



POWERMATIC DATA SYSTEMS LTD

# ANNUAL REPORT 2021

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## CORPORATE INFORMATION .....

### BOARD OF DIRECTORS

#### Executive Directors

**Dr Chen Mun** Chairman/CEO

**Ms Ang Bee Yan, Katherine**

#### Non-Executive Directors:

**Mr Tan Chao Hsiung, David** Lead Independent Director

**Dr Lye Kin Mun** Independent Director

**Mr Cheng Heng Tan** Independent Director

### AUDIT COMMITTEE

**Mr Tan Chao Hsiung, David** Chairman

**Dr Lye Kin Mun**

**Mr Cheng Heng Tan**

### NOMINATING COMMITTEE

**Dr Lye Kin Mun** Chairman

**Mr Tan Chao Hsiung, David**

**Mr Cheng Heng Tan**

### REMUNERATION COMMITTEE

**Mr Tan Chao Hsiung, David** Chairman

**Dr Lye Kin Mun**

**Mr Cheng Heng Tan**

### COMPANY SECRETARY

**Wong Yoen Har**

### REGISTERED OFFICE

9 Harrison Road

#05-01

Singapore 369651

Tel: +65 6288 8220

Fax: +65 6280 9947

### SHARE REGISTRAR

**Boardroom Corporate & Advisory Services Pte. Ltd.**

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Tel: 65- 6536 5355

### AUDITORS

**RSM Chio Lim LLP**

8 Wilkie Road, #03-08

Wilkie Edge

Singapore 228095

Tel: +65 6533 7600

Fax: +65 6594 7811

### AUDIT PARTNER-IN-CHARGE

**Ms See Ling Ling, Helen**

### PRINCIPAL BANKERS

**United Overseas Bank Limited**

80 Raffles Place UOB Plaza 1

Singapore 048624

## SUBSIDIARY COMPANIES .....

### Compex Technologies Pte Ltd

9 Harrison Road,  
#05-01

Singapore 369651

Tel: (65) 6288 8220

Fax: (65) 6280 9947

[www.powermatic.com.sg](http://www.powermatic.com.sg)

### Compex Inc.

20653 Lycoming St Unit A7  
Walnut, Ca 91789

United States

Te: 1.909.217.3998

Fax: 1.909.256.0675

### Compex Systems Pte Ltd

9 Harrison Road,  
#05-01

Singapore 369651

Tel: (65) 6288 8220

Fax: (65) 6280 9947

[www.compex.com.sg](http://www.compex.com.sg)

### Harrison Pte. Ltd.

9 Harrison Road,  
#05-01

Singapore 369651

Tel: (65) 6288 8220

Fax: (65) 6280 9947

[www.compex.com.sg](http://www.compex.com.sg)

### Compex Technologies Sdn Bhd

No 67 Jalan Ipark 1/7  
Kawasan Perindustrian Ipark,  
Bandar Indahpura,  
81000 Kulai, Johor

Tel: (60) 7 660 8826

**Website: [www.compex.com.sg](http://www.compex.com.sg)**

### 宝华电子(苏州)有限公司

No.12, ChuangTou Industrial Square  
LouFeng North

Suzhou Industrial Park, Suzhou

People's Republic of China 215122

Tel: (86) 512 6295 0050

Fax: (86) 512 6295 0028

### 苏州康培网络产品有限公司

No.12, ChuangTou Industrial Square  
LouFeng North

Suzhou Industrial Park, Suzhou

People's Republic of China 215122

Tel: (86) 512 6295 0050

Fax: (86) 512 6295 0028

# CHAIRMAN'S STATEMENT.....



To remain relevant to customers, we continue to innovate our products through features and performance.

Dear Shareholders and Colleagues,

On behalf of the Board of Directors (the "Board"), I am pleased to report to you the performance of the Group (Powermatic Data System and its wholly owned subsidiaries) for FY2021.

**BUSINESS REVIEW:**

The Covid 19 pandemic has brought changes to both commerce and lifestyle. These changes will continue into the post Covid19 era. Cloud computing, 5G are major new trends. The higher speed and capability enhancements brought about by these new trends have

enabled the extension of corporate networks to homes. A user working from home can enjoy the same access and security as working in the corporate office. We participate in enabling advanced WiFi capabilities to such new systems. We also participate with our customers in wireless applications in transportation, home security, IoT, education etc. The increasing awareness of our capabilities in wireless integration has contributed to the Group's revenue growth.

Our research and development and engineering teams have in recent times been actively engaged in early

stage product development cycles of our customers. Customization of our proprietary products to meet their demands (performance, features and reliability) is a valuable proposition that we put to our customers. We now serve customers across industries such as security surveillance, IoT, health care, education, logistics, transportation, manufacturing and Industries PC. The end products are used in both private and public sectors in various major economies. Besides expanding our reach to various industries, we have also expanded our geographical reach and grew existing markets. In FY2021,

## CHAIRMAN'S STATEMENT.....

our revenue breakdown was Asia 37.0%, Europe 30%, United States of America 29% and other regions 4%.

To remain relevant to customers, we continue to innovate our products through features and performance. This is evident by our customers in United States of America and European Union integrating our latest WiFi6 (11X) products into their end products.

The current global microchips shortage has posed challenges to manufacturers across various industries, including ourselves. The shortages will likely continue into FY2022. Since FY2020, we have worked closely with many of our customers to adopt our new customised proprietary products that utilized newer generation of microchips. These newer generations of microchips are more readily available. To minimise disruptions to procurement and manufacturing, we have most of our customers place deposits with us once their orders are accepted.

### FINANCIAL REVIEW:

Performance – Revenue grew from S\$21.8 million (FY2020) to S\$26.3 million (FY2021) or 21%. Both gross and net profit margins in FY2021 were 49% and 28% respectively as compared to 54% and 40% respectively in FY2020. The lower gross profit margin is attributed to both higher raw material and over heads cost, higher provision for stock obsolescence (in line with increase in revenue) and preferential pricing for higher volume purchases.

Profit before tax was S\$9.08 million in FY2021 as compared to S\$9.86 million in FY2020. The lower net profit before tax, beside attributable to the lower gross profit margin, was due to higher foreign exchange losses – realised and unrealised losses of S\$0.36 million and S\$0.84 million respectively, compared to foreign exchange gain of S\$0.65 million in FY2020.

*Financial Position* – FY2021 the working capital was S\$37.9 million (current assets was S\$48.2 million and current liabilities was S\$10.4 million) compared to S\$36.2 million in FY2020 (current assets was S\$42.8 million and current liabilities was S\$6.5 million). Current assets in both periods were dominated by cash and bank balances – S\$41.1 million (FY2021) and S\$39.2 million (FY2020). Current liabilities were substantially trade related (such as trade payable, deferred revenue, warranties and deposits from customers) – S\$10.4 million (FY2021) and S\$6.5 million (FY2020).

Despite the increase in revenue in FY2021 as compared to FY2020, debtor's turnover in both periods remains healthy and comparable – 37 days and 32 days respectively. Like in previous financial years no provision for doubtful debts was deemed necessary.

Net cash flows from operating activities continues to remain comparable and positive, S\$8.2 million (FY2021) and S\$8.1 million (FY2020).

Shareholders' funds as at 31 March 2021 was S\$63.3 million as compared to S\$61.2 million as at 31 March 2020. The slight increase in shareholders' funds, despite the Group registering a profit after taxation of S\$7.4 million, was attributed to the return of capital during the financial year. The return of capital, completed in November 2020, involves the return of S\$10.0 million.

### RETURN OF CAPITAL AND THE PROPOSED DISTRIBUTION IN SPECIE (THE "DIS")

The Company completed a return of capital to shareholders in November 2020. The funds, approximately S\$10 million, were substantially profits generated from the wireless connectivity business in the past financial years.

The DIS was announced on the 11 June 2021. In assessing the DIS, the Board took the following into consideration:

- (a) focusing on maximizing the full potential of the core Wireless Connectivity Business;
- (b) aligning the Group's valuation to the core Wireless Connectivity Business;
- (c) recognizing that Shareholders have differing investment objectives and preferences, risk tolerance, expected returns and time horizon on their investment; and
- (d) managing risks and returns associated to each of the Wireless Connectivity Business and the Investment Property.

## CHAIRMAN'S STATEMENT.....

The DIS primary objective is to demarcate the core business (wireless connectivity) and an investment (investment property).

The investment property when it was acquired in 2009 was intended as a long term investment. Consequently, it is carried in the balance sheet at its cost of acquisition less accumulated depreciation, subsequent improvements and additions are added to its carrying value. Fair values (gains or losses) related to it are not recognized in the statement of profit or loss and other comprehensive income and statement of financial position.

The appraised value of the investment property will be return to shareholders, as at 31 May 2021, its value is S\$39 million.

The wireless connectivity business would continue to drive the Company's revenue and profitability forward once the DIS is completed.

For details of the DIS, please refer to our announcement dated 11 June 2021 on the SGX-ST.

### **PROPOSED DIVIDEND**

The Board is proposing a first and final dividend of 5 cents for every one ordinary share held. The proposed dividend is subjected to shareholders' approval at the forthcoming annual general meeting of the Company. The proposed dividend, if approved, will be payable in August 2021.

### **APPRECIATION**

We are grateful for the guidance and dedication that Yee Lat Shing Tom, independent non-executive director, has given to the Company for the past 29 years.

I would like to extend a warm welcome to Mr. Cheng Heng Tan who joined us as an Independent Director on 8 February 2021 and my appreciation to our shareholders, customers, employees and business partners for their continual support.

### **Dr Chen Mun**

Chairman/Chief Executive Officer

## WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP.....

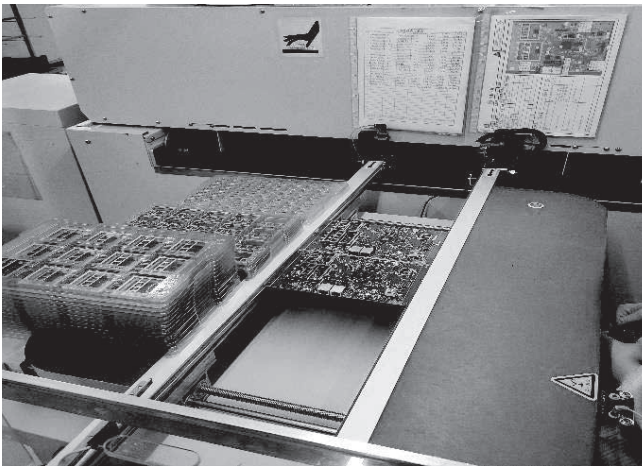
Powermatic Data Systems was established in Singapore since 1 February 1989 as a private limited company. The company was listed in the Singapore Stock Exchange since 1992.

Powermatic Data Systems Ltd is an investment holding company. It has seven fully owned subsidiaries, Compex Systems Pte. Ltd., Compex Technologies Pte. Ltd., Compex Technologies Sdn. Bhd., Compex Inc, Compex (Suzhou) Co. Ltd., Compex Wireless (Suzhou) Co. Ltd, and Harrison Pte Ltd.

The Group's revenue and Profitability is led by the manufacturing and sale of wireless connectivity Products. Its investment property accounts for other income, which involves in leasing and maintenance of Harrison Industrial Building, a freehold investment Property owned by the Company.

### Wireless Connectivity Products & Services

Wireless connectivity is the core business and the main profit driver of the Group. Apart from manufacturing its own designed wireless connectivity hardware and software (design capabilities to value-add upon full range of hardware for quicker time-to-market solutions), the group also provides OEM, ODM solutions and other sales related services to customers.



Our product range includes high performance wireless radio modules, embedded boards, indoor and outdoor access points and wireless antennas. These products are used in various industries such as Industrial PC, IOT, Healthcare, Hospitality, Security surveillance and many others.

We are in a strong partnership with Qualcomm Atheros (QCA). Our subsidiary Compex Systems Pte Ltd is officially appointed as Qualcomm Authorized Design Center in South East Asia. As a Qualcomm design center, we provide our wireless knowhow in both hardware and software services to many multinational corporations.

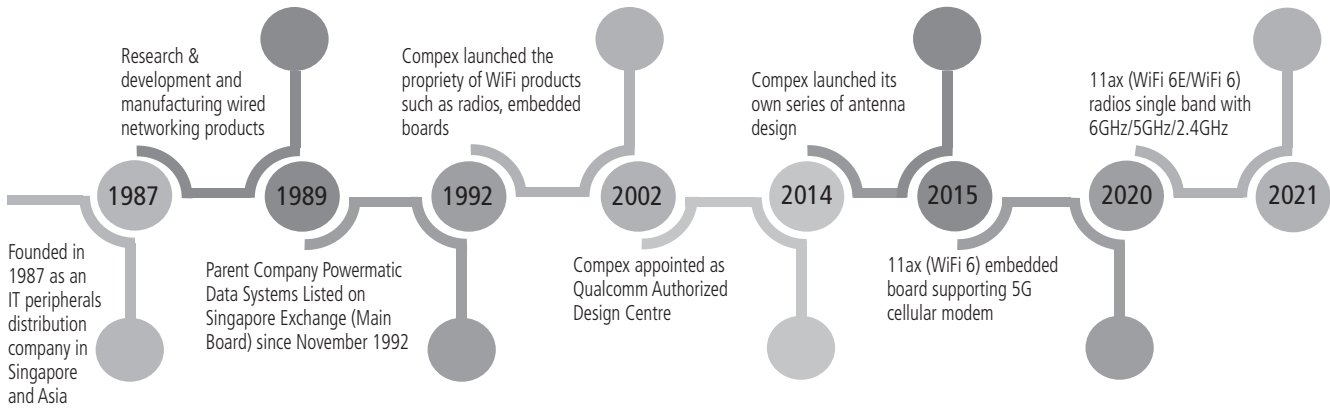
Our clientele includes reputable distributors of electronic and wireless device components, system integrators, wireless products design houses, and Fortune 500 corporations.

### Freehold Investment Property

The Group's property business is carried out by the holding company Powermatic Data Systems itself. The freehold property is situated at 7 & 9 Harrison Road, Singapore, 369651. We house our Singapore operations in one of the units and rent out the rest.

# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP.....

## COMPANY HISTORY



## CORE COMPETENCE

### Original Equipment Manufacturing (OEM)

While Qualcomm reference designs are good performance references, they may not be optimal in terms of form factor, RF/consumption compromise or power supply flexibilities as commercial products. We adapt the reference designs to OEM models based on our experience of commercial requirements.

