susayan. |
| Whether appointment is executive, and if so, the area of responsibility | Non-executive |
| Job Title | Non-Executive Director and Vice Chairman of the Board of Director |

# REPORT ON CORPORATE GOVERNANCE

| | |
|---|---|
| Professional qualifications | • Bachelor's Degree in Business Administration (Finance) from Bangkok College, Thailand in 1981;<br>• Mini-Certified Investment & Securities Analyst Program from the Securities Analysts Association in 1994;<br>• Wharton Executive Development Program (EDP) from The Wharton School, University of Pennsylvania, USA in 1997;<br>• Directors Certification Program (DCP 3/2000) from the Thai Institute of Directors (IOD) in 2000;<br>• IIF Private Banking & Wealth Management Program from the Institute of International Finance (IIF) in 2008;<br>• Successful Formulation & Execution of Strategy Class 9/2010 from the Thai Institute of Directors (IOD) in 2010;<br>• Certificate of Capital Market Academy (CMA18) Academic Year 2014 from Capital Market Academy in 2014;<br>• Corporate Governance for Capital Market Intermediaries 2/2015 from the Thai Institute of Directors (IOD) and The Securities and Exchange Commission in 2015; and<br>• Wellness & Healthcare Business Opportunity Program for Executives (WHB) from the Department of Community and Global Health, The University of Tokyo Huawei Technologies (Thailand) Co. Ltd., Mahidol University, Thailand in 2022. |
| Working experience and occupation(s) during the past 10 years | 2022 to Present: DTGO Prosperous Limited (Chairman of the Board of Directors)<br>2022 to Present: DTGO Corporation Limited (Business Group Chairman – Finance & Investment)<br>2017 to 2022: DTGO Prosperous Limited (President)<br>2017 to 2022: DTGO Corporation Limited (Executive Committee Member)<br>2010 to 2017: BBL Asset Management Co., Ltd. (Managing Director) |
| Shareholding Interest in the listed issuer and its subsidiaries | Nil |
| Any relationship<br><br>(including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries | No |
| Conflict of Interest (including any competing business) | Yes. Mr Susayan is the Business Group Chairman – Finance & Investment of DTGO Corporation Limited, and he holds the executive directorships in certain controlling shareholders of DTP Infinities Limited and its subsidiaries and/or associates of such controlling shareholders.<br><br>Please refer to pages A-175 to A-177 of the circular to shareholders of the Company dated 7 December 2023. |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Rules of Catalist has been submitted to the listed issuer | Yes |

# REPORT ON CORPORATE GOVERNANCE

| | |
|---|---|
| Other Principal Commitments including Directorships – Past (for the last 5 years) and Present | Past Directorships:<br>Nil<br><br>Present Directorships:<br>DTGO Prosperous Limited<br>DTP Inter Holdings Corporation Pte. Ltd.<br>DTP Infinities Limited<br>DTP Infinities Corporation Limited<br>DTP Hospitality Ltd.<br>DTP Finance Number 1 Limited<br>DTP Property Trustee 1 Limited<br>DTP Property Trustee 2 Limited<br>Norfolk Capital Group Limited<br>Norfolk Capital Hotels (Southern) Limited<br>Norfolk Capital Hotels Limited<br>Chester International Hotel Limited<br>Five Star Inns Limited<br>The Solihull Hotel Company Limited<br>Rowntrees (Market Street) Manchester Limited<br>The Harrogate International Hotel Limited<br>Echo Hotel Limited<br>Fraserfort Limited<br>DTP Hospitality UK Limited<br>DTP Hoole Chester Limited<br>Hoole Hall Country Club Limited<br>Chester International Hotel 2 Limited<br>DTP Regional Hospitality Group Limited<br>DTP Holdco Limited<br>DTP Subholdco Limited<br>DTP Acquisition 1 Limited<br>DTP Employees and Services Limited<br>DTP Acquisition 1 Manchester Limited<br>DTP Acquisition 1 Leeds Limited<br>DTP Acquisition 1 Glasgow Limited<br>DTP Acquisition 1 Birmingham Limited<br>DTP Acquisition 1 Bristol Limited<br>Chapel Street Hotel Limited<br>Chapel Street Services Limited<br>Chapel Street Food and Beverage Limited<br>DTP Acquisition 2 Limited<br>DTP Employees and Services 2 Limited<br>DTP Acquisition 2 Salford Limited<br>DTP Acquisition 2 Mailbox Limited<br>DTP Acquisition 2 Mailbox (UK) Limited<br>DTP Management Limited<br>DTP Global Reits Management Limited<br>MQDC Infiniverse Pte. Ltd.<br>Wat Thung Hiang Pattana Foundation<br>Translucia Ventures Corporation Limited<br>Translucia Venture Pride Pte. Ltd.<br><br>Other principal commitments:<br>Nil |

# REPORT ON CORPORATE GOVERNANCE

| | |
|---|---|
| Information required under items (a) to (k) of Appendix 7F of the Rules of Catalist | There is no change to the responses previously disclosed by Mr Susayan under items (a) to (k) of the Appendix 7F of the Rules of Catalist in respect of Mr Susayan's appointment as Director announced on 23 January 2024 which were all "No". |
| (Disclosure applicable to the appointment of director only) Any prior experience as a director of an issuer listed on the Exchange? | Not applicable |

| | |
|---|---|
| Name of Director | Iqbal Jumabhoy |
| Date of Appointment | 23 January 2024 |
| Date of last re-appointment (if applicable) | Not applicable |
| Age | 66 |
| Country of principal residence | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process) | The re-election of Mr Jumabhoy was recommended by the Nominating Committee and the Board having considered the recommendation of the Nominating Committee, approved the nomination for re-election of Mr Jumabhoy. |
| Whether appointment is executive, and if so, the area of responsibility | Executive. Mr Jumabhoy is responsible in providing leadership for the continued growth of the Group and also developing and executing strategies and tactics to achieve the vision and goals of the Group. |
| Job Title | Executive Director and Chief Executive Officer |
| Professional qualifications | • Master of Science (Management) from Massachusetts Institute of Technology in 1984;<br>• Master of Science (Ocean Systems Management) from Massachusetts Institute of Technology in 1984; and<br>• Bachelor of Science (Naval Architecture and Shipbuilding) from University of Newcastle Upon Tyne in 1981. |
| Working experience and occupation(s) during the past 10 years | 2015 to 2024: Edge Capital Pte. Ltd./BlackBook Technologies Pte. Ltd. (Founder/CEO)<br>2012 to 2015: SilverNeedle Hospitality Pte. Ltd. (Managing Director and CEO) |
| Shareholding Interest in the listed issuer and its subsidiaries | Nil |
| Any relationship<br><br>(including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries | No |
| Conflict of Interest (including any competing business) | No |

# REPORT ON CORPORATE GOVERNANCE

| | |
|---|---|
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) of the Rules of Catalist has been submitted to the listed issuer | Yes |
| Other Principal Commitments including Directorships – Past (for the last 5 years) and Present | Past Directorships:<br>Nil<br><br>Present Directorships:<br>The Rajabali Jumabhoy Foundation Limited<br>Edge Capital Pte. Ltd.<br>Continental Traders Pte. Ltd.<br>SIG (S) Pte. Ltd.<br>3Dcerts Pte. Ltd.<br>Freemont Capital Pte. Ltd.<br>Winder Investment Pte. Ltd.<br>Winder Pte. Ltd.<br>Namak Investment Pte. Ltd.<br>Blackbook Technologies Pte. Ltd.<br>Wire Group Pte. Ltd.<br>Larus Investment Pte. Ltd.<br>Stris Investment Pte. Ltd.<br>Raffles Park Holdings Pte. Ltd.<br>Blackbook Travels Pte. Ltd.<br>The Jumabhoy Foundation Limited<br>Blackbook Uno Pte. Ltd.<br>Stovve Food Group Pte. Ltd.<br>Elevandi Limited<br>I.Net International Limited<br>Edge Equity Limited<br>Wire Developers Private Limited<br>Salvia Investment Pte. Ltd.<br><br>Other principal commitments:<br>Nil |
| Information required under items (a) to (k) of Appendix 7F of the Rules of Catalist | There is no change to the responses previously disclosed by Mr Jumabhoy under items (a) to (k) of the Appendix 7F of the Rules of Catalist in respect of Mr Jumabhoy's appointment as Director announced on 23 January 2024. |
| (Disclosure applicable to the appointment of director only) Any prior experience as a director of an issuer listed on the Exchange? | Not applicable |

# DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company, together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

a) the financial statements set out on pages 54 to 101 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) (SFRS(I)); and

b) at the date of this statement, having regards to the considerations set out in Note 3 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**1. Directors**

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

| | |
|---|---|
| Mr Bunyong Visatemongkolchai | (Appointed on 23 January 2024) |
| Mr Hansa Susayan | (Appointed on 23 January 2024) |
| Mr Iqbal Jumabhoy | (Appointed on 23 January 2024) |
| Mrs Sasinan Allmand | (Appointed on 23 January 2024) |
| Mr Lee Kwai Seng | (Appointed on 23 January 2024) |
| Mr Christopher Tang Kok Kai | (Appointed on 23 January 2024) |
| Mr Chiew Chun Wee | (Appointed on 23 January 2024) |

**2. Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 3 and 4 below.

**3. Directors' interests in shares and debentures**

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

| | Direct interest | |
|---|---|---|
| **Name of directors and companies in which interests are held** | **At the beginning of financial year** | **At the end of financial year** |
| **The Company (Ordinary Shares)** | | |
| Au Foong Yee[1] (Resigned on 23 January 2024) | 2,000,000 | 2,000,000 |

1 The shares are held jointly with her spouse.

There was a change in the above-mentioned interests between the financial year end and 21 January 2024 where the number of shares reduced to 20,000 for Au Foong Yee following the completion of share consolidation and every 100 shares have been consolidated into one consolidated share on 2 January 2024.

# DIRECTORS' STATEMENT

## 4. Share options and performance shares

There were no share options and/or share awards granted by the Company and its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries.

There were no unissued shares under option in the Company and its subsidiaries as at the end of the financial year.

## 5. Audit Committee

During the period from 1 January 2023 to 23 January 2024, the Audit Committee ("**Previous AC**") comprised all non-executive directors and the majority of whom, including the Chairman, were independent as follows:

| | |
|---|---|
| Ms Lai Ven Li (Chairman)[(1)] | (Resigned on 23 January 2024) |
| Mr Ong Pai Koo @ Sylvester[(2)] | (Resigned on 23 January 2024) |
| Ms Au Foong Yee[(2)] | (Resigned on 23 January 2024) |

(1) Ms Lai Ven Li was appointed as Lead Independent Director, AC Chairman and a member of Remuneration Committee ("**RC**") and Nominating Committee ("**NC**") on 5 January 2023 and resigned as Director and from her Board Committee appointments on 23 January 2024.

(2) Mr Ong Pai Koo @ Sylvester and Ms Au Foong Yee resigned as Directors and from their respective Board Committee appointments on 23 January 2024.

With effect from 23 January 2024, the Audit Committee ("**Current AC**") of the Company comprises all non-executive directors and at the date of this report, the majority of whom, including the Chairman, are independent as follows:

| | |
|---|---|
| Mr Chiew Chun Wee (Chairman) | (Appointed on 23 January 2024) |
| Mr Christopher Tang Kok Kai | (Appointed on 23 January 2024) |
| Mr Lee Kwai Seng | (Appointed on 23 January 2024) |

The Previous AC convened two meetings during the year with key management and the internal and external auditors of the Company and reviewed (a) the annual announcement of the Group and financial position of the Group and of the Company for FY2022, and (b) the half-yearly announcement for the six months ended 30 June 2023 on the results of the Group and financial position of the Group and of the Company.

The Current AC has convened two meetings subsequent to the year end and up to the date of this Directors' Statement, with key management and the internal and external auditors of the Company.

The Current AC carried out its functions in accordance with Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Current AC:

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;

# DIRECTORS' STATEMENT

5. **Audit Committee** (Continued)

(ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the annual announcement as well as the related press releases on the results of the Group and financial position of the Group and of the Company as at and for the financial year ended 31 December 2023;

(v) reviewed and assessed the adequacy of the Group's risk management processes;

(vi) reviewed external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by management;

(vii) reviewed interested person transactions in accordance with SGX listing rules;

(viii) reviewed the nomination of external auditors and gave approval of their compensation; and

(ix) submitted report of actions and minutes of the Current AC to the board of directors along with the recommendations deemed appropriate by the Current AC.

The Current AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Current AC.

The Current AC has recommended to the directors the nomination of KPMG LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6. **Auditors**

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors

Mr Bunyong Visatemongkolchai
*Director*

Mr Iqbal Jumabhoy
*Director*

Singapore
12 April 2024

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY PROSPER CAP CORPORATION LIMITED (FORMERLY KNOWN AS 3CNERGY LIMITED)

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Prosper Cap Corporation Limited (formerly known as 3Cnergy Limited) (the "**Company**") and its subsidiaries (the "**Group**") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 54 to 101.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

*Basis for opinion*

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

*Material Uncertainty Related to Going Concern*

We draw attention to Note 3 of the consolidated financial statements, which indicates that the Group incurred a loss for the year of $6,101,000, and as at 31 December 2023, the Group has net current liabilities and net liabilities of $5,650,000 and $5,651,000 respectively.

As stated in Note 1 to the financial statements, on 23 January 2024, DTP Inter Holdings Corporation Pte. Ltd. completed the reverse takeover of the Company via the acquisition of the entire issued share capital of DTP Infinities Limited (together with its subsidiaries, the "**DTP Infinities Group**"). In assessing the appropriateness of the going concern assumption of the Group, the Directors have assessed the ability of the Group and DTP Infinities Group (collectively, the "**Enlarged Group**") to operate and meet their obligations for the next 12 months from the date of this report. At 31 December 2023, the Enlarged Group is in a net current liability position, which is mainly attributed to loans and borrowings of GBP290,800,000 (equivalent to approximately $488,500,000) maturing in December 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Enlarged Group to continue as a going concern. Our opinion is not modified in respect of this matter.

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY PROSPER CAP CORPORATION LIMITED (FORMERLY KNOWN AS 3CNERGY LIMITED)

**Report on the Audit of the Financial Statements** (Continued)

*Key audit matters*

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are other no key audit matters to communicate in our report.

*Other matter*

The consolidated financial statements of the Group and the statement of financial position of the Company for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on 5 April 2023.

*Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

*Responsibilities of Management and Directors for the Financial Statements*

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

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

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

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY PROSPER CAP CORPORATION LIMITED (FORMERLY KNOWN AS 3CNERGY LIMITED)

**Report on the Audit of the Financial Statements** (Continued)

*Auditors' Responsibility for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

# INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY PROSPER CAP CORPORATION LIMITED (FORMERLY KNOWN AS 3CNERGY LIMITED)

**Report on the Audit of the Financial Statements** (Continued)

*Auditors' Responsibility for the Audit of the Financial Statements* (Continued)

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

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

**Report on Other Legal and Regulatory Requirements**

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

The engagement partner on the audit resulting in this independent auditors' report is Tan Kar Yee, Linda.

**KPMG LLP**
Public Accountants and
Chartered Accountants

**Singapore**
12 April 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Note | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | | **–** | – |
| Cost of services rendered | | **–** | – |
| **Gross profit** | | **–** | – |
| Other operating income | 6 | **1** | 5 |
| Sales and distribution costs | | **(*)** | (1) |
| General and administrative expenses | | **(6,081)** | (558) |
| Finance costs | 7 | **(*)** | (*) |
| **Loss before tax from continuing operations** | 8 | **(6,080)** | (554) |
| Income tax expense | 9 | **–** | – |
| **Loss from continuing operations, net of tax** | | **(6,080)** | (554) |
| **Discontinued operations** | | | |
| (Loss)/Profit from discontinued operations, net of tax | 16(a) | **(21)** | 6,813 |
| **(Loss)/Profit for the year** | | **(6,101)** | 6,259 |
| **Other comprehensive income for the year** | | | |
| **Items that are or may be reclassified subsequently to profit or loss:** | | | |
| – Exchange differences reclassified to profit or loss on disposal of a subsidiary | | **–** | 1,147 |
| – Exchange differences on translation of foreign subsidiaries | | **(1)** | (935) |
| **Other comprehensive income for the year, net of tax** | | **(1)** | 212 |
| **Total comprehensive income for the year attributable to the owners of the Company** | | **(6,102)** | 6,471 |
| **Loss per share (cents per share)** | 22 | | |
| Continuing operations | | | |
| – Basic loss per share | | **(0.20)** | (0.02) |
| – Diluted loss per share | | **(0.20)** | (0.02) |

* Less than $1,000

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 10 | **–** | 2 | **–** | 2 |
| Intangible assets | 11 | **–** | – | **–** | – |
| Investments in subsidiaries | 12 | **–** | – | **76** | 155 |
| | | **–** | 2 | **76** | 157 |
| **Current assets** | | | | | |
| Trade and other receivables | 13 | **3** | 36 | **3** | 29 |
| Tax recoverable | | **–** | (*) | **–** | – |
| Cash and cash equivalents | 15 | **795** | 379 | **795** | 214 |
| Assets held for sale | 16 | **79** | – | **–** | – |
| | | **877** | 415 | **798** | 243 |
| **Total assets** | | **877** | 417 | **874** | 400 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Other payables and accruals | 17 | **2,106** | 95 | **2,141** | 78 |
| Convertible loans | 18 | **4,417** | – | **4,417** | – |
| Lease liability | 19 | **–** | 1 | **–** | 1 |
| Liabilities held for sale | 16 | **4** | – | **–** | – |
| | | **6,527** | 96 | **6,558** | 79 |
| **Non-current liabilities** | | | | | |
| Lease liability | 19 | **–** | 1 | **–** | 1 |
| Deferred tax liabilities | 20 | **1** | 1 | **–** | – |
| | | **1** | 2 | **–** | 1 |
| **Equity attributable to owners of the Company** | | | | | |
| Share capital | 21 | **3,264** | 3,264 | **3,264** | 3,264 |
| Other reserves | | **84** | (47) | **132** | – |
| Accumulated losses | | **(8,999)** | (2,898) | **(9,080)** | (2,944) |
| | | **(5,651)** | 319 | **(5,684)** | 320 |
| **Total liabilities and equity** | | **877** | 417 | **874** | 400 |

* Less than $1,000

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Attributable to owners of the Company | | | | |
|---|---|---|---|---|---|
| | **Share capital $'000** | **Translation reserve[1] $'000** | **Capital reserve[2] $'000** | **Accumulated losses $'000** | **Total equity $'000** |
| **Group** | | | | | |
| **Balance at 1 January 2022** | 143,292 | (259) | – | (113,485) | 29,548 |
| **Total comprehensive income for the year** | | | | | |
| Profit for the year | – | – | – | 6,259 | 6,259 |
| **Other comprehensive income** | | | | | |
| Exchange differences reclassified to profit or loss on disposal of a subsidiary | – | 1,147 | – | – | 1,147 |
| Exchange differences on translation of foreign subsidiaries | – | (935) | – | – | (935) |
| **Total other comprehensive income** | – | 212 | – | – | 212 |
| **Total comprehensive income for the year** | 143,292 | (47) | – | (107,226) | 36,019 |
| **Transactions with owners, recorded directly in equity** | | | | | |
| **Contributions by and distribution to owners** | | | | | |
| Capital reduction via write-off of accumulated losses (Note 21) | (104,328) | – | – | 104,328 | – |
| Capital reduction via cash distribution (Note 21) | (35,700) | – | – | – | (35,700) |
| | (140,028) | – | – | 104,328 | (35,700) |
| **Balance at 31 December 2022** | 3,264 | (47) | – | (2,898) | 319 |
| **Balance at 1 January 2023** | **3,264** | **(47)** | **–** | **(2,898)** | **319** |
| **Total comprehensive income for the year** | | | | | |
| Loss for the year | **–** | **–** | **–** | **(6,101)** | **(6,101)** |
| **Other comprehensive income** | | | | | |
| Exchange differences on translation of foreign subsidiaries | **–** | **(1)** | **–** | **–** | **(1)** |
| Total other comprehensive income | **–** | **(1)** | **–** | **–** | **(1)** |
| Total comprehensive income for the year | **–** | **(1)** | **–** | **(6,101)** | **(6,102)** |
| **Transactions with owners, recorded directly in equity** | | | | | |
| **Contributions by and distribution to owners** | | | | | |
| Issue of convertible loans | **–** | **–** | **132** | **–** | **132** |
| **Balance at 31 December 2023** | **3,264** | **(48)** | **132** | **(8,999)** | **(5,651)** |

**Notes:**

(1) Translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Company's presentation currency.

(2) Capital reserve represents the equity component of the convertible loans (Note 18).

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

| | Note | 2023 $'000 | 2022 $'000 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Loss before tax from continuing operations | | **(6,080)** | (554) |
| (Loss)/Profit before tax from discontinued operations | | **(21)** | 6,813 |
| | | **(6,101)** | 6,259 |
| Adjustments for: | | | |
| – Depreciation of property, plant and equipment | 10 | **2** | 2 |
| – Interest income | 6 | **(1)** | (4) |
| – Interest expense | 16(c) | ***** | 648 |
| – Reversal of contract liabilities | | **–** | (455) |
| – Gain on disposal of subsidiary | 16(c) | **–** | (7,523) |
| – Unrealised exchange differences | | **(1)** | 19 |
| – Bad debt written off | | **–** | 16 |
| – Settlement of professional fees by way of convertible loans | 17 | **3,423** | – |
| Total operating cash flows before movements in working capital | | **(2,678)** | (1,038) |
| Changes in working capital | | | |
| Decrease/(Increase) in trade and other receivables | | **22** | (1) |
| Decrease in contract liabilities | | **–** | (63) |
| Increase/(Decrease) in other payables and accruals | | **2,015** | (33) |
| Cash used in operations | | **(641)** | (1,135) |
| Interest received | | **1** | 4 |
| Interest paid | | **(*)** | (648) |
| Income tax | | **(*)** | (*) |
| **Net cash used in operating activities** | | **(640)** | (1,779) |
| **INVESTING ACTIVITIES** | | | |
| Proceeds from disposal of property, plant and equipment | | **–** | 1 |
| Proceeds from disposal of a subsidiary, net of cash disposed | 16(c) | **–** | 3,869 |
| **Cash flows generated from investing activities** | | **–** | 3,870 |
| **FINANCING ACTIVITIES** | | | |
| Capital reduction | 21 | **–** | (4,022) |
| Proceeds from convertible loans | 17 | **1,126** | – |
| Repayment of lease liability | | **(2)** | (2) |
| Proceeds from related party loan | | **–** | 1,000 |
| **Net cash flows from/(used in) financing activities** | | **1,124** | (3,024) |
| Net increase/(decrease) in cash and cash equivalents | | **484** | (933) |
| Cash and cash equivalents at beginning of the year | | **379** | 1,312 |
| **Cash and cash equivalents at end of the year#** | | **863** | 379 |

* Less than $1,000

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

# For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

| | Note | 2023 $'000 | 2022 $'000 |
|---|---|---|---|
| **Cash and cash equivalents** | | | |
| – Continuing operations | 15 | **795** | 379 |
| – Discontinued operations | 16 | **68** | – |
| | | **863** | 379 |

***Significant non-cash transactions:***

There were the following significant non-cash transactions:

**2023**

Settlement of professional fees by way of convertible loans

Professional fees amounting to $3,423,000 were paid by DTP Inter Holdings Corporation Pte. Ltd. on behalf of the Group and settled by way of convertible loans drawn down by the Company (Note 18).

**2022**

a) Settlement of capital reduction

During the financial year ended 31 December 2022, the Company completed a capital reduction amounting to $174,558,000. The capital reduction comprises cash distribution to shareholders of $4,022,000, deemed payment by way of set-off against the cash distribution amount due to the relevant shareholders of $31,678,000 and a write-off of the accumulated losses of the Company of $138,858,000 (Note 21).

b) Settlement through set-off against amount due to the substantial shareholders

In the previous financial year, the Company disposed of its wholly owned subsidiary, 3CMP, to Puteri Harbour Pte Ltd, a related party for a sale consideration of $36,000,000. The consideration of $36,000,000 was partially satisfied by way of set-off against the amount due to the substantial shareholders of $31,700,000 and the balance of $4,300,000 was received in cash (Note 16 (c)).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 12 April 2024.

## 1. GENERAL

The Company is a limited liability company which is incorporated and domiciled in the Republic of Singapore and is listed on Catalist under Singapore Exchange Securities Trading Limited (SGX-ST). The registered office of the Company is located at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 12. During the financial year ended 31 December 2023, the holding company is Phileo Capital Limited ("**Phileo Capital**"), incorporated in the Cayman Islands.

On 23 January 2024, DTP Inter Holdings Corporation Pte. Ltd. ("**DTP Inter Holdings**"), a subsidiary of DTGO Corporation Limited ("**DTGO Corporation**"), completed the reverse takeover ("**RTO**") of the Company via the acquisition of the entire issued share capital of DTP Infinities Limited (together with its subsidiaries, the "**DTP Infinities Group**"), as set out in Note 2. On the same date, the Company is renamed as Prosper Cap Corporation Limited. Post-RTO, the Group's principal activities relate to investing in and managing the operations of hospitality and lodging-related business. The immediate and ultimate holding companies are DTP Inter Holdings Corporation Pte. Ltd. and DT Group of Companies Corporation Limited which are incorporated in the Republic of Singapore and Thailand respectively.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "**Group**" and individually as "**Group entities**").