These may involve size and functionality compromises but often include application specific functionalities such as 5G/LTE modem integration.

Our OEM products are often found in our customers' commercialized products.

### Qualcomm Driver Porting

Customers who wish to use Qualcomm radios on non-Qualcomm platforms such as NXP, Marvell and Intel platforms often encounter difficulties as the official Qualcomm drivers with the latest features are not on open source release.

Compex provides Basic Software Packages (BSP) for various non-Qualcomm platforms, allowing Qualcomm's radio modules to work on platforms based on NXP, Marvell and Intel processors, taking advantage of the well-polished features of the latest official Qualcomm drivers.

### Building Qualcomm's Reference Design

We reproduce Qualcomm's reference designs from the design files provided by Qualcomm. As a service of Qualcomm Authorized Design Center, we supply these reference design boards to customers for initial evaluation and software development.

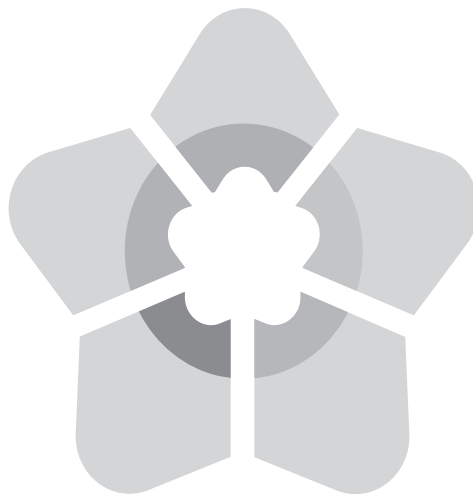
### Original Design Manufacturing (ODM)

Our customers come from many different industries with very different requirements. We meet customer specific requirements with ODM designs. Such designs can involve special interfaces, special power supply requirements, operating under severe environments, unique antennas, or form factor/heat dissipation compromises. We also typically value add to customer's software in performance optimization and certification compliance.

### CompexWRT SDK

With Compex software team expertise, customers can tap into our experiences to modify or enhance proprietary hardware drivers and firmware user interfaces and develop features that add more values and differentiation to a customer's complete solution targeted at their specific market.

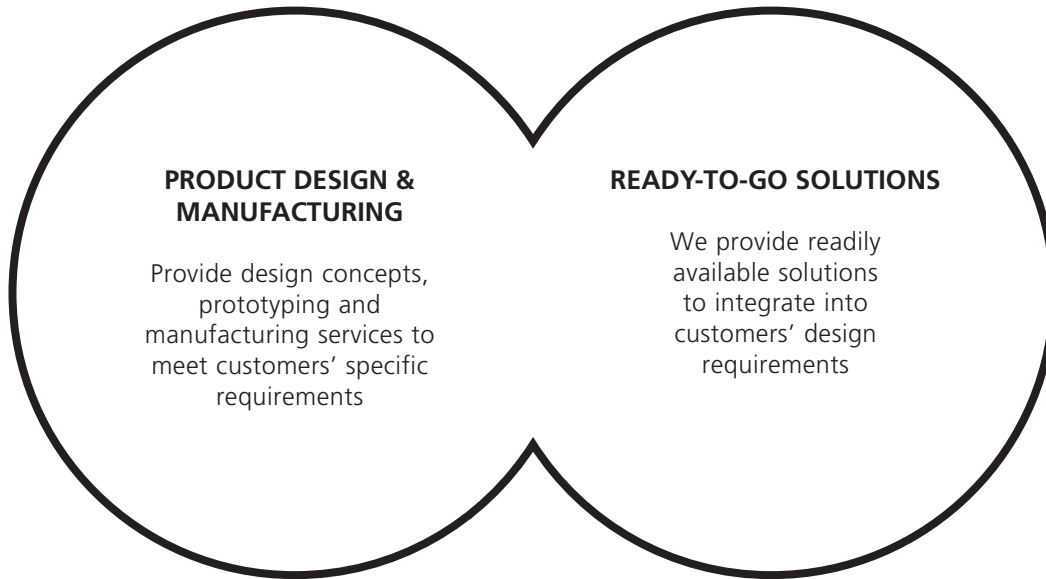
While Qualcomm's proprietary driver is not made available as an open-source option, CompexWRT Software Development Kit (SDK), a firmware that's based on OpenWRT and wireless driver derived from Qualcomm's proprietary driver, can be provided for customers who choose to develop on top of our OEM or ODM products.



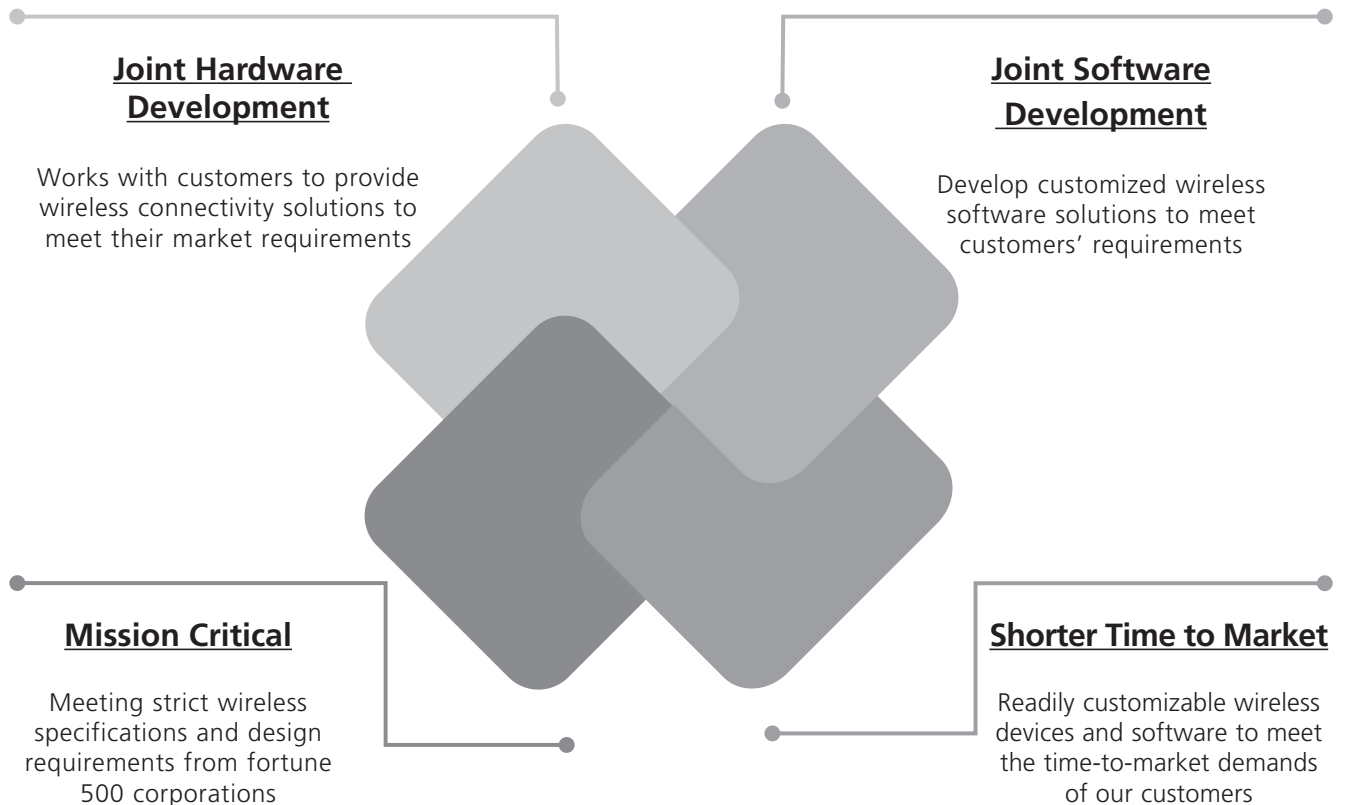


# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP.....

## WHAT WE DO

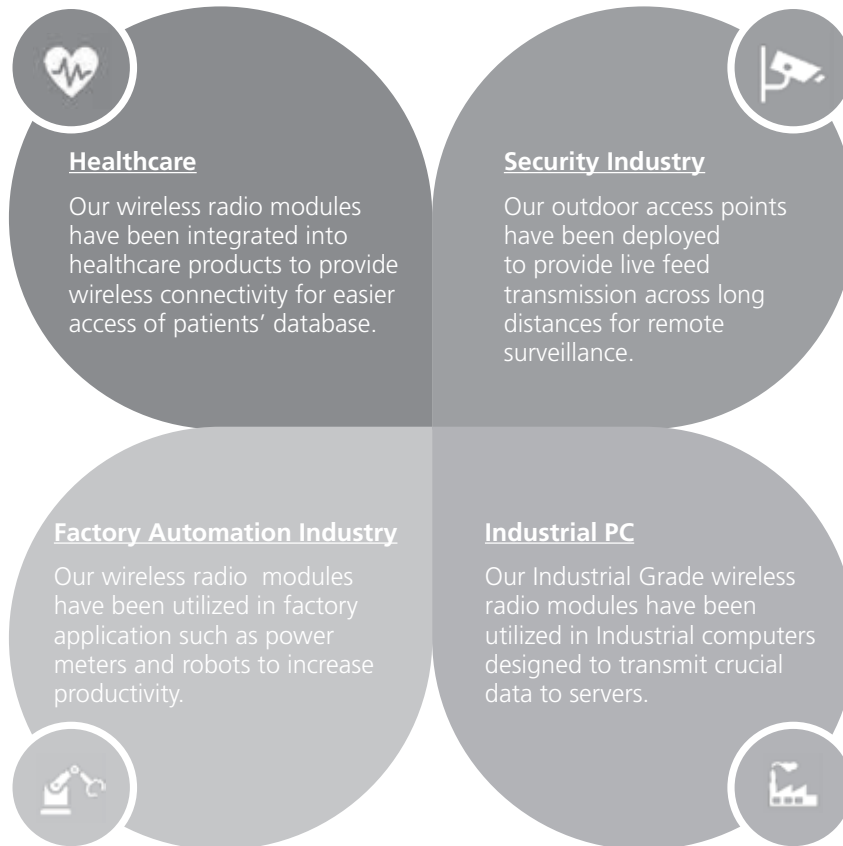


## PROBLEMS WE SOLVE



# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP.....

## PRODUCT APPLICATIONS BY CUSTOMERS

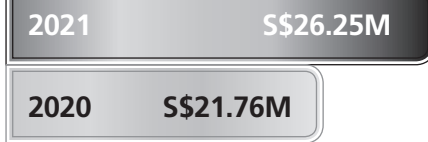


## OUR MARKET PRESENCE



## GROUP FINANCIAL HIGHLIGHTS.....

### OPERATING REVENUE



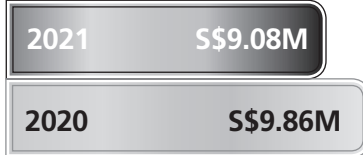
▲  
21%

### RETURN ON EQUITY



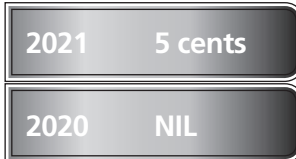
▼  
2.6%

### PROFIT BEFORE TAX



▼  
8%

### DIVIDEND PER SHARE



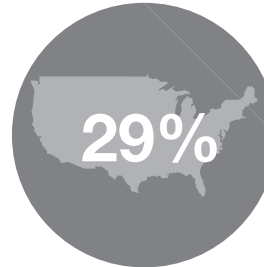
### SALES BY GEOGRAPHICAL REGION FOR FY2021



Asia



Europe



USA



Others

### GLANCE OVER 5 YEARS

	2017	2018	2019	2020	2021
Revenue (S\$ million)	15.4	16.1	20.9	21.8	26.3
Profit before tax (S\$ million)	4.68	5.31	7.7	9.9	9.1
Earnings per share (S¢) – diluted	11.97	12.94	20.01	24.99	21.23
Dividend declared as percentage of profit, net of tax (%)	58	54	40	N.A.	24
Net assets value per share with investment property and freehold office unit stated at carrying cost (S\$)	1.51	1.57	1.68	1.75	1.81
Net assets value per share with investment property and owner-occupied property stated at fair value (S\$)	1.91	1.98	2.14	2.18	2.4
Staff head count (In Numbers)	74	76	88	83	84

## PROFILE OF DIRECTORS

### **CHEN MUN** **Chairman and Chief Executive Officer (“CEO”)**

Dr Chen Mun is the Chairman and Chief Executive Officer of the Group. He is also the founder of Powermatic Data Systems Limited and is responsible for spearheading the Company's Research and Development programs as well as growth strategies of the Group.

Prior to the founding of Powermatic, Dr Chen was a senior lecturer in the then University of Singapore. Dr Chen holds a bachelor's degree in engineering from the University of Singapore and received a Ph.D. in engineering from the Imperial College, University of London.

### **KATHERINE ANG BEE YAN** **Executive Director**

Ms Ang Bee Yan, Katherine joined Compex Systems Pte Ltd, a wholly-owned subsidiary of Powermatic Data Systems Limited in 2003 as Director of Sales & Marketing and Operations. She is currently the General Manager of Compex Systems Pte Ltd. She manages both the operations in Singapore and China.

On 1 July 2011, Ms Katherine Ang is appointed as an Executive Director of Powermatic Data Systems Limited. Ms Ang has over 20 years of experience in the Sales & Marketing, Operations and Business Development. She plays an instrumental role in overseeing the Group's local and overseas projects and is responsible for the overall business development.

### **LYE KIN MUN** **Independent Director, Chairman of Nominating Committee and Member of Audit Committee and Remuneration Committee**

Dr Lye Kin Mun is an Independent Director, Chairman of the Nominating Committee and Member of the Audit Committee and Remuneration

Committee of the Company. He holds a B.Sc. with distinction from the University of Alberta, Canada, in 1974, M.Eng. from the University of Singapore in 1979 and Ph.D. from the University of Hawaii at Manoa, U.S.A. in 1984 and was a Colombo Plan Scholar from 1970-74.

He is currently Executive Director of the Institute for Infocomm Research, (A\*STAR), and has been Director of the Centre for Wireless Communications, National University of Singapore from 1993 to 2002. He was Chief Risk Officer, Agency for Science, Technology and Research (A\*STAR) from 2012 to 2022 and Deputy Executive Director for Science and Engineering Research Council from 2012 to 2016. Dr Lye has over 47 years of experience in industry as well as teaching.