## 2 MATERIAL CONTRACTS AND EVENTS IN CONNECTION WITH THE RTO

In connection with the RTO, the Company entered into the following:

(a) A conditional share purchase agreement dated 12 June 2023, varied by supplement agreement dated 22 August 2023 and a further supplement agreement dated 25 October 2023 (the "**SPA**") for the proposed acquisition of the entire issued and paid-up share capital of DTP Infinities Limited (together with its subsidiaries, the "**DTP Infinities Group**") from its immediate holding company, DTP Inter Holdings Corporation Pte Ltd ("**DTP IH**" or the "**Seller**");

(b) A convertible loan agreement dated 12 June 2023, varied by a supplemental agreement dated 22 August 2023 and a further supplemental agreement dated 25 October 2023, between the Company and the Seller pursuant to which the Seller agreed to grant an interest free loan facility (the "**Seller's Loan**") of an aggregate principal amount of up to $7,000,000 for the sole purpose of payment of such portions of the professional advisers' costs to be borne by the Seller (the "**Seller's Loan Agreement**");

(c) A convertible loan agreement dated 12 June 2023 between the Company and Phileo Capital pursuant to which the latter agreed to grant an interest free loan (the "**PCL Loan**") of $250,000 in aggregate principal amount for the sole purpose of payment of professionals' costs to be borne by the Company pursuant to the terms of the SPA (the "**PCL Loan Agreement**");

(d) A sale and purchase agreement dated 6 July 2023 between the Company and a third party for the disposal of the Company's wholly-owned subsidiary, 3C Property Consultants Pte Ltd ("**3CPC**"); and

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**2 MATERIAL CONTRACTS AND EVENTS IN CONNECTION WITH THE RTO** (CONTINUED)

(e) A sale and purchase agreement dated 6 July 2023 between the Company and a third party for the disposal of the Company's wholly-owned subsidiary, Orientis Solutions Sdn Bhd ("**OSSB**").

On 23 January 2024, following the fulfilment and/or waiver of the conditions precedent set out in the SPA, the Company completed the acquisition of the entire issued and paid-up share capital of DTP Infinities Limited, pursuant to which, the following events occurred:

(a) An additional Seller's Loan amounting to $1,541,000 was drawn down;

(b) 1,344,870,969 new shares were allotted and issued by the Company to the Seller, at the issue price of $0.33 per share as partial settlement of the convertible loan amounting to $443,807,000;

(c) 643,684 PCL new shares were allotted and issued by the Company to Phileo Capital, at the issue price of $0.33 per share amounting to $212,000, in full discharge of the utilised amount from the PCL Loan in accordance with the PCL Loan Agreement;

(d) 13,892,664 new shares were allotted and issued by the Company to the Seller at the issue price of $0.33 per share, amounting to a partial repayment of $4,585,000 of the Seller's Loan;

(e) 1,970,000 new shares were allotted and issued by the Company to Prime Partners Corporate Finance, at the issue price of $0.33 per share amounting to of $650,000, as partial payment of professional fees; and

(f) 210,000,000 new shares were allotted and issued by the Company to meet the minimum public float requirement at the issue price of $0.33 per the Company's share placement exercise, which raised proceeds of $69,300,000. The Group utilised $55,000,000 of these proceeds to repay loan due to immediate holding company, DTP IH.

On 28 February 2024, the convertible loan amounting to $1,294,000 was converted into 3,920,090 new shares at $0.33 per share, pursuant to the Seller's Loan Agreement as full settlement of the amount utilised from the Seller's Loan.

**3 GOING CONCERN BASIS**

For the financial year ended 31 December 2023, the Group recognised a loss for the year of $6,101,000 and as at 31 December 2023, the Group has net current liabilities and net liabilities of $5,650,000 and $5,651,000 respectively. As the RTO was completed on 23 January 2024 (Note 2), in assessing the appropriateness of the going concern assumption for the Group, the Directors have assessed the ability of the Group and DTP Infinities Group (collectively, the "**Enlarged Group**") to operate and meet their obligations for the next 12 months from the date of the financial statements.

At 31 December 2023, the Enlarged Group is in a net current liability position, which is mainly attributed to loans and borrowings of GBP290,800,000 (equivalent to approximately $488,500,000) maturing in December 2024. These conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Enlarged Group and the Company to continue as a going concern.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3 GOING CONCERN BASIS (CONTINUED)

Notwithstanding the above, the Directors have prepared the consolidated financial statements on a going concern basis, having considered that the Enlarged Group has:

(i) received letters of offers for the refinancing of loans from several financial institutions which are subject to due diligence and credit approval by the financial institutions. Management is in negotiations with the financial institutions on the indicative term sheets received. Management will shortlist and appoint the selected financial institutions for refinancing. Management will work very closely with the financial institutions on the due diligence process and expects to complete the refinancing well before the maturity of the loans; and

(ii) prepared cash flow projections that indicate it will generate sufficient cash flows from its operations to meet its obligations for the next 12 months from the date of the financial statements.

If the Enlarged Group is unsuccessful in completing the refinancing before the maturity of the loans, it would be unable to meet payment commitments in respect of its existing loans and borrowings. This event and condition indicate that a material uncertainty exists that may cast significant doubt on the Enlarged Group's ability to continue as a going concern.

As at the date of the approval of these financial statements, the Directors are not aware of any other circumstances or reasons which would likely affect the Enlarged Group's ability to continue as a going concern. In consideration of the foregoing, the Directors opined that it is appropriate to prepare the financial statements on a going concern basis.

## 4. BASIS OF PREPARATION

### 4.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The changes to material accounting policies are described in Note 4.5.

### 4.2 Functional and presentation currency

The financial statements are prepared on the historical cost basis, except as otherwise described in the notes below.

### 4.3 Functional and presentation currency

The financial statements are presented in Singapore dollar ("**$**") which is the functional currency of the Company, and all financial information presented have been rounded to the nearest thousand ("**$'000**"), unless otherwise indicated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. BASIS OF PREPARATION (CONTINUED)

### 4.4 Use of estimates and judgement

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management, where appropriate. Revisions to accounting estimates are recognised prospectively.

**Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. BASIS OF PREPARATION (CONTINUED)

### 4.5 Changes in material accounting policies

The Group has applied the following SFRS(I)s and amendments to SFRS(I)s for the first time for the annual period beginning on 1 January 2023:

- SFRS(I): 17: *Insurance Contracts*
- Amendment to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two model Rules*
- Amendments to SFRS(I) 1-1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on financial statements.

*Material accounting policy information*

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Group reviewed the accounting policies and made updates to the information disclosed in Note 5 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 4.5, which addresses changes in material accounting policies.

### 5.1 Basis of consolidation

#### (i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 5.7). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

**Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

**Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.1 Basis of consolidation (Continued)

#### (i) Business combinations (Continued)

**Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**Subsidiaries in the separate financial statement**

Investments in subsidiaries, are stated in the Company's statement of financial position at cost less accumulated impairment losses.

### 5.2 Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within finance costs/income.

#### (ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve (translation reserve) in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.3 Financial instruments

### (i) Recognition and initial measurement

**Non-derivative financial assets and financial liabilities**

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Classification and subsequent measurement**

**Non-derivative financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

***Financial assets at amortised cost***

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its 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: Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. **MATERIAL ACCOUNTING POLICIES** (CONTINUED)

**5.3 Financial instruments** (Continued)

**(i) Recognition and initial measurement** (Continued)

**Financial assets: Business model assessment** (Continued)

The business models of the Group are as follows:

*Held to collect*

There are two main portfolios of financial assets that have a held-to-collect business model. The Group holds financial assets which arise from valuation service fee and the management of long-term project management contracts. The objective of the business model for these financial instruments is to collect the amounts due from the Group's receivables and to earn contractual interest income on the amounts collected.

**Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The Group had no financial assets held outside trading business models that failed the SPPI assessment.

**Non-derivative financial assets: Subsequent measurement and gains and losses**

***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.3 Financial instruments (Continued)

#### (i) Recognition and initial measurement (Continued)

**Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### (ii) Derecognition

**Financial assets**

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

**Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### (iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set-off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**5. MATERIAL ACCOUNTING POLICIES** (CONTINUED)

**5.3 Financial instruments** (Continued)

**(iv) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

**(v) Compound financial instruments**

Compound financial instruments issued by the Group comprise convertible loans denominated in Singapore dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value. See Note 18 for further details.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

**(vi) Share capital**

***Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

**5.4 Property, plant and equipment**

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Interest paid and capitalised is presented as part of financing cash flows in the statement of cash flows.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.4 Property, plant and equipment (Continued)

**(ii) Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

| | |
|---|---|
| • Computers | 3 years |
| • Furniture and fixture | 7-10 years |
| • Office equipment | 5-10 years |

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 5.5 Intangible assets and goodwill

**(i) Goodwill**

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 5.1(i).

***Subsequent measurement***

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate and joint ventures.

**(ii) Other intangible assets**

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

**(iii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.6 Leases

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

**As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.6 Leases (Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 5.7 Impairment

**Non-financial assets**

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.7 Impairment (Continued)

**Non-financial assets** (Continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 5.8 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property and biological assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale.

### 5.9 Employee benefits

**(i) Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

**(ii) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.10 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(i) Onerous contracts**

The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

### 5.11 Revenue

The Group recognises revenue from valuation service fee and the management of long-term project management contracts.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue from the following services:

**(i) Valuation service fees**

Revenue from valuation service fees is recognised at a point in time when these services are rendered and are contractually billable. Revenue from related services such as course fee, bank referral fee, resale-net, valuation and e-stamping fee and refreshments are recognised when these services are rendered.

**(ii) Project management fees**

Revenue from the management of long-term project management contracts are recognised over time, using the input method to measure progress towards complete satisfaction of the service, as the customer simultaneously receives and consumes the benefits provided by the Group. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers*. Payment for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

### 5.12 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;

Interest income or expense is recognised under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.12 Finance income and finance costs (Continued)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### 5.13 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that
  - is not a business combination and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss; and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.13 Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

### 5.14 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

### 5.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Acting CEO/CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Acting CEO/CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 5.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 5. MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 5.17 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The application of these new SFRS(I)s, interpretations and amendments to SFRS(I)s are not expected to have a significant impact on the financial statements of the Group and the Company.

## 6. OTHER OPERATING INCOME

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Interest income | **1** | 4 |
| Others | **–** | 1 |
| | **1** | 5 |

## 7. FINANCE COSTS

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Interest expenses on lease liability | ***** | * |

* Less than $1,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 8. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The following charges were included in arriving at loss before tax from continuing operations:

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Audit fees paid/payable to: | | |
| – Auditors of the Company* | **–** | 38 |
| – Auditors of the Company and other firms affiliated with KPMG International Limited@ | **1,060** | – |
| Non-audit fees paid/payable to: | | |
| – Other auditors | **23** | – |
| Depreciation of property, plant and equipment | **2** | 2 |
| Non-executive directors' fees | **83** | 79 |
| Employee benefits expense (see below) | **122** | 151 |
| | | |
| **Employee benefits expense** | | |
| Salaries and bonuses | **103** | 116 |
| Employer's contribution to defined contribution plans | **14** | 20 |
| Other short-term benefits | **5** | 15 |
| | **122** | 151 |

* Includes $Nil (FY2022: $6,000) classified as part of loss from discontinued operations.

@ Audit fees paid to auditors of the Company and other firms affiliated with KPMG International Limited include audit-related services in connection with the RTO of $940,000.

## 9. INCOME TAX EXPENSE

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Current income tax: | | |
| – Current financial year | **–** | – |

The reconciliation of effective tax rate is as follows:

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Loss for the year before tax | | |
| – Continuing operations | **(6,080)** | (554) |
| Tax at Singapore statutory tax rate of 17% | **(1,034)** | (94) |
| – Tax effect of: | | |
| – Income not subject to tax | **–** | (4) |
| – Expenses not deductible for tax purposes | **916** | 7 |
| – Deferred tax assets not recognised | **119** | 91 |
| – Effect of difference in tax rate | **(1)** | – |
| | **–** | – |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. PROPERTY, PLANT AND EQUIPMENT

| Group | Computers $'000 | Furniture and fixture $'000 | Office equipment $'000 | Total $'000 |
|---|---|---|---|---|
| **Cost:** | | | | |
| At 1 January 2022 | 61 | 2 | 11 | 74 |
| Written off | (49) | – | (1) | (50) |
| Disposal | – | (2) | (3) | (5) |
| Exchange difference | (2) | – | 1 | (1) |
| At 31 December 2022, 1 January 2023 and 31 December 2023 | **10** | **–** | **8** | **18** |
| **Accumulated depreciation:** | | | | |
| At 1 January 2022 | 60 | 2 | 7 | 69 |
| Depreciation | – | – | 2 | 2 |
| Written off | (49) | – | (1) | (50) |
| Disposal | – | (2) | (2) | (4) |
| Exchange difference | (1) | – | – | (1) |
| At 31 December 2022 | 10 | – | 6 | 16 |
| Depreciation | **–** | **–** | **2** | **2** |
| At 31 December 2023 | **10** | **–** | **8** | **18** |
| **Carrying amount:** | | | | |
| At 1 January 2022 | 1 | – | 4 | 5 |
| At 31 December 2022 | – | – | 2 | 2 |
| At 31 December 2023 | **–** | **–** | **–** | **–** |

Property, plant and equipment includes right-of-use asset of $Nil (2022: $2,000) in office equipment which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use asset are disclosed in Note 19(a).

| Company | Computers $'000 | Office equipment $'000 | Total $'000 |
|---|---|---|---|
| **Cost:** | | | |
| At 1 January 2022, 31 December 2022 and 31 December 2023 | 10 | 8 | 18 |
| **Accumulated depreciation:** | | | |
| At 1 January 2022 | 10 | 5 | 15 |
| Depreciation | – | 1 | 1 |
| At 31 December 2022 | 10 | 6 | 16 |
| At 1 January 2023 | 10 | 6 | 16 |
| Depreciation | **–** | **2** | **2** |
| At 31 December 2023 | **10** | **8** | **18** |
| **Carrying amount:** | | | |
| At 1 January 2022 | – | 3 | 3 |
| At 31 December 2022 | – | 2 | 2 |
| At 31 December 2023 | **–** | **–** | **–** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 11. INTANGIBLE ASSETS

Intangible assets arising from acquisition of subsidiaries are as follows:

| Group | Goodwill $'000 | Other intangible assets $'000 | Total $'000 |
|---|---|---|---|
| **Cost:** | | | |
| At 1 January 2022 | 3,768 | 3,000 | 6,768 |
| Written off | – | (3,000) | (3,000) |
| At 31 December 2022, 1 January 2023 and 31 December 2023 | **3,768** | **–** | **3,768** |
| **Accumulated amortisation and impairment:** | | | |
| At 1 January 2022 | 3,768 | 3,000 | 6,768 |
| Written off | – | (3,000) | (3,000) |
| At 31 December 2022, 1 January 2023 and 31 December 2023 | **3,768** | **–** | **3,768** |
| **Carrying amount:** | | | |
| At 1 January 2022, 31 December 2022 and 31 December 2023 | – | – | – |

Goodwill

On 7 July 2014, the Group acquired the issued share capital of OSSB and recognised goodwill of $3,768,000. For the purpose of impairment testing, goodwill of $3,768,000 was allocated to the real estate and property development consultancy (CGU).

The recoverable amount of CGU was based on its value in use, determined by discounting the pre-tax future cash flows to be generated from the continuing use of CGU. The recoverable amount of the CGU was determined to be lower than its carrying amount and has been fully impaired since 2017.

Other intangible assets

Other intangible assets relate to contractual rights on project management contracts acquired in business combination and were fully written off in 2022 following termination of the project management contracts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Unquoted shares, at cost | **7,697** | 7,697 |
| Allowance for impairment loss | **(7,621)** | (7,542) |
| | **76** | 155 |

Movement in the above allowance for impairment loss:

| | Company | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| At 1 January | **7,542** | 99,151 |
| Addition | **79** | 1,302 |
| Reversal | **–** | (30) |
| Written off | **–** | (92,881) |
| At 31 December | **7,621** | 7,542 |

***Impairment testing of investments in subsidiaries***

Management assessed investments in subsidiaries for indicators of impairment based on the operating and financial performance of the subsidiaries. The recoverable amount of the subsidiaries is estimated based on fair value less costs of disposal ("**FVLCD**"). The FVLCD is determined from the value of net tangible assets of the respective entities which comprises mainly current assets and current liabilities for which their carrying amount approximate their fair value due to short period to maturity. The fair value of the recoverable amount is categorised as Level 3 based on the fair value hierarchy.

During the financial year, the recoverable amount of the investments in subsidiaries was estimated to be $76,000 (2022: $155,000), and an impairment loss of $79,000 (2022: $1,302,000) was recognised.

A reversal of impairment loss of $30,000 was recognised in the financial year ended 31 December 2022 on the Company's investment in OSSB. The reversal of impairment loss was due to the recoverable amount of the Company of $30,000 being higher than the carrying amount of $Nil. Following the disposal and liquidation of 3C Marina Park Sdn Bhd ("**3CMP**") and Whitehouse Pte Ltd respectively in the financial year ended 31 December 2022, the accumulated impairment loss of $92,881,000 for the investments were written off.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

***Impairment testing of investments in subsidiaries*** (Continued)

Investments in subsidiaries are as follows:

| Name | Principal activities | Country of incorporation | Effective interest 2023 % | Effective interest 2022 % |
|---|---|---|---|---|
| **Held by the Company:** | | | | |
| 3Cnergy Sdn Bhd[i] | Management and research on real estate | Malaysia | **100** | 100 |
| OSSB[ii] | Providing architectural design, project financial feasibility assessment, engineering expertise and construction management services | Malaysia | **100** | 100 |
| 3CPC | Property valuation | Singapore | **100** | 100 |

(i) Undergoing dissolution in 2023.

(ii) Audited by other audit firms.

**Additional investment in a subsidiary – 3Cnergy Sdn Bhd**

On 14 November 2022, the Company subscribed for 3,614,325 ordinary shares in 3Cnergy Sdn Bhd at RM1.00 each amounting to $1,309,000 which was settled by way of capitalisation of advance to the subsidiary (Note 14).

## 13. TRADE AND OTHER RECEIVABLES

| | Group 2023 $'000 | Group 2022 $'000 | Company 2023 $'000 | Company 2022 $'000 |
|---|---|---|---|---|
| Trade receivables | **–** | 9 | **–** | – |
| Deposits | **1** | 8 | **1** | (*) |
| Prepayments | **2** | 19 | **2** | 17 |
| Amounts due from subsidiaries (Note 14) | **–** | – | **–** | 12 |
| | **3** | 36 | **3** | 29 |

* Less than $1,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables as at 31 December 2022 included an amount due from a company related to the substantial shareholder of $7,000.

The average credit period on trade receivables was 14 to 60 days. Trade receivables are non-interest bearing and are generally due upon billing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for trade and other receivables are measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of the conditions at the reporting date. The Group has determined that the trade receivables are subject to insignificant credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for trade receivables.

## 14. AMOUNTS DUE FROM SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Amounts due from subsidiaries | **–** | 12 |
| Movement in allowance: | | |
| – At 1 January | **–** | 1,298 |
| – Reversal of impairment loss | **–** | (1,298) |
| At 31 December | **–** | – |

The amounts due from subsidiaries were non-trade in nature, unsecured, interest-free and repayable on demand.

On 14 November 2022, an amount due from subsidiary, 3Cnergy Sdn Bhd amounting to $1,309,000 was capitalised as investment in subsidiary (Note 12), and the allowance for impairment loss relating to the amount capitalised of $1,298,000 was reversed.

## 15. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Cash at banks | **795** | 379 | **795** | 214 |

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.20% to 0.35% (2022: 0.20% to 0.35%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. ASSETS AND LIABILITIES HELD FOR SALE

### (a) (Loss)/Profit from discontinued operations

| | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| 3CPC and OSSB | **(21)** | 388 |
| 3C Marina Park Sdn Bhd ("**3CMP**") | **–** | 6,425 |
| (Loss)/Profit from discontinued operations, net of tax | **(21)** | 6,813 |

Basic and diluted (loss)/earnings per share disclosures (Note 22)

| | 2023 | 2022 |
|---|---|---|
| (Loss)/Earnings per share from discontinued operations attributable to owners of the Company (cents): | | |
| Basic | **(*)** | 0.22 |
| Diluted | **(*)** | 0.22 |

* Less than 0.01 cent

The basic and diluted (loss)/earnings per share from discontinued operations are calculated by dividing the (loss)/profit from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

### (b) Discontinued operations

3CPC and OSSB

On 6 July 2023, the Company entered into conditional sale and purchase agreements (collectively, the "**Disposal SPAs**", and each a "**Disposal SPA**") whereby the Company would sell its 100% equity interest in 3CPC and OSSB. Arising therefrom, the Group has reclassified 3CPC and OSSB as a disposal group held-for-sale. As 3CPC and OSSB represent a separate major line of business relating to property development management and property valuation services, all income and expenses pertaining to 3CPC and OSSB for the years ended 31 December 2023 and 2022 have been reclassified to loss from discontinued operations. The Group completed the disposal of the discontinued operations on 23 January 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. ASSETS AND LIABILITIES HELD FOR SALE (CONTINUED)

### (b) Discontinued operations (Continued)

3CPC and OSSB (Continued)

The major classes of assets and liabilities of 3CPC and OSSB as at 31 December 2023 are as follows:

| | 2023 $'000 |
|---|---|
| **Assets:** | |
| Other receivables and deposits | **11** |
| Cash and cash equivalents | **68** |
| Assets held for sale | **79** |
| **Liabilities:** | |
| Trade payables | **(1)** |
| Other payables and accruals | **(3)** |
| Liabilities held for sale | **(4)** |

The results of 3CPC and OSSB for the financial years ended 31 December are as follows:

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Revenue | **43** | 591 |
| Cost of services rendered | **(24)** | (92) |
| Other operating income | **–** | 1 |
| General and administrative expenses | **(40)** | (112) |
| (Loss)/Profit before tax from discontinued operations | **(21)** | 388 |
| Income tax expense | **–** | – |
| (Loss)/Profit from discontinued operations, net of tax | **(21)** | 388 |

The loss from discontinued operations of $21,000 (2022: profit of $6,813,000) is attributable entirely to the owners of the Company. The loss from continuing operations of $6,080,000 (2022: $554,000) is attributable to the owners of the Company.

Cash flows used in discontinued operations

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Net cash used in operating activities | **(25)** | (86) |
| Net cash from investing activities | **–** | 1 |
| Net cash (used in)/from financing activities | **(63)** | 58 |
| Net cash flows for the year | **(88)** | (27) |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. ASSETS AND LIABILITIES HELD FOR SALE (CONTINUED)

### (c) Disposal of a subsidiary

**3C Marina Park Sdn Bhd ("3CMP")**

On 13 May 2022, the Company disposed of its wholly owned subsidiary, 3CMP, to Puteri Harbour Pte Ltd, a related party for a sale consideration of $36,000,000. The consideration was satisfied by setting off an amount of $31,700,000 against the amount due to the substantial shareholders of $31,700,000 and the balance of $4,300,000 was received in cash. The disposal of 3CMP was completed on the 13 May 2022.

3CMP results are presented separately in the consolidated statement of profit or loss and other comprehensive income as "Profit/(Loss) from discontinued operation, net of tax". 3CMP constitutes the Group's property development segment.

The results of 3CMP for the financial period ended 13 May 2022 (date of disposal) are as follows:

| | $'000 |
|---|---|
| Other operating income | 7,525 |
| General and administrative expenses | (452) |
| Interest expense | (648) |
| Profit before tax from discontinued operation | 6,425 |
| Income tax expense | – |
| Profit from discontinued operation, net of tax | 6,425 |

Carrying amounts of the assets and liabilities as at date of disposal are as follows:

| | $'000 |
|---|---|
| **Assets** | |
| Property, plant and equipment | 8 |
| Land held for property development | 76,779 |
| Other receivables and deposits | 81 |
| Tax recoverable | 4 |
| Cash and cash equivalents | 431 |
| Pledged fixed deposits | 68 |
| | 77,371 |
| **Liabilities** | |
| Accruals and other payables | 5,099 |
| Bank borrowings | 44,942 |
| | 50,041 |
| Net assets | 27,330 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. ASSETS AND LIABILITIES HELD FOR SALE (CONTINUED)

### (c) Disposal of a subsidiary (Continued)

3C Marina Park Sdn Bhd ("3CMP") (Continued)

| | Group 2022 $'000 |
|---|---|
| **Gain on disposal:** | |
| Sale consideration | 36,000 |
| Less: Net assets derecognised | (27,330) |
| Exchange difference realised on disposal of subsidiary | (1,147) |
| Gain on disposal | 7,523 |

The gain on disposal of the subsidiary is recorded as part of loss for the year from discontinued operations in the statement of profit or loss and other comprehensive income for the financial year ended 31 December 2022.

| | Group 2022 $'000 |
|---|---|
| **Net cash flow arising on disposal:** | |
| Sales consideration | 36,000 |
| Set-off against the amount due to the substantial shareholders | (31,700) |
| Sales consideration settled in cash | 4,300 |
| Cash and cash equivalents disposed of | (431) |
| Proceeds from disposal of a subsidiary, net of cash disposed | 3,869 |

## 17. OTHER PAYABLES AND ACCRUALS

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 |
| Other payables | **325** | 9 | **325** | 2 |
| Accrued expenses | **57** | 86 | **57** | 76 |
| Accrued professional fees | **1,724** | – | **1,724** | – |
| Amount due to a subsidiary | **–** | – | **35** | – |
| | **2,106** | 95 | **2,141** | 78 |

The amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 17. OTHER PAYABLES AND ACCRUALS (CONTINUED)

**Reconciliation of liabilities arising from financing activities:**

| | | | Non-cash movements | | | | |
|---|---|---|---|---|---|---|---|
| | At beginning of the year $'000 | Financing cash inflow/ (outflows) $'000 | Reclassification to liabilities of disposal group classified as held for sale $'000 | Issue of convertible loans to the Seller for payment of professional fees on behalf by the Seller $'000 | Equity component of convertible loans (Note 18) $'000 | Interest expense $'000 | At end of the year $'000 |
| **2023** | | | | | | | |
| **Liabilities** | | | | | | | |
| Convertible loans (Note 18) | **–** | **1,126** | **–** | **3,423** | **(132)** | **–** | **4,417** |
| Lease liability (Note 19) | **2** | **(2)** | **–** | **–** | **–** | **(*)** | **–** |
| **2022** | | | | | | | |
| **Liabilities** | | | | | | | |
| Loan from a related party | – | 1,000 | (1,000) | – | – | – | – |
| Lease liability (Note 19) | 4 | (2) | – | – | – | (*) | 2 |

* Less than $1,000

## 18. CONVERTIBLE LOANS

| | Group and Company | |
|---|---|---|
| | **2023** **$'000** | **2022** **$'000** |
| Convertible loans | **4,549** | – |
| Less: Equity component | **(132)** | – |
| Debt component | **4,417** | – |

Convertible loans relate to the following events:

(a) On 12 June 2023, the Company entered into the Seller's Loan Agreement with the Seller (see Note 2) for the sole purpose of payment of such portions of the professional advisers' costs and operating expenses or fees incurred by the Company to be borne by the Seller ("**Agreed Costs**") as set out in the SPA between Seller and the Company by allotting up to 21,212,121 conversion shares to the Seller at $0.33 per share, pursuant to Seller's Loan Agreement. The Seller agreed to grant an unsecured and interest free loan facility of an aggregate principal amount of up to $7,000,000 for the purpose solely of payment of such portions of the professional advisers' costs to be borne by the Seller. The utilised amount shall be repaid or deemed to be repaid by the Company to the Seller at the earlier of date of completion of the acquisition of the entire issued and paid-up share capital of DTP Infinities Limited pursuant to the SPA, or termination of the SPA where it is not satisfied within 12 months after date of the SPA.