Dr Lye has also served on the Boards of Singapore Polytechnic and Ngee Ann Polytechnic. He was a Director of Cellonics Inc., a startup company he co-founded. He was a consultant to several companies in the networking and wireless communications industry and sat on many national technical committees. Dr Lye was a Member of the Board on Global Science and Technology of the National Research Foundation, U.S.A. He was also a member of the Asia-Pacific Cadence Advisory Board and Advisory Committee for Next Generation Mobile Networks Project, Communications Research Lab., Japan.

He was part of a team that won Singapore's National Technology Award in 2001. In 2005, he was conferred the title “Officier dans l'ordre des Palmes Academiques” by the French government. He was also awarded the Public Administration Medal (Silver) at the National Day Awards 2013 and the Public Administration Medal (Silver) Bar at the National Day Awards 2020 by the President of the Republic of Singapore.

### **TAN CHAO HSIUNG, DAVID** **Lead Independent Director, Chairman of Audit Committee and Remuneration Committee and Member of Nominating Committee**

Mr Tan Chao Hsiung, David is a Lead Independent Director, Chairman of the Audit Committee and Remuneration Committee and Member of the Nominating Committee of the Company.

Mr Tan has over 20 years of senior management experience in the banking and finance industry and had held positions in both local and foreign financial institutions. He is also a Non-Executive and Lead Independent Director of Mun Siong Engineering Limited.

Mr Tan holds a Master in Commerce (specialising in Finance) from the University of New South Wales and a Bachelor of Economics from Macquarie University. He is also a Fellow of the Institute of CPA (Australia).

### **CHENG HENG TAN** **Independent Director and Member of Audit Committee, Nominating Committee and Remuneration Committee**

Mr Cheng Heng Tan is an independent Director and Member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Mr Cheng is a Fellow of Chartered Accountants Singapore, Fellow of Chartered Certified Accountants, The Association of Chartered Certified Accountants/United Kingdom, retired Member of the American Institute of CPAs, AICPA, U.S. He was an independent director of Chip Eng Seng from 2011 to 2018 and has more than 33 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies.

Mr Cheng is currently managing the businesses of a group of companies of Omakase Burger.

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report												
	<p>The Board of Directors (the "Board") of Powermatic Data Systems Limited (the "Company") is committed to setting and maintaining high standards of corporate governance within the Company and its subsidiaries (the "Group").</p> <p>This report describes the Group's corporate governance framework and practices of the Company with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). Where the Company's practices vary from any provisions of the Code, the Company has provided appropriate explanations for the departures and measures that the Company has taken or intends to take for the departed practices. The Board will continue to take measures to improve compliance with the principles and provisions of the Code in the ensuing years.</p>												
<p><b>THE BOARD'S CONDUCT OF AFFAIRS</b></p>	<p><b>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.</b></p>												
	<p>As at 31 March 2021, the Board comprises five (5) Directors as follows:</p> <table data-bbox="483 1017 1263 1223"> <tbody> <tr> <td>Dr Chen Mun</td> <td><i>Chairman and Chief Executive Officer</i></td> </tr> <tr> <td>Ms Ang Bee Yan, Katherine</td> <td><i>Executive Director</i></td> </tr> <tr> <td>Dr Lye Kin Mun</td> <td><i>Independent Director</i></td> </tr> <tr> <td>Mr Tan Chao Hsiung, David</td> <td><i>Lead Independent Director</i></td> </tr> <tr> <td>Mr Cheng Heng Tan</td> <td><i>Independent Director<sup>#</sup></i></td> </tr> <tr> <td>Mr Yee Lat Shing, Tom</td> <td><i>Independent Director<sup>*</sup></i></td> </tr> </tbody> </table> <p>* Resigned on 31 March 2021 # Appointed on 8 February 2021</p> <p>More than one-third of the Board is made up of independent directors who have the appropriate core competencies and diversity of experience to enable them, in their collective wisdom, contribute effectively to the Company. All Directors are expected, in the course of carrying out their duties, to act in good faith, provide insights and discharge their duties and responsibilities in the interests of the Group. Where conflict of interest arises, the concerned Directors are recuse themselves from discussions and decisions involving the matter and abstain from voting on the matter.</p>	Dr Chen Mun	<i>Chairman and Chief Executive Officer</i>	Ms Ang Bee Yan, Katherine	<i>Executive Director</i>	Dr Lye Kin Mun	<i>Independent Director</i>	Mr Tan Chao Hsiung, David	<i>Lead Independent Director</i>	Mr Cheng Heng Tan	<i>Independent Director<sup>#</sup></i>	Mr Yee Lat Shing, Tom	<i>Independent Director<sup>*</sup></i>
Dr Chen Mun	<i>Chairman and Chief Executive Officer</i>												
Ms Ang Bee Yan, Katherine	<i>Executive Director</i>												
Dr Lye Kin Mun	<i>Independent Director</i>												
Mr Tan Chao Hsiung, David	<i>Lead Independent Director</i>												
Mr Cheng Heng Tan	<i>Independent Director<sup>#</sup></i>												
Mr Yee Lat Shing, Tom	<i>Independent Director<sup>*</sup></i>												

## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the company</p>	<p>The Board has established the Terms of Reference of the Board to promote high standards of corporate governance. The Terms of Reference of the Board outline high level duties and responsibilities of the Board and matters that are specifically reserved for the Board. It is a comprehensive reference document for Directors on matters relating to the Board and its processes, as well as role and responsibilities of the Board, its committees and management to ensuring effective communication and decisions.</p> <p>The Board's role is to:</p> <ul style="list-style-type: none"> <li>(a) Oversees the management of the Group;</li> <li>(b) Set strategic objectives and ensure that the necessary financial, strategies and human resources are in place for the Group to meet its objectives;</li> <li>(c) Delegates the formulation of business policies and the day-to-day management of the Group to the Executive Director and Chief Executive Officer ("CEO") and management to ensure operations and performance of the Group are aligned with the strategies; and</li> <li>(d) Consider sustainability issues, e.g. environmental and social factors as part of its strategic formulation.</li> </ul> <p>The Board ensures the decisions made are objectively in the interest of the Company.</p> <p>The Board provides shareholders with a balanced and clear assessment of the Group's performance, financial position and prospects on half-yearly basis. While the Board remains responsible for providing oversight in the preparation and presentation of the financial statements, it has delegated to the management the task of ensuring that the financial statements are drawn up and presented in compliance with the relevant provisions of the Singapore Companies Act, Chapter 50 ("the Act") and the Singapore Financial Reporting Standards (International) ("SFRS").</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 1.2 of the Code: Directors' duties, induction, training and development</p>	<p>To enable the Directors to understand the Company's business as well as their Directorship duties and roles, the Directors receive regular updates on relevant new laws and regulations from the Company's relevant advisors.</p> <p>Newly-appointed Directors will be briefed on the business and organisation structure of the Group and its strategic plans and objectives. The orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the Company's operations. Such visits also allow new Directors to get acquainted with senior management, thereby facilitating interaction with the Board and independent access to senior management. Appropriate training shall be arranged upon request by newly-appointed Directors to ensure that newly-appointed Directors are fully aware of their responsibilities and obligations as Directors. Rule 210(5)(a) of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST") requires a Director who has no prior experience as a Director of a company listed on the SGX-ST, to attend the training programmes conducted by the Singapore Institute of Directors ("SID") as prescribed in Practice Note 2.3 of the Listing Manual of the SGX-ST. Newly appointed Directors will receive a formal letter of appointment setting out his/her duties and responsibilities.</p> <p>Mr Cheng Heng Tan was appointed as independent director and member of the Audit Committee, Nominating Committee and Remuneration Committee on 8 February 2021.</p> <p>Mr Cheng has been briefed on the business and organisation structure of the Group and its strategic plans and objectives with orientation which includes visits to the Group's key premises to familiarise himself with the Company's operations. Mr Cheng has prior experience acted as independent director of Chip Eng Seng Corporation Ltd for the period from July 2011 to April 2018. He has also received a formal letter of appointment setting out his duties and responsibilities.</p> <p>The Directors have attended appropriate training on governance practices, enterprise risk management and relevant statutory and regulatory compliance issues. The Company encourages all Directors to receive regular training, particularly on new laws, regulations and commercial risk from time to time. The Directors keep themselves abreast with the changes and developments. Furthermore, the Company Secretary also highlight the relevant changes and guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors on the other hand, briefs the Board on changes to the SFRS that affect the Group's financial statements during the period. The Board also receive regular briefings and updates on the Group's business, operations and activities at the Board and Board Committees' meetings and when necessary or appropriate, the Board exchange views through informal meetings. When necessary, the Independent Non-Executive Directors will have discussions amongst themselves without the presence of the management.</p>

## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
	<p>The Group keeps the Directors informed via electronic mail and briefing conducted during Board meetings on new laws, changes to the laws, regulatory compliance issues and financial reporting standards, changes to the financial reporting standards are monitored closely by the management. Furthermore, the Company Secretary and outsourced secretarial agent highlight any changes to laws and regulatory requirements that may affect the Group from time to time. The External Auditor on the other hand, briefs the Board on changes to the SFRS that affect the Group's financial statements during the period. The Board also receives regular briefings and updates on the business and strategic developments pertaining to the Group's businesses. When necessary or appropriate, the Board convenes informal meetings for the exchange of views while the Independent Directors conduct discussions amongst themselves from time to time without the presence of the management.</p>
<p>Provision 1.3 of the Code: Matters requiring Board's approval</p>	<p>The Company has adopted internal guidelines which set forth matters that are reserved for the Board's decision. Matters which are specifically reserved for the Board's decision include:</p> <ul style="list-style-type: none"> <li>(a) the appointment of Directors to the Board and senior management staff;</li> <li>(b) major investments decisions of the Group, including new investments and any increase in existing investments in businesses and the subsidiaries of the Group;</li> <li>(c) any divestments to be undertaken by any of the Group's subsidiaries;</li> <li>(d) major funding decisions, including share issuances;</li> <li>(e) interim and final dividends and other returns to shareholders;</li> <li>(f) commitments to borrowing facilities from banks and financial institutions by the Company;</li> <li>(g) interested person transactions;</li> <li>(h) acquisitions and disposal of assets exceeding the limits set by the Board; and</li> <li>(i) expenditures exceeding the limits set by the Board.</li> </ul> <p>The Group also has internal guidelines which set out, among others, the authorisation limits granted to the management for approval of capital and operating expenditures.</p>
<p>Provision 1.4 of the Code: Board committees</p>	<p>Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") have been constituted to assist the Board in the discharge of specific responsibilities (the "Board Committees"). The Board Committees review or make recommendations to the Board on matters within their specific terms of reference.</p> <p>Board meetings are conducted on half-yearly basis and ad-hoc meetings are held whenever the Board's guidance or approval is required.</p> <p>Dates of Board, Board Committee and annual general meetings are scheduled in advance in consultation with the Directors to assist them in planning their attendance. Pursuant to the Company's Constitution, a Director who is unable to attend a Board meeting in person can still participate in the meeting via telephone conference, video conference or other similar communication.</p>



# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report																																																	
	<p>Technology is effectively used in the Board and Board Committees' meetings and in communication with the Board, where the Directors may receive agenda and meeting materials online such as email and participate in meetings via audio or video conferencing. Management is often invited to be present and provide detailed explanation on any agenda at Board meetings.</p>																																																	
<p>Provision 1.5 of the Code: Attendance and participant of the Directors and time commitment</p>	<p>Attendance of the Directors at scheduled meetings of the Board and Board Committees during the financial year ended 31 March 2021 ("FY2021") is as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th rowspan="2">Number of scheduled meetings held</th> <th colspan="4">Board Committees</th> </tr> <tr> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <th>Name of Directors</th> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dr Chen Mun</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2<sup>^</sup></td> <td style="text-align: center;">1<sup>^</sup></td> <td style="text-align: center;">1<sup>^</sup></td> </tr> <tr> <td>Ms Ang Bee Yan, Katherine</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2<sup>^</sup></td> <td style="text-align: center;">1<sup>^</sup></td> <td style="text-align: center;">1<sup>^</sup></td> </tr> <tr> <td>Mr Yee Lat Shing, Tom*</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Dr Lye Kin Mun</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Mr Tan Chao Hsiung, David</td> <td style="text-align: center;">3</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Mr Cheng Heng Tan<sup>#</sup></td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p>Note: <sup>^</sup> Attended by invitation  <sup>*</sup> Resigned on 31 March 2021  <sup>#</sup> Appointed on 8 February 2021</p> <p>Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.</p>	Number of scheduled meetings held	Board Committees				Board	AC	NC	RC		3	2	1	1	Name of Directors					Dr Chen Mun	3	2 <sup>^</sup>	1 <sup>^</sup>	1 <sup>^</sup>	Ms Ang Bee Yan, Katherine	3	2 <sup>^</sup>	1 <sup>^</sup>	1 <sup>^</sup>	Mr Yee Lat Shing, Tom*	3	2	1	1	Dr Lye Kin Mun	3	2	1	1	Mr Tan Chao Hsiung, David	3	2	1	1	Mr Cheng Heng Tan <sup>#</sup>	0	0	0	0
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<p>Provision 1.6 of the Code: Complete, adequate and timely information prior to make informed decisions</p>	<p>The management recognises that the flow of complete, adequate and timely information on an on-going basis to the Board is essential to the Board's effective and efficient discharge of its duties.</p> <p>The management has provided the Board in advance with half-yearly management accounts, annual budget and relevant background information and materials relating to the matters that were discussed at Board meetings. This enables the discussion during the meetings to focus on questions that Directors may have. Any additional materials or information requested by the Directors is promptly furnished. During the Board meetings, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentations and answer any queries from the Directors.</p>																																																	

## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
Provision 1.7 of the Code: Separate and Independent access to management, company secretary and external advisers; Appointment and removal of the company secretary	<p>The Directors have separate and independent access to the Management, the company secretary, and external advisers. The Board takes independent professional advice as and when necessary concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively. Any cost of obtaining professional advice will be borne by the Company.</p> <p>The role of the Company Secretary is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The responsibilities of the Company Secretary include:</p> <ul style="list-style-type: none"> <li>(a) administers, attends and prepares minutes of all Board and Board Committees meetings;</li> <li>(b) assists the Board in ensuring that the Company complies with the relevant requirements of the Act and Listing Rules;</li> <li>(c) advises the Board on all corporate governance matters;</li> <li>(d) assists the Independent Non-Executive Chairman in ensuring good information flows within the Board, Board Committees and between the management and the independent Directors; and</li> <li>(e) communication channel between the Company and SGX-ST. The Company Secretary attends all Board and Board Committees meetings and is responsible to ensure that Board procedures are followed.</li> </ul> <p>The appointment or removal of the Company Secretary is subject to the approval of the Board as a whole.</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<b>BOARD COMPOSITION AND GUIDANCE</b>	<b>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.</b>
<p>Provision 2.1 of the Code: Director Independent</p> <p>Provision 2.2 of the Code: Independent Directors make up a majority of the Board</p> <p>Provision 2.3 of the Code: Non-executive Directors make up a majority of the Board</p>	<p>There is a strong independent element on the Board with independent Directors constituting more than one-third of the Board. Currently, the Board consists of five Directors of whom three are independent.</p> <p>The Company has more than half the Board with independent Directors as the Chairman is an Executive Non-Independent Director.</p> <p>Each Independent Director was required to complete a confirmation of independence, drawn up according to the guidelines stated in the Code of Corporate Governance, to confirm his independence. The Independent Directors shall disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgement. The independence of each Director is reviewed annually by NC. Based on the annual review of the independence of the Independent Directors according to the guidelines stated in the Code, the NC ascertained that all Independent Directors are independent.</p> <p>As at the end of FY2021, Mr Yee Lat Shing, Tom, Dr Lye Kin Mun and Mr Tan Chao Hsiung, David have served on the Board beyond nine years from the date of their first appointments. Mr Yee Lat Shing, Tom has resigned as Independent Director, Chairman of the AC and Member of the NC and RC on 31 March 2021.</p> <p>The NC and the Board have conducted a rigorous review of their independence and contributions to the Board to determine if they still remained independent and carry out their duties objectively. Under such rigorous review, each Independent Director has confirmed that neither he nor any of his immediate family has any relationship or business dealings with a controlling shareholder, Director or key management personnel or their associates that would give rise to a conflict of interest or impairment of the Independent Director's independence. The NC and the Board are of the view that Dr Lye Kin Mun and Mr Tan Chao Hsiung, David possess valuable experience and knowledge, as well as maintained their objectivity and independence at all times in the discharge of each of their duties as Director of the Company.</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 2.4 of the Code: Composition and size of the Board and Board Committees, Board diversity policy</p>	<p>The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition and selection of new Board members, the Board strive to ensure that:</p> <ul style="list-style-type: none"> <li>(a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;</li> <li>(b) There is appropriate mix of gender representation on the Board, taking into account the skills and experience the candidates can contribute; and</li> <li>(c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.</li> </ul> <p>The Board has examined its size and is of the view that it is an appropriate size for efficient and effective decision-making, taking into account the scope and nature of the operations of the Company. The Board currently comprises one woman Director, namely, Ms Ang Bee Yan, Katherine. The NC is of the view that no individual or small group of individuals dominate the Board's decision-making process.</p> <p>The Company has a good balance of Directors with a wide range of skills, experience and qualities in the fields of operations, management, financial, legal and accounting.</p> <p>Each Director has been appointed on the strength of his calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. Each Director brings valuable insights from different perspectives, such as strategic planning, management, finance, accounting and legal, vital to the strategic interests of the Company. Profiles of the Directors are found in the "Profile of Directors" section of the Annual Report. The Board considers that the current composition of the Board encompasses an appropriate balance and diversity of skills, experience, gender, knowledge and competencies to provide the management with a diverse and objective perspective on issues so as to lead and govern the Company effectively.</p>
<p>Provision 2.5 of the Code: Independent Directors meet regularly without the presence of the Management</p>	<p>To facilitate a more effective check on the management, the Independent Directors meet at least once a year, each with the Group's Internal and External Auditor without the presence of the management. Where necessary, the Company co-ordinates informal meeting sessions for Non-Executive Directors and Independent Directors to meet without the presence of the management.</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<b>CHAIRMAN AND CHIEF EXECUTIVE OFFICER</b>	<b>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.</b>
<p>Provision 3.1 of the Code: Chairman and CEO should be separate persons</p> <p>Provision 3.2 of the Code: Division of responsibilities between the Chairman and the CEO</p> <p>Provision 3.3 of the Code: Lead Independent Director</p>	<p>Dr Chen Mun, who is both the Chairman and CEO of the Company, leads the Board. This practice has been carried on since inception and he leads the Board meetings because of his in-depth knowledge of the Group's operations as well as his excellent relationship with the customers, suppliers and other external parties that carry on business with the Group.</p> <p>Dr Chen Mun is responsible for the proper workings of the Board which include the scheduling of meetings, setting of Board meeting agenda in consultation with the Company Secretary, exercising of control over quality and timeliness of information flow between the Management and the Board, managing the business of the Board and Board Committees, monitoring the translation of the Board's decision and wishes into executive actions and is assisted by the three Board Committees in ensuring compliance with the Company's guidelines on corporate governance.</p> <p>The Board has a strong independent group of Directors to look after shareholders' interests. Day-to-day running of business operations are delegated to key senior executives while the Chairman focuses on long term and strategic plans of the Company.</p> <p>The Board is mindful of the desirability of separating the two functional positions. However, it believes that vulnerability of the dual roles, if any, is considerably lessened by the checks and balances energetically exercised by a board that comprises majority of independent directors. In practice, all major decisions made by the Executive Chairman are reviewed by the independent directors and reported to the Board.</p> <p>The NC and the Board unanimously support Dr Chen Mun's role as both Chairman and CEO. The Board is of the view that the current single leadership arrangement works well; in particular, it does not hinder the decision-making process of the Company unnecessarily.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<b>Principle 4 of the Code: BOARD MEMBERSHIP</b>	<p><b>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.</b></p>
<p>Provision 4.1 of the Code: NC to recommend to the Board on relevant matters</p> <p>Provision 4.2 of the Code: Composition of the NC</p>	<p>As at 31 March 2021, the NC comprises Dr Lye Kin Mun, Mr Tan Chao Hsiung, David and Mr Cheng Heng Tan, all of whom are non-executive and independent Directors. The Chairman of the NC is Dr Lye Kin Mun. Mr Yee Lat Shing, Tom has resigned as Member of the NC on 31 March 2021.</p> <p>The key Terms of Reference of the NC are as follows:</p> <ul style="list-style-type: none"> <li>(a) Review the Board and Board Committees structure, size, and composition annually;</li> <li>(b) Identify suitable candidate and review all nominations on appointment and re-appointment of Directors;</li> <li>(c) Determine annually whether or not a Director is independent, guided by the independent guidelines contained in the code;</li> <li>(d) Develop a performance evaluation framework for the Board, the Committee and Individual Directors, and proposing objective performance criteria to assess the effectiveness of the Board, the Committee and Individual Directors;</li> <li>(e) Review and decide if a Director, who has multiple board representations on publicly listed companies, is able to and has been adequately carrying out his/her duties as a Director of the Company;</li> <li>(f) Review and recommend training and professional development programme for the Board;</li> <li>(g) Assess whether each director is able to and has been adequately carrying out his duties as Director of the Company;</li> <li>(h) Review of succession plans for Directors, CEO and key management personnel of the Company; and</li> <li>(i) Generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard).</li> </ul> <p>Pursuant to Regulation 103 of the Company's Constitution, at least one-third of the Company's Directors are required to retire from office at every Annual General Meeting ("AGM") of the Company. Pursuant to Rule 720(5) of the Listing Manual of the SGX-ST which effective from 1 January 2019, every Director must retire from office at least once every three years and are eligible for re-election.</p> <p>The NC has recommended the nomination of Mr Tan Chao Hsiung, David retiring under Regulation 103 of the Constitution of the Company for re-election at the forthcoming AGM.</p> <p>The NC has also recommended the nomination of Mr Cheng Heng Tan pursuant to Regulation 107 of the Constitution of the Company for re-election at the forthcoming AGM.</p> <p>Mr Cheng Heng Tan will, upon re-election as Director of the Company, remain as Member of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered independent.</p>

## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report																												
	<p>Dr Lye Kin Mun was re-elected as Director of the Company pursuant to Article 99 of the Company's Constitution at the AGM held on 29 September 2020.</p> <p>Dr Lye Kin Mun and Mr Tan Chao Hsiung, David who have served as Board member for more than nine years from the date of their appointments, will be seeking for shareholders' approvals at the forthcoming AGM for their continued appointments as independent directors of the Company via separate resolution to be voted upon by shareholders pursuant to Rule 210(5)(d) (iii) of the Listing Manual of SGX-ST which will come into effect on 1 January 2022.</p> <p>Dr Lye Kin Mun will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and Member of the Audit Committee and Remuneration Committee and will be considered independent.</p> <p>Mr Tan Chao Hsiung, David will, upon re-election as Director of the Company, remain as Lead Independent Director, Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee and will be considered independent.</p> <p>Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested. Dr Lye Kin Mun, Mr Tan Chao Hsiung, David and Mr Cheng Heng Tan had duly abstained from making recommendations on their own nominations respectively.</p> <p>The Board has accepted the NC's recommendations and Mr Tan Chao Hsiung, David and Mr Cheng Heng Tan, being eligible had offered themselves for re-elections as Directors of the Company. Mr Tan Chao Hsiung, David and Dr Lye Kin Mun, being eligible had offered themselves for continued appointments as independent directors of the Company at this AGM. Please refer to "Board of Directors" section of the Annual Report for details and information of the above Directors.</p> <p>Key information on the Directors is set out below and on page 11 of this Annual Report.</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of Director</th> <th rowspan="2">Age</th> <th colspan="2">Directorship</th> </tr> <tr> <th>(a) Date first appointed</th> <th>(b) Date last re-elected</th> </tr> </thead> <tbody> <tr> <td>Chen Mun</td> <td>73</td> <td>(a) 1 February 1989 (b) 25 July 2019</td> <td>–</td> </tr> <tr> <td>Ang Bee Yan, Katherine</td> <td>57</td> <td>(a) 1 July 2011 (b) 20 September 2020</td> <td>–</td> </tr> <tr> <td>Lye Kin Mun</td> <td>69</td> <td>(a) 1 February 1993 (b) 29 September 2020</td> <td>Continued appointment pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST</td> </tr> <tr> <td>Tan Chao Hsiung, David</td> <td>59</td> <td>(a) 24 March 2008 (b) 25 July 2019</td> <td>Retiring pursuant to Regulation 103 of the Company's Constitution and continued appointment pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST</td> </tr> <tr> <td>Cheng Heng Tan</td> <td>69</td> <td>(a) 8 February 2021 (b) Not Applicable</td> <td>Retiring pursuant to Regulation 107 of the Company's Constitution</td> </tr> </tbody> </table>			Name of Director	Age	Directorship		(a) Date first appointed	(b) Date last re-elected	Chen Mun	73	(a) 1 February 1989 (b) 25 July 2019	–	Ang Bee Yan, Katherine	57	(a) 1 July 2011 (b) 20 September 2020	–	Lye Kin Mun	69	(a) 1 February 1993 (b) 29 September 2020	Continued appointment pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST	Tan Chao Hsiung, David	59	(a) 24 March 2008 (b) 25 July 2019	Retiring pursuant to Regulation 103 of the Company's Constitution and continued appointment pursuant to Rule 210(5)(d)(iii) of the Listing Manual of SGX-ST	Cheng Heng Tan	69	(a) 8 February 2021 (b) Not Applicable	Retiring pursuant to Regulation 107 of the Company's Constitution
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## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 4.3 of the Code: Process for the selection, appointment and re-appointment of Directors</p>	<p>When the need for a new Director to replace a retiring Director arises, 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. Candidates would first be sourced through an extensive network of contacts and identified based on the needs of the Group and relevant expertise and experience required. The NC may engage recruitment consultants to undertake research on or assess candidates for new position on the Board, or to engage such other independent experts, if necessary. After the Board has interviewed the candidates, the NC would further shortlist and recommend the candidates for appointment to the Board. The Board has the final discretion in appointing new Directors.</p> <p>The NC recommends the appointment and re-election of Directors to the Board for approval based on the following criteria:</p> <ul style="list-style-type: none"> <li>(a) Expertise and experience of the candidate and whether they have discharged their duties adequately as Directors of the Company, officers of other companies and/or professionals in the area of expertise;</li> <li>(b) Independence of the candidate (for Independent Directors);</li> <li>(c) Appointment or re-appointment will not result in non-compliance with any composition requirements for the Board and Board Committees; and</li> <li>(d) Whether the candidate is a fit and proper person in accordance with Monetary Authority of Singapore's ("MAS") fit and proper guidelines, which broadly take into account the candidate's honesty, integrity and reputation; his competence and capability; and financial soundness.</li> </ul> <p>Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.</p> <p>The Board of the Company does not comprise any alternate Director. No alternate Director was appointed throughout FY2021.</p>
<p>Provision 4.4 of the Code: Circumstances affecting Directors' Independence</p>	<p>Having regard to the circumstance sets set forth in Provision 2.1 of the Code, the Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board under the declaration of section 156 of the Act.</p> <p>The NC is responsible for determining annually whether or not a Director is independent for purpose of the Code. Each Independent Director is required to complete a confirmation of independence, drawn up according to the guidelines stated in the Code, to confirm his independence. He is required to disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgement. Based on the annual review of the independence of the Independent Directors according to the guidelines stated in the Code, the NC ascertained that all independent Directors are independent for the purpose of the Code.</p>



# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provisions 1.5 and 4.5 of the Code: Multiple listed company Directorship and other principal commitments</p>	<p>When a Director has multiple listed company Directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.</p> <p>The NC believes that putting a maximum limit on the number of Directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.</p> <p>The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Company during FY2021, notwithstanding that they hold Directorships in other listed companies and have other principal commitments, and will continue to do so in FY2022.</p> <p>The list of Directorships held by Directors presently or in the preceding three years in other listed companies, and other principal commitments are set out in the “Board of Director” section of the Annual Report.</p>
<p><b>BOARD PERFORMANCE</b></p>	<p><b>Principle 5: There Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each its board committees and individual Directors.</b></p>
<p>Provision 5.1 and 5.2 of the Code: Assessment of effectiveness of the Board and Board committees and assessing the contribution by the Chairman and each Director</p>	<p>The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The performance evaluation framework is in the form of assessment questionnaires and the evaluation covers amongst other, Board and Board Committees’ compositions, processes in managing the Group’s performance, effectiveness of the Board, Board Committees as well as conduct, mix of skills, knowledge, competencies and contribution of each Director to the Company in discharging their function.</p> <p>The questionnaires are completed by the members of the Board and Board Committees and each Director for self-assessment. The completed questionnaires are collated by the Company Secretary for deliberation by the NC. The NC led by its Chairman, reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement as well as for them to form the basis of recommending relevant Directors for re-election at the AGM. The Chairman will act on the results of the performance evaluation and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.</p> <p>During the FY2021, the NC met once and assessed the Board, Board Committees and individual Directors. The NC was satisfied with the outcome of the evaluations and both the NC and the board are of the view that the board has met its performance objectives for FY2021. No external facilitator was engaged in the performance assessment.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<b>PROCEDURES FOR DEVELOPING REMUNERATION POLICIES</b>	<b>Principle 6: There 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 should be involved in deciding his or her own remuneration.</b>
Provision 6.2 of the Code: Composition of RC	As at 31 March 2021, the RC comprises Mr Tan Chao Hsiung, David, Dr Lye Kin Mun and Mr Cheng Heng Tan, all of whom are non-executive and independent Directors. The Chairman of the RC is Mr Tan Chao Hsiung, David. Mr Yee Lat Shing, Tom has resigned as Member of the RC on 31 March 2021.
Provision 6.1 of the Code: RC to recommend remuneration framework and packages	<p>The key Terms of Reference of the RC are as follows:</p> <ul style="list-style-type: none"> <li>(a) review and recommend to the Board a general framework of remuneration for the Board and key management personnel;</li> <li>(b) review and recommend to the Board the specific remuneration packages for each Director and key management personnel;</li> <li>(c) review and recommend to the Board the terms of renewal of the service agreements of Executive Directors;</li> <li>(d) determine the appropriateness of the remuneration of non-executive Directors taking into consideration their effort, time spent, responsibilities and level of contribution;</li> <li>(e) review the ongoing appropriateness and relevance of the Company's remuneration policy;</li> <li>(f) administer the Powermatic Data Systems Employees' Share Option Scheme 2013 and any other share option scheme established from time to time for the Directors and the management;</li> <li>(g) work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and</li> <li>(h) generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard).</li> </ul> <p>The recommendations of the RC shall be submitted for endorsement by the Board. The RC covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind. Each RC member shall abstain from voting on any resolutions in respect of his remuneration package.</p>

## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 6.3 of the Code: RC to consider and ensure aspects of remuneration are fair.</p>	<p>The RC is responsible for all aspects of remuneration, including termination terms.</p> <p>The remuneration structure of the Executive Directors and key executives consist of both fixed and variable components.</p> <p>The variable component is performance related and is linked to the Group's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders.</p> <p>The Executive Directors have service contracts and do not receive directors' fees. Their compensations consist of salary, bonuses, options and performance awards that are dependent on the performance of the Group. The Executive Directors' service contracts are subject to review every two or three years. The RC is of the view that the Directors' service contracts are not excessively long or with onerous removal clauses.</p> <p>The Independent Directors are compensated through directors' fees. Directors' fees comprise a basic retainer fee and fees in respect of service on Board Committees. These fees are subject to shareholders' approval at the AGM. Each member of the RC refrains from voting on any resolutions in respect of the assessment of his own remuneration and no RC member or Director is involved in deciding his own fee.</p> <p>The RC met once in FY2021. The remunerations of the Executive Directors are reviewed by the RC. The NC, together with the RC, decides on the specific remuneration package for an Executive Director upon recruitment. Thereafter, the RC reviews subsequent increments, bonuses and allowances where these payments are discretionary. No Director or member of the RC is involved in deciding his own remuneration. The RC reviews what compensation commitments the Executive Directors' service contracts would entail in the event of early termination by either the Company or Executive Directors giving to the other at least two months' prior written notice.</p> <p>The RC will seek expert advice on remuneration of all directors, if necessary.</p>
<p>Provision 6.4 of the Code: Expert advice on remuneration</p>	<p>The RC members are familiar with management compensation matters as they manage their own businesses and/or are holding Directorships in other listed companies. If necessary, the RC may seek professional advice on remuneration of all Directors. During FY2021, no external remuneration consultants were engaged.</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p><b>LEVEL AND MIX OF REMUNERATION</b></p>	<p><b>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.</b></p>
<p>Provision 7.1 and 7.3 of the Code: Executive Directors and key management personnel's remuneration to be linked to corporate and individual performance and aligned with interests of shareholders; Remuneration is appropriate to provide good stewardship and promote long-term success of the Company</p>	<p>The remuneration structure of the Executive Directors and key executives consist of both fixed and variable components. The variable component is performance related and is linked to the Group's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders.</p> <p>The variable component which comprises bonuses is linked to the performance of the Company and the individual. In FY2021, variable or performance related income/bonus made up between 7.04% to 35.52% of the total remuneration of the Executive Director and Chief Executive Director and each of the Group's key management personnel. The remuneration package is designed to enable the Company to stay competitive and allows the Company to better align executive compensation with shareholder value creation.</p> <p>In setting remuneration packages, the RC ensures that the Directors are adequately but not excessively remunerated as compared to the market employment conditions. The RC also ascertained that Independent Directors are not overly-compensated to the extent that their independence may be compromised.</p> <p>The service agreement of the Executive Director and Chief Executive Director contains clauses to allow the Company to reclaim variable components of remuneration in exceptional circumstances.</p>
<p>Provision 7.2 of the Code: Remuneration of non-executive Directors dependent on contribution, effort, time spent and responsibilities</p>	<p>None of the Non-Executive Directors and Independent Directors have service agreements with the Company or receive any remuneration from the Company. They are paid Directors' fees, which are determined by the Board based on their contribution, effort, time spent and responsibilities. The Directors' fees are subject to approval by the Shareholders at each AGM.</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report																																								
<b>DISCLOSURE ON REMUNERATION</b>	<p><b>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.</b></p>																																								
<p>Provision 8.1 of the Code: Remuneration of Directors and key management personnel</p>	<p>There is no termination, retirement and post-employment benefits granted to Directors, the CEO or the top five key management personnel.</p> <p>Short-term incentive of the Executive Director and key management personnel takes the form of annual variable bonus payment and is linked to the performance of the Company and the individual.</p> <p>In view of confidentiality of the remuneration policies of the Company and the competitive pressures in the talent market, the Board is of the opinion that it is in the best interests of the Group to disclose the remuneration of its Directors and key management personnel in salary bands.</p> <p><b>DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY EXECUTIVES</b></p> <p>A breakdown showing the level and mix of each Individual Director and key executive's remuneration in percentage terms is set out below and relates to actual payments made during the year and accordingly includes bonus paid during the year in respect of previous year's performance.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Remuneration band and name of Director</th> <th style="text-align: center;">Directors' fee (%)</th> <th style="text-align: center;">Salary, CPF and allowance (%)</th> <th style="text-align: center;">Variable or performance related bonus (%)</th> <th style="text-align: center;">Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Below S\$250,000</b></td> </tr> <tr> <td>Chen Mun</td> <td style="text-align: center;">–</td> <td style="text-align: center;">92.40</td> <td style="text-align: center;">7.60</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Ang Bee Yan, Katherine</td> <td style="text-align: center;">–</td> <td style="text-align: center;">64.48</td> <td style="text-align: center;">35.52</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Yee Lat Shing, Tom</td> <td style="text-align: center;">100</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Lye Kin Mun</td> <td style="text-align: center;">100</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Tan Chao Hsiung, David</td> <td style="text-align: center;">100</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Heng Tan Cheng</td> <td style="text-align: center;">100</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100</td> </tr> </tbody> </table>	Remuneration band and name of Director	Directors' fee (%)	Salary, CPF and allowance (%)	Variable or performance related bonus (%)	Total (%)	<b>Below S\$250,000</b>					Chen Mun	–	92.40	7.60	100	Ang Bee Yan, Katherine	–	64.48	35.52	100	Yee Lat Shing, Tom	100	–	–	100	Lye Kin Mun	100	–	–	100	Tan Chao Hsiung, David	100	–	–	100	Heng Tan Cheng	100	–	–	100
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## CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report																												
	<p>A breakdown showing the band and mix of remuneration of each top five (5) key management personnel's (who are not Directors or CEO of the Company) for FY2021 is as follows:</p> <table border="1"> <thead> <tr> <th>Remuneration band and name of key management personnel</th> <th>Fixed salary (%)</th> <th>Variable or performance-related bonus (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Below S\$250,000</b></td> </tr> <tr> <td>Chua Geok Cheok, Molly</td> <td>92.19</td> <td>7.81</td> <td>100</td> </tr> <tr> <td>Ang Lay Hoon</td> <td>92.96</td> <td>7.04</td> <td>100</td> </tr> <tr> <td>Yaw Thiam Teng</td> <td>91.84</td> <td>8.16</td> <td>100</td> </tr> <tr> <td>Tiong Yui Khing, Alex</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Ho Wei Jie, Jonathan</td> <td>92.38</td> <td>7.62</td> <td>100</td> </tr> </tbody> </table> <p>The total remuneration paid to the top five key management personnel (who are not Directors or the CEO of the Company) for FY2021 was S\$501,577.89.</p>	Remuneration band and name of key management personnel	Fixed salary (%)	Variable or performance-related bonus (%)	Total (%)	<b>Below S\$250,000</b>				Chua Geok Cheok, Molly	92.19	7.81	100	Ang Lay Hoon	92.96	7.04	100	Yaw Thiam Teng	91.84	8.16	100	Tiong Yui Khing, Alex	100	–	100	Ho Wei Jie, Jonathan	92.38	7.62	100
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Provision 8.2 of the Code: Remuneration disclosure of related employees	<p><b>REMUNERATION OF EMPLOYEE WHO IS AN IMMEDIATE FAMILY OF DIRECTOR(S)</b></p> <p>There is no immediate family member of a director, CEO or substantial shareholders in employment with the Group and whose remuneration exceeds S\$100,000 for the financial year ended 31 March 2021. There is no employee in the Company who is a substantial shareholder.</p>																												

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 8.3 of the Code: Details of employee share schemes</p>	<p><b>POWERMATIC DATA SYSTEMS EMPLOYEES' SHARE OPTION SCHEME 2013</b></p> <p>The Company has adopted the Powermatic Data Systems Employees' Share Option Scheme 2013 (the "2013 Scheme"), which was approved by the shareholders at the Extraordinary General Meeting held on 25 July 2013.</p> <p>The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the employees and to give recognition to such employees by giving them the opportunity to have a personal stake in the Company and to attract, motivate and retain talented staff for the Company's domestic and international operations.</p> <p>Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the Scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the Company's associated companies are not eligible under the 2013 Scheme. The Company has no associated companies for FY2021.</p> <p>As at the date of this Annual Report, no Awards were released and no Awards were granted to the Independent Directors of the Company. No Awards were granted to any Directors of the Company, controlling shareholders and their associates pursuant to the vesting of the Awards under the 2013 Scheme. No employee in the Group has received shares which, in aggregate, represent 5% or more of the aggregate of the total number of shares available under the 2013 Scheme.</p> <p>As at 31 March 2021, the 2013 Scheme is administered by the RC comprising of Mr Tan Chao Hsiung, David (Chairman) and two other independent directors of the Company, Dr Lye Kin Mun and Mr Cheng Heng Tan.</p> <p>Information on 2013 Scheme is set out in the Statement by Directors on pages 42 and 43.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
	<b>ACCOUNTABILITY AND AUDIT</b>
<b>RISK MANAGEMENT AND INTERNAL CONTROLS</b>	<b>Principle 9: The Board is responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.</b>
Provision 9.1 of the Code: Board determines the nature and extent if the significant risks	<p>The Management has put in place an internal control and risk management system to safeguard shareholders' investment and company's assets.</p> <p>The system of internal control provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen in the light of current business environment and its inherent risks.</p> <p>The Group, with the help of Internal Auditors, has prepared a documentation on its risk profile which summarizes the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the AC and the Board. The documentation provides an overview of the Group's key risks, how they are managed, and the various assurance mechanisms in place. It allows the Group to address the on-going changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process.</p> <p>On an annual basis, the internal auditors prepare the internal audit plan approved by the AC. The audit plan takes into consideration the risks identified in the risk profile document and the audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendation for improvement are reported to the AC. The AC reviews these reports and ensures that appropriate and timely counter-measures are taken by Management as part of its continuous improvement efforts to further enhance its internal control systems and practices. A copy of the report is also issued to the relevant subsidiaries for their follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In addition, the external auditors would highlight control weaknesses on financial reporting that came to their attention during the course of the statutory audit.</p> <p>The Company is committed to managing all risks in a proactive and effective manner. This requires high quality risk analysis to inform management decisions taken at all levels within the Group. Risk analysis and management is undertaken within the Group as a source of sustainable business benefits and competitive advantage. Managing threats and maximising opportunities will ensure that business objectives are met in the most effective way possible, leading to increased value for the business and its stakeholders.</p>



## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
	<p>The Company has internal processes to determine the level of risk tolerance and ensure the consistency and quality of risk analysis and management. The process includes six elements:</p> <ul style="list-style-type: none"> <li>(a) establishing the context;</li> <li>(b) risk identification;</li> <li>(c) risk prioritisation;</li> <li>(d) risk mitigation;</li> <li>(e) risk reporting; and</li> <li>(f) risk updates.</li> </ul> <p>The purpose of engaging in such a process is to ensure that the goals and objectives of the corporate strategy of the Group are achieved.</p> <p>The Group's Internal Auditor, Nexia TS, carry out internal audit on the system of internal controls and report the findings to the AC. The Group's External Auditor, RSM Chio Lim LLP, have also carried out, in the course of their statutory audit, an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the Internal and External Auditor and will ensure that the Company follows up on the Auditors' recommendations raised during the audit process.</p> <p>The accounts for the year were audited by RSM Chio Lim LLP and the AC has recommended to the Board that RSM Chio Lim LLP be nominated for re-appointment as Auditor at the forthcoming AGM.</p> <p>The Board conducted a review and assessment of the adequacy and effectiveness of the Company's risk management and internal control systems including financial, operational, compliance and information technology controls. The assessment was made by discussions with the management of the Company.</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
Provision 9.2 of the Code: Assurance from CEO, FM and other key management personnel	<p>The Company does not have a Chief Financial Officer. The Board also received assurance from the Executive Director and CEO and the Group's Finance Manager ("FM") that:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(b) the Company's risk management and internal control systems are adequate and effective.</li> </ul> <p>Based on the internal controls established and maintained by the Group, regular audits, monitoring and reviews performed by the internal and External Auditor, review of the risk assessment reports, assurance from the Executive Director and CEO and the Group's FM reviews performed by the management, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective in addressing the financial, operational, compliance and information technology risks as at 31 March 2021 which the Group considers relevant and material to its current business scope and environment.</p> <p>The Board and the AC noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Company's internal controls system.</p>
<b>AUDIT COMMITTEE</b>	<b>Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.</b>
	<p>As at 31 March 2021, the Audit Committee ("AC") comprises Mr Tan Chao Hsiung, David, Dr Lye Kin Mun and Mr Cheng Heng Tan, and, all of whom are non-executive and independent Directors. The Chairman of the AC is Mr Tan Chao Hsiung, David. Mr Yee Lat Shing, Tom has resigned as Chairman of the AC on 31 March 2021.</p> <p>The Board is of the view that the members of the AC have sufficient financial management expertise and experience and are qualified to discharge the AC functions. The key Terms of Reference of the AC are as follows:</p> <ul style="list-style-type: none"> <li>(a) review the financial statements and the independent auditor's report on those financial statements before submission to the Board for approval, focusing in particular, on significant financial reporting issues and judgements, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;</li> <li>(b) review assurance from the Executive Director and CEO and the Group's FM on the financial records and financial statement and assurance from Executive Director and CEO and other key management personnel who are responsible on the adequacy and effective of the risk management and internal control systems;</li> </ul>

## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the AC</p>	<ul style="list-style-type: none"> <li>(c) review the adequacy and effective of the Company's risk management and internal control in relation to financial reporting other financial-related risk and controls and report to the Board;</li> <li>(d) review with the Internal Auditor the internal audit plan and their evaluation of the adequacy and effectiveness of the internal controls and accounting system before submission of the results of such review to the Board;</li> <li>(e) review with the External Auditor the audit plan, their evaluation of the Company's internal accounting controls that are relevant to their statutory audit and their audit report; Report to the Board at least annually on the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management policies;</li> <li>(f) ensure co-ordination between the External Auditor and Internal Auditor and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);</li> <li>(g) review and discuss with external and Internal Auditor (if any), 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 our operating results or financial position, and management's response;</li> <li>(h) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the External Auditor;</li> <li>(i) review any interested person transactions falling within the scope of Chapter 9 of the Listing Manual of SGX-ST;</li> <li>(j) review and ensure proper disclosure and reporting in the annual report on related party transactions as required by the accounting standards;</li> <li>(k) oversee the establishment and operation of the whistleblowing processing in the Company;</li> <li>(l) review any potential conflicts of interest;</li> <li>(m) undertake such other functions and duties 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 our AC; and</li> <li>(n) generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard) and the Act.</li> </ul> <p>The AC also has the power to conduct or authorise to investigate any matter within its terms of reference, and has full access to, and cooperation of, the management. The AC has full discretion to invite any Director or management staff to attend its meetings, as well as access to reasonable resources to enable it to discharge its function properly. In performing its functions, the AC also reviews the assistance given by the Company's officers to the independent auditor.</p>

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report												
	<p>The AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Company's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular transaction.</p> <p>The role of the AC is to assist the Board in the execution of its corporate governance responsibilities within the established Board references and requirements. The AC also reviews the adequacy and effectiveness of the Company's internal controls and effectiveness of the Company's internal audit function as set out in the guidelines stated in the Code. The services of the Internal Auditor are utilised to assist the AC in the discharge of its duties and responsibilities.</p> <p>The AC will review, at least annually, the Group's key financial risk areas (including but not limited to, the Group's cash management policies and cash position, collection of debts, hedging policies and foreign currency transactions (if any) and off-balance sheet items (if any) with a view to providing an independent oversight on the Group's financial reporting. Where the findings are material, the outcome of these reviews will immediately be announced via SGXNet and disclosed in the annual report of the Group.</p> <p>The AC has reviewed the audit and non-audit services provided by the external auditors, Messrs RSM Chio Lim LLP. The audit service fee incurred during the reporting year is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">2021 S'000</th> <th style="text-align: center;">2020 S'000</th> </tr> </thead> <tbody> <tr> <td>– Auditors of the company</td> <td style="text-align: center;">100</td> <td style="text-align: center;">98</td> </tr> <tr> <td>– Other auditors<sup>#</sup></td> <td style="text-align: center;">23</td> <td style="text-align: center;">29</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>123</b></td> <td style="text-align: center;"><b>127</b></td> </tr> </tbody> </table> <p><sup>#</sup> Includes an alliance firm of RSM Chio Lim LLP</p> <p>There were no non-audit services provided by the external auditors during FY2021.</p> <p>The AC, having considered the nature of services rendered and related charges by the External Auditor, is satisfied that the independence of the External Auditor is not impaired.</p> <p>The Company has complied with Rules 712 and 716 of the Listing Manual of the SGX-ST in relation to its independent auditors.</p>		2021 S'000	2020 S'000	– Auditors of the company	100	98	– Other auditors <sup>#</sup>	23	29	<b>Total</b>	<b>123</b>	<b>127</b>
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<b>Total</b>	<b>123</b>	<b>127</b>											

## CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
Provision 10.3 of the Code: AC does not comprise former partner or Directors of the Company's auditing firm	None of the members of the AC was a former partner or Director of RSM Chio Lim LLP, the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner or Director of the auditing firm or auditing corporation and none of the AC members have any financial interest in the auditing firm or auditing corporation.
Provision 10.4 of the Code: Primary reporting line of the IA function is to AC; IA function has unfettered access to Company's documents, record, properties and personnel	The Group outsources its internal audit function to, Nexia TS, an international auditing firm, to review key business processes of the Company and its key subsidiaries. The primary reporting line of the Internal Auditor function is to AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company. The AC approves the hiring, removal, evaluation and compensation of the Internal Auditor.
Provision 10.5 of the Code: AC to meet auditors without the presence of management annually	The AC meets with the Group's Internal Auditor and External Auditor without the presence of the management at least once a year. Such meeting enables the Internal Auditor and External Auditor to raise any issue encountered in the course of their work directly to the AC. For FY2021, the AC met once with the Internal Auditor and External Auditor, each without presence of the management.
	<p><b>WHISTLE-BLOWING POLICY</b></p> <p>The Company has in place a whistle-blowing policy where staff of the Company and any other persons can have access to the AC Chairman and members. All concerns about possible improprieties in financial reporting and other matters would be channelled to the AC Chairman and members. The Company will treat all information received confidentially and protect the identity and the interests of all whistle-blowers.</p> <p>A whistle-blower email address is created for reporting suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policy and arrangements have been made available to all employees of the Company and is published on the Company's website.</p> <p>The AC shall commission and review the findings of internal investigations in 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 Group's operating results and/or financial position.</p> <p>As at date of this report, there were no reports received through the whistle blowing mechanism.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<b>SHAREHOLDER RIGHTS AND ENGAGEMENT</b>	
<b>SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS</b>	<b>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.</b>
Provision 11.1 of the Code: The Company provides shareholders with the opportunity to participate effectively and vote at general meetings	<p>In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. The financial results for the half year and full year are released to shareholders via SGXNet within 45 and 60 days of the half year-end date and full year-end date respectively.</p> <p>Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the time notice period as prescribed by the regulations. At general meetings, shareholders will be given opportunities to voice their views and direct their questions to the Board regarding the Company.</p> <p>The timely release of financial information and general meeting notice and circulars enables shareholders to prepare and participate effectively and vote at general meetings.</p> <p>Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.</p>
Provision 11.2 of the Code: Separate resolutions on each substantially separate issue	The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and agrees to the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.
Provision 11.3 of the Code: All Directors attend general meetings of shareholders	All Directors, including the Executive Chairman and CEO of the Board, and various Board Committees, attend the general meetings to address shareholders' queries and receive feedback from shareholders. The External Auditor, RSM Chio Lim LLP, is also invited to attend AGMs and will assist in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of the auditor's report.
Provision 11.4 of the Code: Company's Constitution allow for absentia voting of shareholders	The Company's Constitution allows a member entitled to attend and vote to appoint not more than 2 proxies to attend and vote instead of the member and also provides that the proxy need not be a member of the Company. Voting in absentia by mail, email or fax is currently not permitted to ensure proper authentication of the identity of the shareholders and their voting intentions.

# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
<p>Provision 11.5 of the Code: Minutes of general meetings are published on Company's corporate website as soon as practicable</p>	<p>Minutes of general meetings which include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board and the management were taken. Minutes of general meetings would be available to shareholders upon their written request.</p> <p>Voting at the general meeting will be by way of poll pursuant to Rule 730A(2) of the Listing Manual of the SGX-ST. Announcement on the poll results (showing the number of votes cast for and against each resolution and the respective percentages) will be released after the meeting via SGXNet.</p>
<p>Provision 11.6 of the Code: Dividend policy</p>	<p>The Company does not have a formal dividend policy. The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.</p> <p>Any dividend payments are clearly communicated to shareholders via announcements on SGXNet.</p> <p>For FY2021, the Company declared a first and final ordinary tax exempt one-tier dividend of 5.0 Singapore cents per ordinary share and will table them for shareholders' approvals at the Thirty-Second Annual General Meeting.</p>
<p><b>ENGAGEMENT WITH SHAREHOLDERS</b></p>	<p><b>Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.</b></p>
<p>Provision 12.1 of the Code: Company provides avenues for communication between the Board and shareholders and disclose in its annual report to steps taken to solicit and understand the views of shareholders Provision 13.3 of the Code: Corporate website to engage stakeholders</p>	<p>The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Listing Manual of SGX-ST and the Act. Information is communicated to shareholders on a timely basis through:</p> <ul style="list-style-type: none"> <li>(a) Announcements and press releases via SGXNet;</li> <li>(b) Company's website; and</li> <li>(c) Annual reports.</li> </ul> <p>The Company recognises that open communication is essential for communicating with shareholders and other audiences in the finance and investment community.</p>

# CORPORATE GOVERNANCE REPORT

Provisions	Corporate Governance Report
<p>Provision 12.2 and 12.3 of the Code: Board to maintain regular dialogue with shareholders; Board to disclose the steps taken to solicit and understand shareholders' views</p>	<p>Any major or material developments are first disseminated via SGXNET followed by a press release, whenever necessary.</p> <p>Price sensitive information is first publicly released, either before the Group meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period.</p> <p>The Company provided opportunities for communication with the shareholders, investors and other stakeholders during FY2020 as follows:</p> <p>(a) Annual General Meeting; and (b) Update on corporate developments via SGXNet.</p>
<p>Conduct of AGM in 2020 amidst current COVID-19 pandemic</p>	<p>In view of the COVID-19 pandemic, the Company has issued its Annual Report 2020 and released the Notice of 2020 AGM on 7 September 2020 to notify shareholders that the 2020 AGM will be held via electronic means complying with the requirement of COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("the Order").</p> <p>The Company had held the 2020 AGM by electronic means on 29 September 2020 pursuant to the Order. Shareholders were invited to participate in the virtual 2020 AGM by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the 2020 AGM; and (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the 2020 AGM. The Chairman/CEO was present in person at the virtual 2020 AGM proceedings, while the rest of the Directors joined the 2020 AGM by way of video conference. The Company has disclosed, on the Company's website and SGXNet, the minutes of 2020 AGM including responses to questions raised by shareholders in advance of the 2020 AGM.</p>
<p><b>ENGAGEMENT WITH STAKEHOLDERS</b></p>	<p><b>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.</b></p>
<p>Provision 13.1 and 13.2 of Code: Engagement with material stakeholder groups</p>	<p>The Company provides contact details on its website as the Company recognises the importance of stakeholder engagement to the long-term sustainability of its business. During FY2021, the Company did not receive any telephone enquiries from shareholders and investors.</p> <p>The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.</p>



# CORPORATE GOVERNANCE REPORT.....

Provisions	Corporate Governance Report
	<p><b>DEALINGS IN SECURITIES</b></p> <p>In line with Rule 1207(19) of the Listing Manual of the SGX-ST on Dealing in Securities, the Company has adopted its own Internal Code of Conduct and issues circulars to its Directors and employees, to remind them that (1) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (2) they are required to report on their dealings in the shares of the Company. The Directors and employees are also reminded of the prohibition in dealing in shares of the Company one month before the release of the half-yearly and year-end financial results and ending on the date of the announcement of the relevant results. The Company has complied with the said Rule 1207(19) of the Listing Manual of the SGX-ST during FY2021.</p>
	<p><b>INTERESTED PERSON TRANSACTIONS</b></p> <p>The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are at arm's length basis. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures.</p> <p>No interested person transactions mandate has been obtained from shareholders and there was no reportable interested person transactions during FY2021.</p>
	<p><b>MATERIAL CONTRACTS</b></p> <p>Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, except as disclosed in Interested Person Transactions, there was no material contract or loan entered into between the Company and any of its subsidiaries involving interests of any Director or controlling shareholder during FY2021.</p>

# STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2021.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. Directors

The directors of the company in office at the date of this statement are:

Dr Chen Mun  
 Ang Bee Yan, Katherine  
 Tan Chao Hsiung, David  
 Dr Lye Kin Mun  
 Cheng Heng Tan (Appointed on 8 February 2021)

## 3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interest in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

Name of directors and companies in which interests are held	Direct interest	
	At beginning of the reporting year	At end of the reporting year
<b>Powermatic Data Systems Limited</b>	<b>Number of shares of no par value</b>	
Dr Chen Mun	19,427,932	19,427,932
Ang Bee Yan, Katherine	2,874,800	2,874,800
Tan Chao Hsiung, David	40,000	40,000

By virtue of section 7 of the Act, Dr. Chen Mun is deemed to have an interest in all related body corporates of the company.

The directors' interests as at 21 April 2021 were the same as those at the end of the reporting year.

## STATEMENT BY DIRECTORS.....

### 4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable 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 mentioned below.

### 5. Options

The "Powermatic Data Systems Employees' Share Option Scheme 2013" (the "2013 Scheme") was approved by shareholders of the company at an Extraordinary General Meeting held on 25 July 2013. The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the directors and employees and to give recognition to such directors and employees by giving them the opportunity to have a personal stake in the company and to attract, motivate and retain talented staff for the company's domestic and international operations.

Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the company's associated companies are not eligible under the 2013 Scheme. The company has no associated companies at 31 March 2021.

The aggregate number of shares over which options may be granted shall not exceed 15% of the issued share capital of the company on the day immediately preceding the offer date of the option.