As at 31 December 2023, the convertible loan from the Seller amounted to $4,337,000 which is convertible to 13,142,506 new shares.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 18. CONVERTIBLE LOANS (CONTINUED)

(b) On 12 June 2023, the Company also entered into PCL Loan Agreement for the purpose solely of payment of professional costs to be borne by the Company pursuant to the terms of the SPA. Phileo Capital agreed to grant a unsecured and interest free loan of $250,000. The utilised amount shall be repaid or deemed to be repaid by the Company to the Seller at the earlier of date of completion of the acquisition of the entire issued and paid-up share capital of DTP Infinities Limited pursuant to the SPA, or termination of the SPA where it is not satisfied within 12 months after date of the SPA.

As at 31 December 2023, the convertible loan from Phileo Capital amounted to $212,000 which is convertible to 643,684 new shares.

The convertible loan is a hybrid instrument comprising a host liability for the principal amount plus an embedded derivative for the conversion option. The host liability was determined with reference to the fair value of a similar stand-alone debt instrument. The amount allocated to the equity component is the residual amount after deducting the fair value of the financial liability from the fair value of the entire hybrid instrument. The equity component of the convertible loans amounted to $132,000 and is recognised within capital reserve in equity.

## 19. THE GROUP AS A LESSEE

The Group leases an office equipment for five years. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Group's obligations under such lease is secured by the lessor's title to the leased asset, which will revert to the lessor in the event of default by the Group.

### (a) Right-of-use asset

The carrying amount of right-of-use asset by class of underlying asset classified within property, plant and equipment as follows:

| | Office equipment $'000 |
|---|---|
| **Group and Company** | |
| At 1 January 2022 | 3 |
| Depreciation | (1) |
| At 31 December 2022 | 2 |
| At 1 January 2023 | **2** |
| Depreciation | **(2)** |
| At 31 December 2023 | **–** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 19. THE GROUP AS A LESSEE (CONTINUED)

### (b) Lease liability

| | Group and Company | |
|---|---|---|
| | 2023 | 2022 |
| | $'000 | $'000 |
| Lease liability – non-current | **–** | 1 |
| Lease liability – current | **–** | 1 |
| | **–** | 2 |

### (c) Amounts recognised in profit or loss

| | Group and Company | |
|---|---|---|
| | 2023 | 2022 |
| | $'000 | $'000 |
| Interest expense on lease liability | **(*)** | (*) |
| Expense relating to short-term lease | **2** | 2 |

* Less than $1,000

## 20. DEFERRED TAX LIABILITIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | $'000 | $'000 | $'000 | $'000 |
| Temporary differences on property, plant and equipment | **1** | 1 | **–** | – |

Deferred tax assets have not been recognised in respect of:

| | Group | |
|---|---|---|
| | 2023 | 2022 |
| | $'000 | $'000 |
| Tax losses | **1,200** | 1,562 |

The tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Tax losses of $Nil (2022: $315,000) will expire from year 2030 to 2032 (2022: from year 2030 to 2031). The remaining tax losses do not expire under current tax legislations.

Deferred tax assets have not been recognised in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group can utilise the tax losses.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21. SHARE CAPITAL

| | Group and Company Number of ordinary shares | |
|---|---|---|
| | **2023** | **2022** |
| **Issued and paid up:** | | |
| At 1 January and 31 December | **3,067,053,978** | 3,067,053,978 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Capital reduction

In the previous financial year ended 31 December 2022, the Company completed a capital reduction through a cash distribution to the shareholders and a write-off of the accumulated losses of the Company.

The total amount of the Company's capital reduction was $174,558,000 comprising cash distribution to the shareholders of $4,022,000, deemed payment by way of set-off against the cash distribution amount due to the relevant shareholders of $31,678,000 and a write-off of the accumulated losses of the Company of $138,858,000 based on its audited financial statements for the financial year ended 31 December 2020.

On completion of the capital reduction exercise, the issued and paid-up capital of the Company was reduced to $3,264,000 comprising 3,067,053,978 ordinary shares.

## 22. LOSS PER SHARE

The calculation of basic earnings per share has been based on the following loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

**Basic loss per share**

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| **Loss for the year attributable to ordinary shareholders (basic)** | | |
| Loss for the year attributable to owners of the Company | **(6,080)** | (554) |

| | No. of shares | |
|---|---|---|
| | **2023** | **2022** |
| | **'000** | **'000** |
| **Weighted-average number of ordinary shares (basic)** | **3,067,054** | 3,067,054 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 22. LOSS PER SHARE (CONTINUED)

**Diluted loss per share**

The calculation of diluted earnings per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

| | Group | |
|---|---|---|
| | 2023 | 2022 |
| | $'000 | $'000 |
| **Loss for the year attributable to ordinary shareholders (diluted)** | | |
| Loss for the year attributable to owners of the Company | **(6,080)** | (554) |

| | No. of shares | |
|---|---|---|
| | 2023 | 2022 |
| | '000 | '000 |
| **Weighted-average number of ordinary shares (diluted)** | | |
| Weighted-average number of ordinary shares (basic) | **3,067,054** | 3,067,054 |
| Effect of conversion of convertible loans (Note 18) | **13,786** | – |
| Weighted-average number of ordinary shares (diluted) | **3,080,840** | 3,067,054 |

## 23. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant transactions with related parties during the financial year, other than those disclosed elsewhere in the financial statements, include the following:

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | $'000 | $'000 | $'000 | $'000 |
| **Income** | | | | |
| Project management consultancy fee from a company in which a substantial shareholder of the Company has substantial interest | **–** | 63 | **–** | – |
| Management services income from a company in which a substantial shareholder of the Company has substantial interest* | **22** | 38 | **–** | – |
| Management fees charged to Subsidiary | **–** | – | **6** | 8 |
| **Expense** | | | | |
| Rental cost paid to a company in which a substantial shareholder of the Company has substantial interest | **–** | 1 | **–** | – |

* A subsidiary, OSSB has a management services contract with 3C Marina Park Sdn Bhd, in which a substantial shareholder of the Company has substantial interest.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 23. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

The remuneration of key management during the financial year was as follows:

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **$'000** | **$'000** |
| Short-term employee benefits | **102** | 185 |
| Employer's contribution to defined contribution plans | **14** | 25 |
| | **116** | 210 |

The remuneration of key management is determined by the Remuneration Committee having regards to the performance of individuals and market trends.

## 24. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group and the Company are exposed to financial risks arising from operations and the use of financial instruments. The key financial risks include liquidity risk. The Board of Directors reviews and approves policies and procedures for the management of these risks which are also executed by the executive directors. It is and has been throughout the current and previous financial year, for the Group not to trade in derivatives for speculative purposes.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### *(a) Categories of financial instruments*

The following table sets out the financial instruments as at the end of reporting year:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| ***Financial assets at amortised cost:*** | | | | |
| – Trade and other receivables* | **1** | 17 | **1** | – |
| – Amounts due from subsidiaries | **–** | – | **–** | 12 |
| – Cash and cash equivalents | **795** | 379 | **795** | 214 |
| | **796** | 396 | **796** | 226 |
| ***Financial liabilities at amortised cost:*** | | | | |
| – Other payables and accruals | **2,106** | 95 | **2,106** | 78 |
| – Lease liability | **–** | 2 | **–** | 2 |
| – Amount due to a subsidiary | **–** | – | **35** | – |
| – Convertible loans | **4,417** | – | **4,417** | – |
| | **6,523** | 97 | **6,558** | 80 |

* Excluding prepayments

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *(b) Market risks*

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while recognised the return on risk.

Foreign currency risk

The Group operates in Singapore and Malaysia. Group entities transact in their respective functional currencies. The Group monitors its foreign currency exposure on an on-going basis and ensures that the net exposure is kept to an acceptable level. At the reporting date, the Group does not have any significant foreign currency risk.

Interest rate risk

The Group's and the Company's exposure to market risk for changes in interest rates relate primarily to the Group's and Company's interest-bearing liabilities. At the reporting date, the interest rate profile of the Group's and Company's significant interest-bearing financial instruments, based on carrying amounts are as below:

| | Group | |
|---|---|---|
| | 2023 | 2022 |
| | $'000 | $'000 |
| **Fixed rate instruments** | | |
| **Financial liability** | | |
| Lease liability | – | 2 |
| **Financial liability** | – | 2 |

The Group and the Company do not have exposure to any interest rate risk as the Group did not hold any floating rate interest bearing financial instrument at the end of the financial year.

### *(c) Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and Company have adopted a policy of only dealing with high credit rating counterparties. The Group manages these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. Therefore, the Group does not expect to incur material credit losses on its financial assets.

At the end of the financial year, the Group's and the Company's maximum exposure to credit risk are represented by the carrying value of each class of financial assets recognised in the statements of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### (c) *Credit risk* (Continued)

*Trade receivables*

The Group has guidelines governing the process of granting credit during the course of its business. Trade receivables relate mainly to the Group's customers from the provision of services. The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on similar credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers.

At the end of the financial year, approximately 100% of the Group's trade receivables were due from 2 major customers who are located in Singapore and Malaysia. The Group had trade receivables amounting to $9,000 for which no loss allowance was recognised because the amounts were received subsequently.

*Cash and cash equivalents*

The Group's cash and cash equivalents are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents have been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and cash equivalents is negligible.

At the end of the reporting year, the Group does not have any significant concentration of credit risk.

### (d) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of collections and payments timing. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As disclosed in Note 3 to the financial statements, the Group has:

(i) received letters of offers for the refinancing of loans from several financial institutions which are subject to due diligence and credit approval by the financial institutions. Management is in negotiations with the financial institutions on the indicative term sheets received. Management will shortlist and appoint the selected financial institutions for refinancing. Management will work very closely with the financial institutions on the due diligence process and expects to complete the refinancing well before the maturity of the loans; and

(ii) prepared cash flow projections that indicate it will generate sufficient cash flows from its operations to meet its obligations for the next 12 months from the date of the financial statements.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets to pay for liabilities that are due in the next six months.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *(d)* ***Liquidity risk*** (Continued)

*Analysis of financial instruments by remaining contractual maturities*

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting arrangements.

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | | Contractual cash flows | | | | Contractual cash flows | | |
| | Carrying amount $'000 | Within one year $'000 | After 1 year but within 5 years $'000 | Total $'000 | Carrying amount $'000 | Within one year $'000 | After 1 year but within 5 years $'000 | Total $'000 |
| **Group** | | | | | | | | |
| **Financial assets** | | | | | | | | |
| Trade and other receivables | **1** | **1** | **–** | **1** | 17 | 17 | – | 17 |
| Cash and cash equivalents | **795** | **795** | **–** | **795** | 379 | 379 | – | 379 |
| | **796** | **796** | **–** | **796** | 396 | 396 | – | 396 |
| **Financial liabilities** | | | | | | | | |
| Other payables and accruals | **2,106** | **(2,106)** | **–** | **(2,106)** | 95 | (95) | – | (95) |
| Convertible loans | **4,417** | **(4,549)** | **–** | **(4,549)** | – | – | – | – |
| Lease liabilities | **–** | **–** | **–** | **–** | 2 | (1) | (1) | (2) |
| | **6,523** | **(6,655)** | **–** | **(6,655)** | 97 | (96) | – | (97) |
| **Total net financial (liabilities)/assets** | **(5,727)** | **(5,859)** | **–** | **(5,859)** | 299 | 300 | (1) | 299 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *(d)* ***Liquidity risk*** (Continued)

*Analysis of financial instruments by remaining contractual maturities* (Continued)

| | 2023 | Contractual cash flows | | | 2022 | Contractual cash flows | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amount $'000 | Within one year $'000 | After 1 year but within 5 years $'000 | Total $'000 | Carrying amount $'000 | Within one year $'000 | After 1 year but within 5 years $'000 | Total $'000 |
| **Company** | | | | | | | | |
| **Financial assets** | | | | | | | | |
| Other receivables | **1** | **1** | **–** | **1** | – | – | – | – |
| Amounts due from subsidiaries | **–** | **–** | **–** | **–** | 12 | 12 | – | 12 |
| Cash and cash equivalents | **795** | **795** | **–** | **795** | 214 | 214 | – | 214 |
| | **796** | **796** | **–** | **796** | 226 | 226 | – | 226 |
| **Financial liabilities** | | | | | | | | |
| Other payables and accruals | **2,106** | **(2,106)** | **–** | **(2,106)** | 78 | (78) | – | (78) |
| Amount due to a subsidiary | **35** | **(35)** | **–** | **(35)** | – | – | – | – |
| Convertible loans | **4,417** | **(4,549)** | **–** | **(4,549)** | – | – | – | – |
| Lease liabilities | **–** | **–** | **–** | **–** | 2 | (1) | (1) | (2) |
| | **6,558** | **(6,690)** | **–** | **(6,690)** | 80 | (79) | (1) | (80) |
| **Total net financial (liabilities)/assets** | **(5,762)** | **(5,894)** | **–** | **(5,894)** | 146 | 147 | (1) | 146 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 24. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *(e) Capital management*

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure consisting of equity attributable to owners of the Company, comprising share capital and capital reserves net of accumulated losses and makes adjustments to it in accordance to its capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022. The Group monitors the level of debt and equity, which is the equity attributable to the owners of the Company.

The Group's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group. For this purposes, the Group defined "capital" as including all components of equity. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares of other financial instruments. The Group is not subject to any externally imposed capital requirements.

## 25. FAIR VALUE OF ASSETS AND LIABILITIES

**Valuation policies and procedures**

Management oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

It is the Group's policy that where assessed necessary by the local management, the Group would engage experts to perform significant financial reporting valuations. Management is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 fair value measurement guidance.

Management also reviews at least on an annual basis, the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

The analysis and results of the external valuations are then presented to the Board of Directors for approval.

During the financial year, there is no change in the applicable valuation techniques.

## 26. FINANCIAL INSTRUMENTS WHOSE CARRYING AMOUNT APPROXIMATES FAIR VALUE

The carrying amounts of cash and cash equivalents, trade and other receivables (excluding prepayments), convertible loans, lease liabilities, other payables and accruals and amounts due to/from subsidiaries approximate their respective fair values due to the relative short-term maturity of these financial instruments. Fair value information is not disclosed as there is a lack of market information of comparable instruments with similar characteristics and risk profile.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 27. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board of Directors is responsible for allocating resources and assessing performance of the operating segments. The operating segments were determined based on the reports reviewed by management.

Management considers that the entire Group's operations constitute a single segment which is real estate property and development consultancy and two geographical segments which are Singapore and Malaysia.

Real estate and property development consultancy segment comprised real estate development and related consultancy including architectural design, project financial feasibility assessment, engineering expertise and construction management services.

Management monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which is measured similarly to operating profit or loss in the consolidated financial statements.

***Geographical segments***

| | Singapore | | Malaysia | | Total | |
|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| External revenues | **21** | 35 | **22** | 556 | **43** | 591 |
| Interest income | **–** | 1 | **–** | 2 | **–** | 3 |
| Interest expenses | **–** | – | **–** | (648) | **–** | (648) |
| Depreciation and amortisation | **–** | – | **–** | (1) | **–** | (1) |
| Segment (loss)/profit before tax | **(6,087)** | 6,968 | **(28)** | (717) | **(6,115)** | 6,251 |
| Other material items of income and expenses and non-cash items: | | | | | | |
| – Gain on disposal of a subsidiary | **–** | 7,523 | **–** | – | **–** | 7,523 |
| Reportable segment assets | **876** | 417 | **1** | – | **877** | 417 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 27. SEGMENT INFORMATION (CONTINUED)

***Geographical segments*** (Continued)

Reconciliations of reportable segment revenues, profit or loss and other material items.

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Revenues** | | |
| Total revenue for reportable segments | **43** | 591 |
| Elimination of discontinued operations | **(43)** | (591) |
| Consolidated revenue from continuing operations | **–** | – |
| **(Loss)/profit before tax** | | |
| Total (loss)/profit before tax for reportable segments | **(6,115)** | 6,251 |
| Elimination of inter-segment profits | **14** | 8 |
| Elimination of discontinued operations | **21** | (6,813) |
| Consolidated loss before tax from continuing operations | **(6,080)** | (554) |

| | Reportable segment totals | | Elimination of discontinued operations | | Consolidated totals | |
|---|---|---|---|---|---|---|
| | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 |
| **Other material items** | | | | | | |
| Gain on disposal of a subsidiary | **–** | 7,523 | **–** | (7,523) | **–** | – |

*Geographical segments*

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

| | Revenue (Discontinued operations) | | Non-current assets | |
|---|---|---|---|---|
| | 2023 $'000 | 2022 $'000 | 2023 $'000 | 2022 $'000 |
| Singapore | **21** | 35 | **–** | 2 |
| Malaysia | **22** | 556 | **–** | – |
| | **43** | 591 | **–** | 2 |

Non-current assets information presented above consist of property, plant and equipment, goodwill, intangible assets and land held for property development as presented in the statement of financial position.

***Information about major customers***

Revenue from two (2022: one) customers represents $42,000 (2022: $518,000) of the Group's revenue.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 2 January 2024, the Company completed share consolidation and every 100 shares have been consolidated into one consolidated share.

On 23 January 2024, following the fulfilment and/or waiver of the conditions precedent set out in the SPA, the Company completed the acquisition of the entire issued and paid-up share capital of DTP Infinities Limited, pursuant to which, the following events occurred:

(a) An additional Seller's Loan amounting to $1,541,000 was drawn down;

(b) 1,344,870,969 new shares were allotted and issued by the Company to the Seller, at the issue price of $0.33 per share as partial settlement of the convertible loan amounting to $443,807,000;

(c) 643,684 PCL new shares were allotted and issued by the Company to Phileo Capital, at the issue price of $0.33 per share amounting to $212,000, in full discharge of the utilised amount from the PCL Loan in accordance with the PCL Loan Agreement;

(d) 13,892,664 new shares were allotted and issued by the Company to the Seller at the issue price of $0.33 per share, amounting to a partial repayment of $4,585,000 of the Seller's Loan;

(e) 1,970,000 new shares were allotted and issued by the Company to Prime Partners Corporate Finance, at the issue price of $0.33 per share amounting to of $650,000, as partial payment of professional fees; and

(f) 210,000,000 new shares were allotted and issued by the Company to meet the minimum public float requirement at the issue price of $0.33 per the Company's share placement exercise, which raised proceeds of $69,300,000. The Group utilised $55,000,000 of these proceeds to repay loan due to immediate holding company, DTP IH.

On 28 February 2024, the convertible loan amounting to $1,294,000 was converted into 3,920,090 new shares at $0.33 per share, pursuant to the Seller's Loan Agreement as full settlement of the amount utilised from the Seller's Loan.

# SHAREHOLDINGS STATISTICS

AS AT 19 MARCH 2024

| | | |
|---|---|---|
| Class of shares | – | Ordinary shares |
| Voting rights | – | One vote per share |
| Total number of issued shares | – | 1,605,967,931 |
| Number of treasury shares | – | Nil |
| Number of subsidiary holdings | – | Nil |

### DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | % | NO. OF SHARES | % |
|---|---|---|---|---|
| 1 – 99 | 385 | 45.40 | 5,638 | 0.00 |
| 100 – 1,000 | 143 | 16.86 | 78,341 | 0.01 |
| 1,001 – 10,000 | 236 | 27.83 | 1,012,150 | 0.06 |
| 10,001 – 1,000,000 | 77 | 9.08 | 4,847,136 | 0.30 |
| 1,000,001 AND ABOVE | 7 | 0.83 | 1,600,024,666 | 99.63 |
| **TOTAL** | **848** | **100.00** | **1,605,967,931** | **100.00** |

### TWENTY LARGEST SHAREHOLDERS

| No. | Shareholder's Name | No. of Shares held | % |
|---|---|---|---|
| 1 | DTP INTER HOLDINGS CORPORATION PTE. LTD. | 1,362,683,723 | 84.85 |
| 2 | UOB KAY HIAN PTE LTD | 203,015,485 | 12.64 |
| 3 | HSBC (SINGAPORE) NOMINEES PTE LTD | 22,739,000 | 1.42 |
| 4 | CHAMPION BRAVE SDN BHD | 6,368,159 | 0.40 |
| 5 | CITIBANK NOMINEES SINGAPORE PTE LTD | 2,011,790 | 0.13 |
| 6 | PRIMEPARTNERS CORPORATE FINANCE PTE LTD | 1,970,000 | 0.12 |
| 7 | OCBC SECURITIES PRIVATE LTD | 1,236,509 | 0.08 |
| 8 | CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. | 543,952 | 0.03 |
| 9 | MOOMOO FINANCIAL SINGAPORE PTE. LTD. | 508,715 | 0.03 |
| 10 | DBS NOMINEES PTE LTD | 499,834 | 0.03 |
| 11 | RAFFLES NOMINEES (PTE) LIMITED | 498,534 | 0.03 |
| 12 | PHILLIP SECURITIES PTE LTD | 192,319 | 0.01 |
| 13 | OCBC NOMINEES SINGAPORE PTE LTD | 133,719 | 0.01 |
| 14 | TAN AI NEO GRACIE | 133,333 | 0.01 |
| 15 | CHEW SUTAT | 120,000 | 0.01 |
| 16 | TAN KIM SEAH | 110,764 | 0.01 |
| 17 | LIM PENG SIANG | 100,000 | 0.01 |
| 18 | LIM AND TAN SECURITIES PTE LTD | 72,000 | 0.00 |
| 19 | UNITED OVERSEAS BANK NOMINEES PTE LTD | 71,685 | 0.00 |
| 20 | LIN AI LING | 70,000 | 0.00 |
| **Total** | | **1,603,079,521** | **99.82** |

# SHAREHOLDINGS STATISTICS

AS AT 19 MARCH 2024

## SUBSTANTIAL SHAREHOLDERS

| | DIRECT INTEREST | | DEEMED INTEREST | |
|---|---|---|---|---|
| | NO. OF SHARES | % | NO. OF SHARES | % |
| DTP INTER HOLDINGS CORPORATION PTE. LTD. | 1,362,683,723 | 84.85 | NIL | 0.00 |
| DTGO PROSPEROUS LIMITED[1] | NIL | 0.00 | 1,362,683,723 | 84.85 |
| DTGO CORPORATION LIMITED[2] | NIL | 0.00 | 1,362,683,723 | 84.85 |
| DT GROUP OF COMPANIES CORPORATION LIMITED[3] | NIL | 0.00 | 1,362,683,723 | 84.85 |
| THIPPAPORN AHRIYAVRAROMP[4] | NIL | 0.00 | 1,362,683,723 | 84.85 |

**Notes:**

(1) DTGO Prosperous Limited ("**DTGO Prosperous**") holds 100% direct interest in DTP Inter Holdings Corporation Pte. Ltd. ("**DTP Inter Holdings**") and is therefore deemed to be interested in all the shares held by DTP Inter Holdings by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore ("**SFA**").

(2) DTGO Corporation Limited ("**DTGO Corporation**") holds 99.99% direct interest in DTGO Prosperous which in turn holds 100% direct interest in DTP Inter Holdings. DTGO Corporation is therefore deemed to be interested in the shares held by DTP Inter Holdings by virtue of Section 4 of the SFA.

(3) DT Group of Companies Corporation Limited ("**DT Group**") holds 99.99% direct interest in DTGO Corporation. DTGO Corporation holds 99.99% in DTGO Prosperous which in turn holds 100% direct interest in DTP Inter Holdings. DT Group is therefore deemed to be interested in the shares held by DTP Inter Holdings by virtue of Section 4 of the SFA.

(4) Mrs. Thippaporn Ahriyavraromp holds approximately 81.0% direct interest in DT Group. DT Group holds approximately 99.99% direct interest in DTGO Corporation. DTGO Corporation holds approximately 99.99% direct interest in DTGO Prosperous, which in turn holds 100% direct interest in DTP Inter Holdings. Mrs. Thippaporn Ahriyavraromp is therefore deemed to be interested in the shares held by DTP Inter Holdings by virtue of Section 4 of the SFA.

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on information available to the Company as at 19 March 2024, 15.03% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, the Company has compiled with the Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST.

ProsperCap

# EMBARKING ON A NEW GROWTH PATH

# EMBARKING ON A NEW GROWTH PATH

**Dear Shareholders**

It is with great pleasure that we address both our existing and new shareholders as we embark on this exciting new chapter as a publicly listed company, now known as Prosper Cap Corporation Limited ("**ProsperCap**" or the "**Company**", and together with its subsidiaries, the "**Group**") following the successful completion of the reverse takeover ("**RTO**") of 3Cnergy Limited ("**3Cnergy**"). The completion of the RTO and trading on SGX Catalist on 26 January 2024 under the new business, marks the beginning of a new era of growth and value creation for our shareholders.

## STRONG AND DYNAMIC PORTFOLIO

Majority owned by DTGO Corporation Limited ("**DTGO Corporation**", together with its subsidiaries, "**DTGO Group**"), a Bangkok-based conglomerate with diversified businesses across a range of sectors, ProsperCap is focused on investing in and managing the operations of hospitality and lodging-related business with strong emphasis in sustainability and social values.

With the RTO, we have injected a portfolio of 17 largely upscale and income-generating hotels strategically located in key regional cities across the United Kingdom. The hospitality assets are managed by a leading hotel operator experienced with international and multi-brand hotel portfolios and operated under franchise agreements with well-known international hotel brands such as Hilton, IHG and Marriott. With a total of 3,383 keys, we have a diverse collection of hotels to cater to both leisure and business travellers.