The offer price shall be equal to the average of the last dealt price for a share for the three consecutive trading days immediately preceding the offer date.

The 2013 Scheme is administered by the Remuneration Committee and there was no options granted during the reporting year and there was no unexercised option as at 31 March 2021.

Particulars of directors of the company who received options under the 2013 Scheme are as follows:

<u>Name of directors</u>	<b>Options granted during reporting year 2014</b>		<b>Aggregate options granted since commencement of scheme to 31.3.2021</b>	<b>Aggregate options exercised since commencement of scheme to 31.3.2021</b>	<b>Aggregate options outstanding as at 31.3.2021</b>
	<b>Exercised price per share</b>	<b>Exercisable period</b>			
Ang Bee Yan, Katherine	71 cents	20.02.2015 – 20.02.2024	100,000	(100,000)	–
Tan Chao Hsiung, David	71 cents	20.02.2015 – 20.02.2019	40,000	(40,000)	–
			<u>140,000</u>	<u>(140,000)</u>	<u>–</u>

## STATEMENT BY DIRECTORS.....

### 5. Options (cont'd)

Particulars of employees of the company who received 5% or more of the total options under the 2013 Scheme are as follows:

<b>Name of employees</b>	<b>Aggregate options granted since commencement of scheme to 31.3.2021</b>	<b>Aggregate options exercised since commencement of scheme to 31.3.2021</b>	<b>Aggregate options outstanding as at 31.3.2021</b>
Yaw Thiam Teng	100,000	(100,000)	–
Chang Qiang	100,000	(100,000)	–
Wu Tian Yee	100,000	(100,000)	–
Ang Lay Hoon	90,000	(90,000)	–
Molly Chua	90,000	(90,000)	–
	<b>480,000</b>	<b>(480,000)</b>	<b>–</b>

Except as disclosed above, there were no shares of the company or other body corporate in the group issued by virtue of the exercise of an option to take up unissued shares during the reporting year and there were no unissued shares under option at the end of the reporting year.

### 6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

### 7. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Tan Chao Hsiung, David	(Chairman of audit committee, lead independent and non-executive director)
Cheng Heng Tan	(Independent and non-executive director)
Dr Lye Kin Mun	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.

# STATEMENT BY DIRECTORS.....

## 7. Report of audit committee (cont'd)

- Reviewed the financial statements of the group and of the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that RSM Chio Lim LLP be nominated for re-appointment as the independent external auditor at the next annual general meeting of the company.

## 8. Directors' opinion on the adequacy of internal control

Based on the internal controls and risk management systems established and maintained by the company, periodic reviews performed by management, other committees of the board and the board, and work performed by the independent internal and external auditors, the board with concurrence of the audit committee, is of the opinion that the company's internal control and risk management systems were adequate as at 31 March 2021 to address the risks relating to financial, operational, compliance and information technology controls.

## 9. Subsequent developments

There are no significant developments subsequent to the release of the group's and company's preliminary financial statements, as announced on 24 May 2021, which would materially affect the group's and company's operating and financial performance as of the date of this report.

On behalf of the directors

.....  
Dr Chen Mun  
Director

.....  
Ang Bee Yan, Katherine  
Director

30 June 2021

# INDEPENDENT AUDITOR'S REPORT.....

To the Members of Powermatic Data Systems Limited

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Powermatic Data Systems 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 March 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including the accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)") 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 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

### Basis for opinion

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

### Key audit 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 reporting year. 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.

We have assessed and determined that there are no key audit matters to communicate in our report.

### Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not 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.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Powermatic Data Systems Limited

## 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 the financial reporting standards, 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.

## Auditor's responsibilities for the audit of the financial statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT.....

To the Members of Powermatic Data Systems Limited

## Auditor's responsibilities for the audit of the financial statements (cont'd)

- (e) 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.
- (f) 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 control that we identify during our audit.

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

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

## Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is See Ling Ling Helen.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

30 June 2021

Engagement partner – effective from reporting year ended 31 March 2018



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....

Year Ended 31 March 2021

	Notes	2021 \$'000	2020 \$'000
<b>Revenue</b>	5	<b>26,251</b>	21,756
Cost of sales		<b>(13,317)</b>	(10,014)
<b>Gross profit</b>		<b>12,934</b>	11,742
Property income	6	<b>1,132</b>	1,236
Property expenses	7	<b>(696)</b>	(697)
Net income from property		<b>436</b>	539
Other income and gains	8	<b>875</b>	1,665
Marketing and distribution costs		<b>(1,472)</b>	(1,565)
Administrative expenses		<b>(2,439)</b>	(2,418)
Other operating expenses		–	(11)
Other losses	8	<b>(1,253)</b>	(72)
Finance cost	9	<b>(6)</b>	(20)
<b>Profit before tax</b>		<b>9,075</b>	9,860
Income tax expense	11	<b>(1,656)</b>	(1,127)
<b>Profit, net of tax</b>		<b>7,419</b>	8,733
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Fair value changes on equity instruments at FVTOCI, net of tax	19	<b>4,569</b>	(3,376)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax		<b>52</b>	(22)
Total other comprehensive gain/(loss), net of tax		<b>4,621</b>	(3,398)
<b>Total comprehensive income</b>		<b>12,040</b>	5,335
Profit attributable to owners of the parent, net of tax		<b>7,419</b>	8,733
Total comprehensive income attributable to owners of the parent		<b>12,040</b>	5,335
<b>Earnings per share</b>			
Earnings per share currency unit		<b>Cents</b>	<b>Cents</b>
Basic and diluted	12	<b>21.23</b>	24.99

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

# STATEMENTS OF FINANCIAL POSITION .....

As at 31 March 2021

	Notes	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	5,212	4,873	1,835	1,911
Right-of-use assets	15	120	293	–	–
Investment property	16	16,699	16,884	16,699	16,884
Intangible assets	17	8	27	–	–
Investment in subsidiaries	18	–	–	10,680	10,480
Other financial assets	19	3,229	2,649	3,229	2,649
Other non-financial assets	20	8	8	8	8
Deferred tax assets	11	119	365	–	–
Other receivables	22	–	–	2,579	2,239
<b>Total non-current assets</b>		<b>25,395</b>	<b>25,099</b>	<b>35,030</b>	<b>34,171</b>
<b>Current assets</b>					
Inventories	21	5,017	1,751	–	–
Trade and other receivables	22	1,683	1,462	8,622	15,135
Other financial assets	23	160	145	160	145
Other non-financial assets	24	308	178	93	37
Cash and cash equivalents	25	41,066	39,233	13,036	8,871
<b>Total current assets</b>		<b>48,234</b>	<b>42,769</b>	<b>21,911</b>	<b>24,188</b>
<b>Total assets</b>		<b>73,629</b>	<b>67,868</b>	<b>56,941</b>	<b>58,359</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	26	24,562	34,559	24,562	34,559
Retained earnings		36,763	26,053	28,938	21,656
Other reserves	27	1,937	607	2,834	1,556
<b>Total equity</b>		<b>63,262</b>	<b>61,219</b>	<b>56,334</b>	<b>57,771</b>
<b>Non-current liabilities</b>					
Lease liabilities, non-current	15	–	129	–	–
<b>Total non-current liabilities</b>		<b>–</b>	<b>129</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>					
Income tax payable		2,194	1,242	17	30
Trade and other payables	28	4,324	2,271	361	288
Lease liabilities, current	15	132	179	–	–
Other non-financial liabilities	29	3,717	2,828	229	270
<b>Total current liabilities</b>		<b>10,367</b>	<b>6,520</b>	<b>607</b>	<b>588</b>
<b>Total liabilities</b>		<b>10,367</b>	<b>6,649</b>	<b>607</b>	<b>588</b>
<b>Total equity and liabilities</b>		<b>73,629</b>	<b>67,868</b>	<b>56,941</b>	<b>58,359</b>

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

# STATEMENTS OF CHANGES IN EQUITY.....

Year Ended 31 March 2021

<b>Group</b>	<b>Total equity \$'000</b>	<b>Share capital \$'000</b>	<b>Treasury shares \$'000</b>	<b>Retained earnings \$'000</b>	<b>Other reserves \$'000</b>
<b>Current year</b>					
Opening balance at 1 April 2020	61,219	35,349	(790)	26,053	607
<b>Changes in equity:</b>					
Capital reduction (Note 26)	(9,997)	(9,997)	–	–	–
Total comprehensive income for the year	12,040	–	–	7,419	4,621
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	–	–	–	3,291	(3,291)
Closing balance at 31 March 2021	<u>63,262</u>	<u>25,352</u>	<u>(790)</u>	<u>36,763</u>	<u>1,937</u>
<b>Previous year</b>					
Opening balance at 1 April 2019	58,680	35,349	(790)	19,840	4,281
<b>Changes in equity:</b>					
Total comprehensive income/(loss) for the year	5,335	–	–	8,733	(3,398)
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	–	–	–	276	(276)
Dividends paid (Note 13)	(2,796)	–	–	(2,796)	–
Closing balance at 31 March 2020	<u>61,219</u>	<u>35,349</u>	<u>(790)</u>	<u>26,053</u>	<u>607</u>

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

# STATEMENTS OF CHANGES IN EQUITY.....

Year Ended 31 March 2021

Company	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000
<b>Current year</b>					
Opening balance at 1 April 2020	57,771	35,349	(790)	21,656	1,556
<b>Changes in equity:</b>					
Capital reduction (Note 26)	(9,997)	(9,997)	–	–	–
Total comprehensive income for the year	8,560	–	–	3,991	4,569
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	–	–	–	3,291	(3,291)
Closing balance at 31 March 2021	<u>56,334</u>	<u>25,352</u>	<u>(790)</u>	<u>28,938</u>	<u>2,834</u>
<b>Previous year</b>					
Opening balance at 1 April 2019	46,732	35,349	(790)	6,965	5,208
<b>Changes in equity:</b>					
Total comprehensive income/(loss) for the year	13,835	–	–	17,211	(3,376)
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	–	–	–	276	(276)
Dividends paid (Note 13)	(2,796)	–	–	(2,796)	–
Closing balance at 31 March 2020	<u>57,771</u>	<u>35,349</u>	<u>(790)</u>	<u>21,656</u>	<u>1,556</u>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS.....

Year Ended 31 March 2021

	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>		
Profit before tax	9,075	9,860
Adjustments for:		
Depreciation of property, plant and equipment	414	347
Depreciation of right-of-use assets	177	172
Depreciation of investment property	221	221
Amortisation of intangible assets	19	37
Loss on disposal of property, plant and equipment	56	–
Fair value (gains)/loss on financial instruments at FVTPL	(15)	72
Dividend income	(294)	(356)
Interest income	(232)	(617)
Interest expense	6	20
Unrealised foreign exchange adjustment gains, net	83	(4)
Operating cash flows before changes in working capital	9,510	9,752
Inventories	(3,305)	1,305
Trade and other receivables	(336)	(606)
Other non-financial assets	(146)	237
Trade and other payables	2,077	(565)
Other non-financial liabilities	906	(1,146)
Net cash flows from operations	8,706	8,977
Income taxes paid	(457)	(927)
Net cash flows from operating activities	8,249	8,050
<b>Cash flows from investing activities</b>		
Payments for intangible assets	–	(6)
Purchase of property, plant and equipment	(981)	(2,326)
Disposal of other financial assets	3,989	344
Disposal of plant and equipment	179	–
Improvement on investment property	(36)	(32)
Increase of cash restricted in use over 3 months	(2,800)	5,913
Interest income received	342	660
Dividend income received	294	356
Net cash flows from investing activities	987	4,909
<b>Cash flows from financing activities</b>		
Return of capital to shareholders via capital reduction (Note 26)	(9,997)	–
Lease liabilities – interest and principal portion paid	(182)	(177)
Dividends paid to equity owners	–	(2,796)
Net cash flows used in financing activities	(10,179)	(2,973)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(943)	9,986
Effect of exchange rate changes on cash balance held in foreign currencies	(24)	9
Cash and cash equivalents, beginning balance	34,433	24,438
<b>Cash and cash equivalents, ending balance (Note 25)</b>	33,466	34,433

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

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 1. GENERAL

Powermatic Data Systems Limited (the “company”) is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited. The financial statements are presented in Singapore Dollar and they cover the company and its subsidiaries (the “group”). All financial information in these financial statements are rounded to the nearest thousand (“\$’000”), unless when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 18 below.

The registered office and principal place of business of the company is located at No 9 Harrison Road, #05-01, Singapore 369651.

### Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

### Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 1. GENERAL (CONT'D)

### Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and consolidation is ceased when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income and statement of cash flows are not presented.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. Significant accounting policies

#### Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Revenue from rendering of services is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Other income

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis which is used if that basis is more presentative of the pattern in which benefit from the use of the underlying asset is diminished.

Interest income is recognised using the effective interest method.

Dividend income from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably. This is usually ex-dividend date for quoted shares.

#### Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

#### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the group. Contributions to the Scheme are recorded as an expense as they fall due.



# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss. The presentation currency is the functional currency.

#### Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

#### Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Renovations	–	20%
Furniture, fittings and equipment	–	10% to 33%
Freehold office unit	–	2.63%
Freehold land / factory	–	not depreciated / 2%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rate of depreciation is as follows:

Leasehold property	–	3.13%
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# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

#### Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

#### Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held-for-sale is carried at the lower of carrying amount and fair value.

For disclosure purposes only the fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values, if any, over their estimated useful lives. The annual rates of depreciation are as follows:

Building improvements	–	3.15%
Freehold building	–	2.63%
Freehold land	–	Not depreciated

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The recognised amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use as follows:

Certification fees – 3 years

#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Inventories

Inventories are measured at the lower of cost (first-in-first-out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised 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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Financial instruments (cont'd)

Classification and measurement of financial assets:

1. Financial asset classified as measured 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 fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

### 2B. Other explanatory information

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur. Warranty provisions are measured using probability models based on past experience.

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2B. Other explanatory information (cont'd)

#### Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

#### Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

#### Allowance on inventories:

The allowance for impairment of inventories assessment requires estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in the note on inventories.



# NOTES TO THE FINANCIAL STATEMENTS .....

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## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Dr Chen Mun, a director and controlling shareholder of the company.

### 3A. Key management compensation

	Group	
	2021 \$'000	2020 \$'000
Salaries and other short-term employee benefits	1,150	1,126

The above amount is included under employee benefits expense. Included in the above amount are the following items:

	Group	
	2021 \$'000	2020 \$'000
Remuneration of directors of the company	648	603
Fees to directors of the company	54	52

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly.