The portfolio has experienced a robust recovery since the lifting of global social and travel restrictions post-pandemic. We are witnessing the resurgence of both international and domestic travellers, along with a rebound in social and corporate events. This bodes well for our hospitality assets as reflected in our operating key performance indicators for the financial year ended 31 December 2023 ("**FY2023**") as announced on 29 February 2024.

According to the European Real Estate Market Outlook Report[1], Europe's hotel and tourism sector is poised to gain further momentum in 2024, primarily driven by domestic and intra-regional leisure travel. The resumption of long-haul flights from Asia Pacific is also expected to support the improvement in international leisure demand.

Buoyed by the sustained demand and moderating inflation, we are optimistic that our hospitality assets will continue to see steady occupancy rates and moderate increases in average daily rates, benefitting from both the leisure and business segments.

## STRATEGIC GROWTH PLAN

Under the stewardship of DTGO Group, ProsperCap will continue to champion its business-social ethos. Aligning this core value with robust corporate governance practices and embracing the importance of Environmental, Social and Governance ("**ESG**") principles to our business and investment strategies. Guided by these practices, our investment roadmap will focus on opportunities that have sustainability and social values that can generate long-term value for our stakeholders.

Following our listing, one of our strategic growth pillars is to expand our portfolio and diversify geographically. We intend to leverage the extensive network of the DTGO Group as well as our relationships with third parties to acquire currently operational and revenue-generating hospitality or lodging assets such as hotels, serviced apartments or purpose-built student or worker dormitories. Our search will not be confined within the United Kingdom area, we will evaluate opportunities that are yield-accretive and provide sustainable long-term growth.

Besides portfolio growth, we are also looking at asset enhancement initiatives on selected properties, which will include adding new rooms, refurbishing existing rooms and enhancing spa facilities. These efforts will not only enhance guest experience but also maximise the value of our assets.

Lastly, we would like to extend our gratitude to the existing shareholders for their patience and vote of confidence during the RTO. We are also grateful to our new shareholders who have placed their faith in our vision and strategic growth plan. We seek your continued patience and support as we continue to pursue excellence, set new milestones, and hopefully exceed expectations as we journey forward.

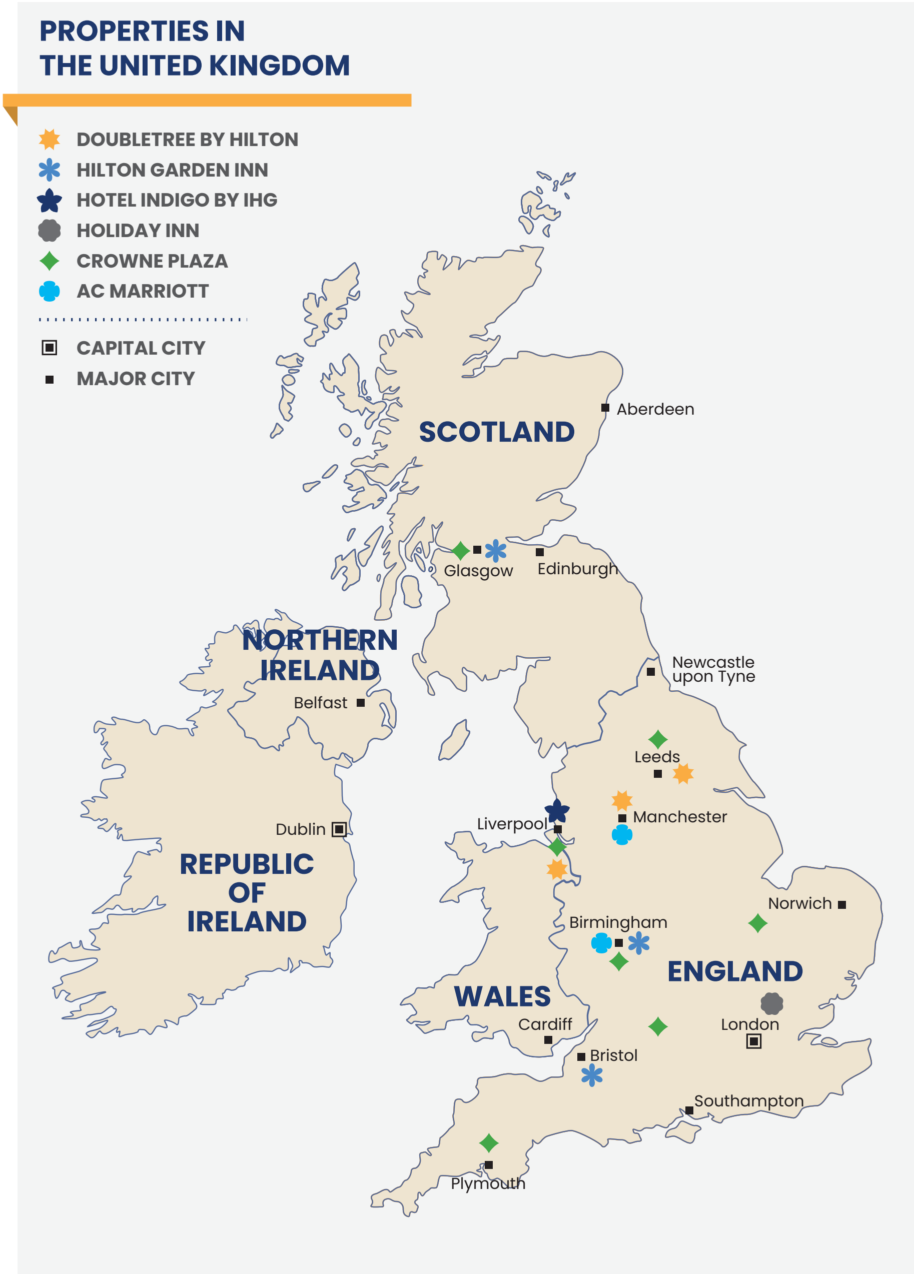
**Mr Bunyong Visatemongkolchai**
Independent Director and Chairman

**Mr Iqbal Jumabhoy**
Chief Executive Officer and Executive Director

[1] 17 January 2024, CBRE Hotels – European real estate market outlook 2024 – hotel

# PROSPERCAP AT A GLANCE

| | |
|---|---|
| Portfolio: | 17 hotels |
| Locations: | Key regional cities across the United Kingdom |
| Total Number of Keys: | 3,383 |
| Occupancy: | 79.5% |
| Average Daily Rate: | £99.4 |
| Revenue per Available Room: | £79.0 |




Note: All information as at 31 December 2023

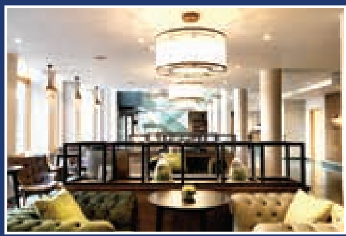
# PROSPERCAP AT A GLANCE


DoubleTree by Hilton Hotel & Spa Chester


DoubleTree by Hilton Leeds City Centre

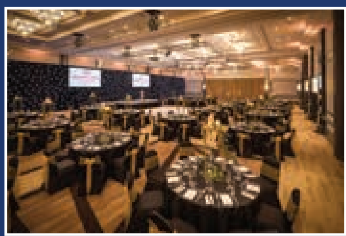

DoubleTree by Hilton Manchester Piccadilly

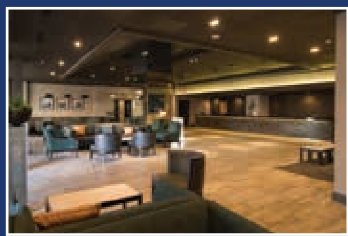

Hilton Garden Inn Bristol City Centre


Hilton Garden Inn Birmingham Brindley Place

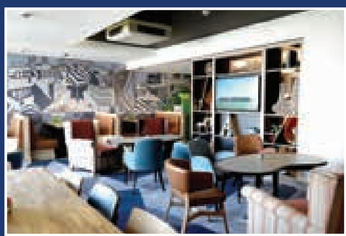

Hilton Garden Inn Glasgow City Centre

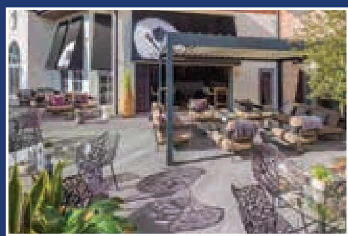

Crowne Plaza Chester


Crowne Plaza Glasgow

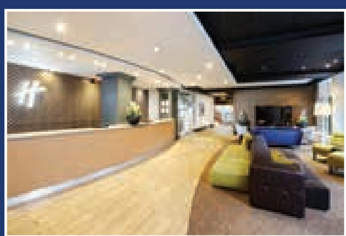

Crowne Plaza Harrogate

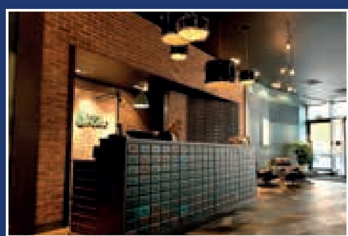

Crowne Plaza Nottingham


Crowne Plaza Plymouth

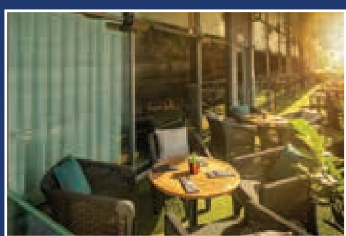

Crowne Plaza Solihull


Crowne Plaza Stratford upon Avon


Holiday Inn Peterborough West


Hotel Indigo Liverpool


AC Hotel by Marriott Birmingham


AC Hotel by Marriott Manchester Salford Quays

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting ("**AGM**") of Prosper Cap Corporation Limited (the "**Company**") will be held at Seminar Room 1 and 2, 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on **Tuesday, 30 April 2024** at **2.00 p.m.** for the following purposes:

**Routine Business**

1. To receive and adopt the directors' statement and audited financial statements of the Company for the financial year ended 31 December 2023 together with the auditor's report thereon. **(Ordinary Resolution 1)**

2. To approve the payment of directors' fees of up to S$605,229/- for the financial year ending 31 December 2024 (2023: S$82,671). *(See Explanatory Note 1)* **(Ordinary Resolution 2)**

3. To approve the payment of directors' fees of up to S$200,000/- for the financial period from 1 January 2025 to 30 April 2025. *(See Explanatory Note 2)* **(Ordinary Resolution 3)**

4. To re-elect Mr. Bunyong Visatemongkolchai who is retiring pursuant to Article 94 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. *(See Explanatory Note 3)* **(Ordinary Resolution 4)**

   Mr. Bunyong Visatemongkolchai shall, upon re-election as a Director of the Company, remain as Independent Director and Chairman of the Board and continue to serve as Chairman of the Nominating Committee and a member of the Remuneration Committee.

5. To re-elect Mr. Hansa Susayan who is retiring pursuant to Article 94 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. *(See Explanatory Note 4)* **(Ordinary Resolution 5)**

   Mr. Hansa Susayan shall, upon re-election as a Director of the Company, remain as the Non-Executive Director and Vice Chairman of the Board.

6. To re-elect Mr. Iqbal Jumabhoy who is retiring pursuant to Article 94 of the Company's Constitution and who, being eligible, offers himself for re-election as a Director of the Company. *(See Explanatory Note 5)* **(Ordinary Resolution 6)**

   Mr. Iqbal Jumabhoy shall, upon re-election as a Director of the Company, remain as the Executive Director of the Company and continue to serve as the Chief Executive Officer.

7. To re-appoint Messrs KPMG LLP as auditor of the Company and to authorise the directors of the Company to fix their remuneration. **(Ordinary Resolution 7)**

8. To transact any other ordinary business which may properly be transacted at an annual general meeting.

# NOTICE OF ANNUAL GENERAL MEETING

**Special Business**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without any modifications:

9. Authority to allot and issue shares and to make or grant convertible securities **(Ordinary Resolution 8)**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), approval be and is hereby given to the Directors of the Company, to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares,

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

(b) notwithstanding that the authority conferred by this resolution may have ceased to be in force, issue Shares in pursuance of any Instruments made or granted by the directors of the Company while this resolution was in force, provided that:

(1) the aggregate number of Shares to be allotted and issued (including Shares to be issued in pursuance of Instruments made or granted) pursuant to this resolution, shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be allotted and issued (including Shares to be issued in pursuance of Instruments made or granted) other than on a pro rata basis to the existing shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares.

# NOTICE OF ANNUAL GENERAL MEETING

Adjustments in accordance with sub-paragraph (2)(i) or (2)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Company's constitution for the time being of the Company; and

(4) the authority conferred by this resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier. *(See Explanatory Note 6)*

By Order of the Board of Directors of
**PROSPER CAP CORPORATION LIMITED**

**Chong Pei Wen**
**Company Secretary**

15 April 2024

**Explanatory Notes:**

1. Ordinary Resolution 2 is to approve the payment of directors' fees for the financial year ending 31 December 2024 ("**FY2024**"). Shareholders' approval is required for the directors' fees pursuant to the Act and the Constitution of the Company.

   Ordinary Resolution 2, if passed, will facilitate the payment of directors' fees during or soon after the financial year in which the fees are incurred (that is, during the financial year from 1 January 2024 to 31 December 2024), on a monthly or other periodic basis in arrears.

   The amount of directors' fees for the FY2024 has been computed taking into consideration the amount of directors' fees agreed to be paid to the then-existing directors of the Company in respect of the period from 1 January 2024 to 23 January 2024 (being the completion date of the reverse takeover exercise, the details of which are set out in the Company's circular to shareholders dated 7 December 2023), and the amount of directors' fees payable to the current directors in respect of the period after 23 January 2024 till 31 December 2024 based on, among other things, the number of directors expected to hold office during the course of FY2024, the number of board committee representations by the directors and the anticipated number of Board and Board Committee meetings during FY2024 (assuming full attendance by all the directors). The amount also caters for additional fees (if any) which may be payable due to additional Board or Board Committee meetings (including ad-hoc meetings), or the formation of additional Board Committees, or additional Board or Board Committee members being appointed in FY2024. If, for unforeseen reasons, payments are required to be made to the directors in excess of the amount proposed, the Company will seek approval from shareholders at the subsequent annual general meeting before any such payments are made.

   The exact amount of directors' fees received by each director for FY2024 will be disclosed in the Company's annual report for FY2024.

2. Ordinary Resolution 3 is to approve the payment of directors' fees for the financial period from 1 January 2025 to 30 April 2025 (the "**Relevant Financial Period**"). Shareholders' approval is required for the directors' fees pursuant to the Act and the Constitution of the Company.

   Payment of directors' fees for the remaining period of the financial year ending 31 December 2025 (being from 1 May 2025 to 31 December 2025) will be subject to shareholders' approval to be sought at the subsequent annual general meeting which is expected to be held in April 2025.

   Ordinary Resolution 3, if passed, will facilitate the payment of directors' fees during or soon after the period in which the fees are incurred (that is, during the Relevant Financial Period), on a monthly or other periodic basis in arrears.

# NOTICE OF ANNUAL GENERAL MEETING

The amount of directors' fees for the Relevant Financial Period has been computed taking into consideration, among other things, the number of directors expected to hold office during the course of that period, the number of board committee representations by the directors and the anticipated number of Board and Board Committee meetings during the Relevant Financial Period (assuming full attendance by all the directors). The amount also caters for additional fees (if any) which may be payable due to additional Board or Board Committee meetings (including ad-hoc meetings), or the formation of additional Board Committees, or additional Board or Board Committee members being appointed in the Relevant Financial Period. If, for unforeseen reasons, payments are required to be made to the directors in excess of the amount proposed, the Company will seek approval from shareholders at the subsequent annual general meeting before any such payments are made.

The exact amount of directors' fees received by each director for FY2025 will be disclosed in the Company's annual report for FY2025.

3. In relation to Ordinary Resolution 4 proposed above, there is no relationship (including immediate family relationships) between Mr. Bunyong Visatemongkolchai and the other Directors, the Company or its substantial shareholders. Detailed information on Mr. Bunyong Visatemongkolchai can be found in the section entitled "**Report on Corporate Governance**" of the Company's annual report for the financial year ended 31 December 2023 (the "**Annual Report 2023**").

4. In relation to Ordinary Resolution 5 proposed above, Mr. Hansa Susayan is a Non-Executive Director and Vice Chairman of the Board. Mr. Hansa Susayan is considered non-independent of the substantial shareholder as he is also the Business Group Chairman – Finance & Investment of DTGO Corporation Limited and holds directorships in several companies within the DTGO Group, a substantial shareholder of the Company. There is no relationship (including immediate family relationships) between Mr. Hansa Susayan and the other directors and the Company. Detailed information on Mr. Hansa Susayan is set out in the section entitled **"Report on Corporate Governance**" of the Company's Annual Report 2023.

5. In relation to Ordinary Resolution 6 proposed above, there is no relationship (including immediate family relationships) between Mr. Iqbal Jumabhoy and the other Directors, the Company or its substantial shareholders. Detailed information on Mr. Iqbal Jumabhoy is set out in the section entitled "**Report on Corporate Governance**" of the Company's Annual Report 2023.

6. Ordinary Resolution 8, if passed, will empower the directors of the Company, from the date of this AGM until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this resolution, for such purposes as the directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this resolution) to be allotted and issued would not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this resolution) other than on a pro rata basis to all existing shareholders shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution.

**Important Notes:**

*Format of Meeting*

1. The AGM will be held, in a wholly physical format, at Seminar Room 1 and 2, 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on Tuesday, 30 April 2024 at 2.00 p.m. Shareholders, including Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option for shareholders to participate virtually.**

   Printed copies of this Notice of AGM and the accompanying Proxy Form and the Request Form will be sent by post to shareholders at their registered address appearing in the Company's Register of Members or (as the case may be) the Depository Register. These documents will also be published on the Company's website at the URL https://www.prospercap.com and the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

*Appointment of Proxy(ies)*

2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf.

3. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy or proxies appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning as ascribed to it in Section 181(6) of the Act.

# NOTICE OF ANNUAL GENERAL MEETING

4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

5. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The instrument appointing a proxy or proxies must be:

   (a) deposited at the office of the Company's polling agent, **Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903**; or

   (b) emailed to prospercap-agm@complete-corp.com,

   in either case, no later than 2.00 p.m. on 27 April 2024, being not less than seventy-two (72) hours before the time appointed for holding the AGM. If a member submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy should be revoked.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Act.

9. Investors who buy shares using CPF monies and/or SRS monies (such investors, the "**CPF and SRS Investors**") (as may be applicable):

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 April 2024 (being not less than seven (7) working days prior to the AGM).

10. Investors who hold shares through relevant intermediaries (other than CPF and SRS Investors) who wish to attend, speak and vote at the AGM should approach their relevant intermediaries as soon as possible to specify their voting instructions or make necessary arrangement to be appointed as proxy.

11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

*Access to Documents or Information relating to the AGM*

12. The Annual Report 2023 may be assessed at the Company's website at the URL https://www.prospercap.com and the SGX-ST's website at the URL https://www.sgx.com/securities/company-announcements.

    Members may request for a printed copy of the Annual Report 2023 by completing and returning the Request Form to the Company by 22 April 2024 through any of the following means:

    (a) by email to prospercap-agm@complete-corp.com; or

    (b) in hard copy by depositing the same at the office of the Company's polling agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

# NOTICE OF ANNUAL GENERAL MEETING

*Submission of Questions prior to AGM*

13. Shareholders (including CPF and SRS Investors) who have any questions in relation to the resolutions to be tabled for approval at the AGM are also encouraged to send their questions to the Company in advance, by 5 p.m. on 23 April 2024 ("**Questions Deadline**"), in the following manner:

    (a) by email to prospercap-agm@complete-corp.com; or

    (b) by post to the office of the Company's polling agent, **Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903**.

    When submitting questions, shareholders should provide their details including full name, NRIC/Passport/Company Registration No., contact number and email address for verification purposes. Any question without the identification details will not be addressed.

    Questions must be submitted not later than the Questions Deadline so that relevant and substantial queries may be addressed as per the following paragraph.

14. The Company will endeavour to upload the Company's responses to all substantial and relevant questions from shareholders on the SGXNet at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.prospercap.com forty-eight (48) hours prior to the closing date and time for lodgement of the proxy forms, i.e., by 2.00 p.m. on 25 April 2024.

    Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the Questions Deadline will be consolidated and addressed at the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

15. Shareholders (including CPF and SRS Investors) and (where applicable) duly appointed proxies and representatives may also ask questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

16. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.prospercap.com/ and the minutes will include the responses to the substantial and relevant questions raised during the AGM.

*Attendance at the AGM*

Due to the limited sitting capacity of the venue, only shareholders whose names appear in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM or the appointed proxy or proxies shall be entitled to attend the AGM.

**Personal Data Privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof and/or submitting any question to the Company in advance of the AGM in accordance with this notice, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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**PROSPER CAP CORPORATION LIMITED**
(Company Registration Number: 197300314D)
(Incorporated in the Republic of Singapore)

**PROXY FORM**
**ANNUAL GENERAL MEETING**
*(Please see notes overleaf before completing this Proxy Form)*

**IMPORTANT:**
1. The annual general meeting ("**AGM**") will be held, in a wholly physical format, at Seminar Room 1 and 2, 160 Robinson Road, #06-01 SBF Center, Singapore 068914 on Tuesday, 30 April 2024 at 2.00 p.m.. **There will be no option for shareholders to participate virtually.**
2. A member who is a relevant intermediary (as defined in Section 181(6) of the Companies Act 1967) may appoint more than 2 proxies to attend, speak and vote at the AGM but each proxy must be appointed to exercise the rights attached to a different share or shares held by the member (which number and class of shares must be specified).
3. For Central Provident Fund ("**CPF**") and Supplementary Retirement Scheme ("**SRS**") investors who have used their CPF/SRS monies to buy shares in Prosper Cap Corporation Limited, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding appointment of proxies.

**PERSONAL DATA PRIVACY**
By submitting an instrument appointing proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2024.

*I/We, ____________________ (Name) *NRIC/Passport/Co. Reg. No. ____________________

of____________________ (Address)
being a *member/members of Prosper Cap Corporation Limited (the "**Company**"), hereby appoint:

| Name | Email Address | NRIC/Passport Number | Proportion of Shareholding | |
|---|---|---|---|---|
| | | | No. of Shares | % |
| | | | | |
| * and/or | | | | |
| | | | | |

or failing *him/her/them, the Chairman of the annual general meeting ("**AGM**"), as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held at **Seminar Room 1 and 2, 160 Robinson Road, #06-01 SBF Center, Singapore 068914** on **Tuesday, 30 April 2024** at **2.00 p.m.** and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting or abstention is given or in the event of any other matters arising at the AGM and at any adjournment thereof, the *proxy/proxies may vote or abstain from voting at *his/her/their discretion.

| No. | | For# | Against# | Abstain# |
|---|---|---|---|---|
| **ROUTINE BUSINESS** | | | | |
| 1. | **Ordinary Resolution 1:** To receive and adopt the directors' statement and audited financial statements for the financial year ended 31 December 2023 together with the auditors' report thereon. | | | |
| 2. | **Ordinary Resolution 2:** To approve the payment of directors' fees of up to S$605,229/- for the financial year ending 31 December 2024. | | | |
| 3. | **Ordinary Resolution 3:** To approve the payment of directors' fees of up to S$200,000/- for the financial period from 1 January 2025 to 30 April 2025. | | | |
| 4. | **Ordinary Resolution 4:** To re-elect Mr. Bunyong Visatemongkolchai as director. | | | |
| 5. | **Ordinary Resolution 5:** To re-elect Mr. Hansa Susayan as director. | | | |
| 6. | **Ordinary Resolution 6:** To re-elect Mr. Iqbal Jumabhoy as director. | | | |
| 7. | **Ordinary Resolution 7:** To re-appoint Messrs KPMG LLP as the auditor of the Company and to authorise the directors of the Company to fix their remuneration. | | | |
| **SPECIAL BUSINESS** | | | | |
| 8. | **Ordinary Resolution 8:** To authorise directors of the Company to allot and issue shares and to make or grant convertible securities. | | | |

# *Voting will be conducted by poll. If you wish to exercise all your shares to be voted "For" or "Against" the relevant resolution, please indicate with a "√" in the space provided under "For" or "Against". If you wish to abstain from voting on a resolution, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate number of shares to be voted "For" and/or "Against" or to abstain from voting for each resolution in the space provided. If no specific direction as to voting is given, the *proxy/proxies may vote or abstain from voting at *his/her/their discretion.*

** Delete where inapplicable*

Dated this ________ day of ____________________ 2024

| Total Number of Shares in | No. of Shares |
|---|---|
| (i) CDP Register | |
| (ii) Register of Members | |
| Total | |

____________________
Signature(s) of Member(s) or Common Seal of Corporate Member

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS FORM**

**NOTES TO PROXY FORM:**

1. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf.

3. (a) A member (otherwise than a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy or proxies appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

   "**Relevant intermediary**" has the meaning as ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore (the "**Act**").

4. A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

5. The instrument appointing a proxy or proxies must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The instrument appointing a proxy or proxies must be:

   (a) deposited at the office of the Company's polling agent, **Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903**; or

   (b) emailed to prospercap-agm@complete-corp.com,

   in either case, no later than 2.00 p.m. on 27 April 2024, being not less than seventy-two (72) hours before the time appointed for holding the AGM. If a member submits a proxy form and subsequently attends the AGM in person and votes, the appointment of the proxy should be revoked.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Act.

9. Investors who buy shares using CPF monies and/or SRS monies (such investors, the "**CPF and SRS Investors**") (as may be applicable):

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 18 April 2024 (being not less than seven (7) working days prior to the AGM).

10. Investors who hold shares through relevant intermediaries (other than CPF and SRS Investors) who wish to attend, speak and vote at the AGM should approach their relevant intermediaries as soon as possible to specify their voting instructions or make necessary arrangement to be appointed as proxy.

11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

12. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

13. Any reference to a time of day is made by reference to Singapore time.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof and/or submitting any question to the Company in advance of the AGM in accordance with the Notice of AGM, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

ProsperCap

**Prosper Cap Corporation Limited**
(Formerly known as 3Cnergy Limited)
www.prospercap.com