### 3B. Other receivables from related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Company	
	2021 \$'000	2020 \$'000
<u>Other receivables from subsidiaries:</u>		
At beginning of the year	17,332	331
Amounts paid in and settlement of liabilities on behalf of the company	(10,158)	(149)
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	–	1,942
Inter-company recharges	215	215
Allowance for impairment	–	(7)
Dividend income	3,800	15,000
At end of the year (Note 22)	11,189	17,332

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

### 4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into three major strategic operating segments: (1) wireless connectivity products, (2) property and (3) corporate holding and others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- Wireless connectivity products segment comprises manufacturing, sales, marketing and distribution of wireless connectivity products.
- Property segment comprises managing the investment properties.
- Corporate holding and others is involved in group-level corporate services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results is the gross profit.

# NOTES TO THE FINANCIAL STATEMENTS

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## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4B. Primary analysis by business segment

<u>Group:</u>	<b>Wireless connectivity products \$'000</b>	<b>Property \$'000</b>	<b>Corporate holding and others \$'000</b>	<b>Total \$'000</b>
<b>2021:</b>				
Revenue by segment	26,251	–	–	26,251
Cost of sales	(13,317)	–	–	(13,317)
Gross profit	12,934	–	–	12,934
<u>Other items of income</u>				
Property income	–	1,132	–	1,132
Property expense	–	(696)	–	(696)
Net income from property	–	436	–	436
Other income and gains	371	–	504	875
<u>Other items of expenses</u>				
Marketing and distribution cost	(1,472)	–	–	(1,472)
Administration expenses	(1,703)	–	(736)	(2,439)
Other losses	(1,248)	–	(5)	(1,253)
Finance cost	(6)	–	–	(6)
Profit/(loss) before tax	8,876	436	(237)	9,075
Income tax expense	(1,656)	–	–	(1,656)
Profit/(loss), net of tax	7,220	436	(237)	7,419
Segment assets	38,350	16,709	18,570	73,629
Segment liabilities	9,762	152	453	10,367
<u>Other segment information:</u>				
Capital expenditure	979	36	2	1,017
Depreciation of property, plant and equipment	(336)	–	(78)	(414)
Depreciation of right-of-use assets	(177)	–	–	(177)
Depreciation of investment property	–	(221)	–	(221)
Amortisation of intangible assets	(19)	–	–	(19)

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4B. Primary analysis by business segment (cont'd)

<u>Group:</u>	<b>Wireless connectivity products \$'000</b>	<b>Property \$'000</b>	<b>Corporate holding and others \$'000</b>	<b>Total \$'000</b>
<b>2020:</b>				
Revenue by segment	21,708	–	48	21,756
Cost of sales	(9,970)	–	(44)	(10,014)
Gross profit	11,738	–	4	11,742
<u>Other items of income</u>				
Property income	–	1,236	–	1,236
Property expense	–	(697)	–	(697)
Net income from property	–	539	–	539
Other income and gains	1,125	–	540	1,665
<u>Other items of expenses</u>				
Marketing and distribution cost	(1,545)	–	(20)	(1,565)
Administration expenses	(1,650)	–	(768)	(2,418)
Other operating expenses	(11)	–	–	(11)
Other losses	–	–	(72)	(72)
Finance cost	(20)	–	–	(20)
Profit/(loss) before tax	9,637	539	(316)	9,860
Income tax expense	(1,120)	–	(7)	(1,127)
Profit/(loss), net of tax	8,517	539	(323)	8,733
Segment assets	37,312	16,898	13,658	67,868
Segment liabilities	(6,062)	(237)	(350)	(6,649)
<u>Other segment information:</u>				
Capital expenditure	2,332	32	–	2,364
Depreciation of property, plant and equipment	(260)	–	(87)	(347)
Depreciation of right-of-use assets	(172)	–	–	(172)
Depreciation of investment property	–	(221)	–	(221)
Amortisation of intangible assets	(36)	–	(1)	(37)

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4C. Geographical information

The following table provides an analysis of the revenue by geographical location or customers, irrespective of the origin of the goods/services:

	Group	
	2021 \$'000	2020 \$'000
Revenue:		
Singapore	27	81
Europe	7,848	4,304
Asia (except Singapore)	9,682	9,251
United States of America	7,528	7,231
Others (including Israel, Canada and Brazil)	1,166	889
	<b>26,251</b>	<b>21,756</b>

The property income is from an investment property in Singapore.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, intangible assets and investment property analysed by the geographical area in which the assets are located:

	Group	
	2021 \$'000	2020 \$'000
Segment assets:		
Singapore	62,182	61,192
Asia (except Singapore)	11,440	6,668
United States of America	7	8
	<b>73,629</b>	<b>67,868</b>
Capital expenditure:		
Singapore	317	199
Asia (except Singapore)	700	2,165
	<b>1,017</b>	<b>2,364</b>

### 4D. Information about major customers

Two customers with revenue transactions of \$4,962,000 and \$3,530,000 accounted for 19% and 13% of the total revenue of the group for the reporting year. In 2020, a single customer with revenue transaction of \$3,575,000 accounted for 16% of the total revenue.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 5. REVENUE

	Group	
	2021	2020
	\$'000	\$'000
Sale of goods	25,775	21,317
Service and sundry income	476	439
	<b>26,251</b>	<b>21,756</b>

All the contracts are less than 12 months.

The revenue from sale of goods is recognised based on point in time. The customers are retailers and wholesalers. A large portion of the goods is exported.

The revenue from services and sundry income are recognised based on point in time. A large portion is for customers overseas.

Also see Note 4.

## 6. PROPERTY INCOME

	Group	
	2021	2020
	\$'000	\$'000
Rental and services income from an investment property	1,132	1,236

## 7. PROPERTY EXPENSES

	Group	
	2021	2020
	\$'000	\$'000
Building maintenance expense	409	394
Depreciation expense	221	221
Utilities and other expenses	66	82
	<b>696</b>	<b>697</b>

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 8. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2021	2020
	\$'000	\$'000
Foreign exchange translation (losses)/gains, net	(1,197)	645
Fair value gains/(losses) on financial instruments at FVTPL	15	(72)
Government grant income	133	2
Loss on disposal of property, plant and equipment	(56)	–
Dividend income	294	356
Interest income	232	617
Other income	201	45
Net	<u>(378)</u>	<u>1,593</u>
Presented in profit or loss as:		
Other income and gains	875	1,665
Other losses	(1,253)	(72)
Net	<u>(378)</u>	<u>1,593</u>

## 9. FINANCE COSTS

	Group	
	2021	2020
	\$'000	\$'000
Interest expense on lease liabilities	<u>6</u>	<u>20</u>

## 10. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021	2020
	\$'000	\$'000
Short term employee benefits expense	2,981	2,681
Contributions to defined contribution plan	255	269
	<u>3,236</u>	<u>2,950</u>
Included in marketing, distribution and administrative expenses	2,729	2,591
Included in cost of sales	507	359
	<u>3,236</u>	<u>2,950</u>

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 11. INCOME TAX

### 11A. Components of tax expense recognised in profit or loss

	Group	
	2021	2020
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	1,410	1,117
Under adjustments to tax in respect of prior periods	–	10
Subtotal	<u>1,410</u>	<u>1,127</u>
 <u>Deferred tax expense</u>		
Deferred tax expense	<u>246</u>	<u>–</u>
Total income tax expense	<u><b>1,656</b></u>	<u><b>1,127</b></u>

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the company is situated. The income tax in profit or loss varied from the amount determined by applying the Singapore corporate tax rate of 17% (2020: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021	2020
	\$'000	\$'000
Profit before tax	<u><b>9,075</b></u>	<u><b>9,860</b></u>
Income tax expense at the above rate	<b>1,543</b>	1,676
Effect of different tax rates in different countries	<b>25</b>	50
Income not subject to tax	<b>(54)</b>	(196)
Not deductible items for tax purposes	<b>200</b>	72
Stepped income exemption and tax rebate	<b>(48)</b>	(61)
Previously unrecognised deferred tax assets recognised this year	–	(423)
Under adjustments to tax in respect of prior periods	–	10
Others	<b>(10)</b>	(1)
Total income tax expense	<u><b>1,656</b></u>	<u><b>1,127</b></u>

There are no income tax consequences of dividends to owners of the company.



# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 11. INCOME TAX (CONT'D)

### 11B. Deferred tax expense recognised in profit or loss

	Group	
	2021 \$'000	2020 \$'000
Tax losses carryforwards	(206)	(410)
Capital allowance carryforwards	119	(13)
Previously unrecognised deferred tax assets recognised this year	–	423
Others	(159)	–
Total deferred tax expense recognised in profit or loss	<u>(246)</u>	<u>–</u>

### 11C. Deferred tax balance in the statements of financial position

	Group			
	2021		2020	
	Gross amount \$'000	Tax effect \$'000	Gross amount \$'000	Tax effect \$'000
Capital allowances	700	119	–	–
Unused tax losses	–	–	1,212	206
Others	–	–	937	159
Net deferred tax assets	<u>700</u>	<u>119</u>	<u>2,149</u>	<u>365</u>

Temporary differences arising in connection with interests in subsidiaries are insignificant.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 12. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2021 \$'000	2020 \$'000
Numerators: earnings attributable to equity:		
A. Continuing operations: attributable to equity holders	<b>7,419</b>	8,733
B. Total basic earnings	<b>7,419</b>	8,733
C. Diluted earnings	<b>7,419</b>	8,733
	Group	
	2021 '000	2020 '000
Denominators: weighted average number of equity shares		
D. Basic	<b>34,953</b>	34,953
E. Diluted	<b>34,953</b>	34,953

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

## 13. DIVIDENDS ON EQUITY SHARES

	Rate per share			
	2021 cents	2020 cents	2021 \$'000	2020 \$'000
Group and company				
Final tax exempt (1-tier) ordinary dividend paid	–	5	–	1,748
Final tax exempt (1-tier) special dividend paid	–	3	–	1,048
	<b>–</b>	<b>8</b>	<b>–</b>	<b>2,796</b>

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 14. PROPERTY, PLANT AND EQUIPMENT

Group	Renovations \$'000	Furniture, fittings and equipment \$'000	Freehold office unit \$'000	Freehold land and factory \$'000	Total \$'000
<u>Cost:</u>					
At 1 April 2019	272	4,289	2,082	–	6,643
Foreign exchange adjustments	–	(45)	–	–	(45)
Additions	28	405	–	1,893	2,326
At 31 March 2020	300	4,649	2,082	1,893	8,924
Foreign exchange adjustments	–	86	–	(33)	53
Additions	32	949	–	–	981
Disposal	–	(400)	–	–	(400)
Written-off	–	(17)	–	–	(17)
At 31 March 2021	332	5,267	2,082	1,860	9,541
<u>Accumulated depreciation:</u>					
At 1 April 2019	152	3,341	221	–	3,714
Foreign exchange adjustments	–	(10)	–	–	(10)
Depreciation for the year	54	249	23	21	347
At 31 March 2020	206	3,580	244	21	4,051
Foreign exchange adjustments	–	47	–	(1)	46
Depreciation for the year	51	318	24	21	414
Disposal	–	(165)	–	–	(165)
Written-off	–	(17)	–	–	(17)
At 31 March 2021	257	3,763	268	41	4,329
<u>Carrying value:</u>					
At 1 April 2019	120	948	1,861	–	2,929
At 31 March 2020	94	1,069	1,838	1,872	4,873
At 31 March 2021	75	1,504	1,814	1,819	5,212

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

**14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Company	Renovations \$'000	Furniture, fittings and equipment \$'000	Freehold office unit \$'000	Total \$'000
<u>Cost:</u>				
At 1 April 2019 and 31 March 2020	272	112	2,082	2,466
Additions	–	2	–	2
Written-off	–	(5)	–	(5)
At 31 March 2021	272	109	2,082	2,463
<u>Accumulated depreciation:</u>				
At 1 April 2019	151	95	222	468
Depreciation for the year	56	9	22	87
At 31 March 2020	207	104	244	555
Depreciation for the year	48	7	23	78
Disposal	–	–	–	–
Written-off	–	(5)	–	(5)
At 31 March 2021	255	106	267	628
<u>Carrying value:</u>				
At 1 April 2019	121	17	1,860	1,998
At 31 March 2020	65	8	1,838	1,911
At 31 March 2021	17	3	1,815	1,835

Allocation of the depreciation expense:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cost of sales	217	208	–	–
Administrative expenses	197	139	78	87
	414	347	78	87

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Group	
	Right-of-use assets \$'000	Lease liabilities \$'000
<u>Cost:</u>		
At 1 April 2019	465	465
Accretion of interest	–	20
Lease payments – principal portion and interest paid	–	(177)
At 31 March 2020	465	308
Accretion of interest	–	6
Lease payments – principal portion and interest paid	–	(182)
At 31 March 2021	465	132
 <u>Accumulated depreciation:</u>		
At 1 April 2019	–	–
Depreciation for the year	172	–
At 31 March 2020	172	–
Foreign exchange adjustments	(4)	–
Depreciation for the year	177	–
At 31 March 2021	345	–
 <u>Carrying value:</u>		
At 1 April 2019	465	465
At 31 March 2020	293	308
At 31 March 2021	120	132

Lease liabilities are presented in the statement of financial position as follows:

	2021 \$'000	2020 \$'000
Lease liabilities, current	132	179
Lease liabilities, non-current	–	129
	<b>132</b>	<b>308</b>

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The weighted average incremental borrowing rate applied to lease liabilities recognised was 5.25% (2020:5.25%) per year.

The leases are for office space and production facilities in Suzhou, People's Republic of China. The lease contracts are usually for fixed periods of 3 to 5 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

<u>Group:</u>	<u>Minimum payments \$'000</u>	<u>Finance charges \$'000</u>	<u>Present value \$'000</u>
<u>2021:</u>			
Minimum lease payments payable:			
Due within 1 year	134	(2)	132
Total	<u>134</u>	<u>(2)</u>	<u>132</u>
<u>2020:</u>			
Minimum lease payments payable:			
Due within 1 year	190	(11)	179
Due within 2 to 5 years	131	(2)	129
Total	<u>321</u>	<u>(13)</u>	<u>308</u>

Total cash outflows for leases for the year ended 31 March 2021 are shown in the statement of cash flows. There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

# NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

## 16. INVESTMENT PROPERTY

Group and Company	Freehold land \$'000	Freehold building \$'000	Building improvements \$'000	Total \$'000
<u>Cost:</u>				
At 1 April 2019	10,804	6,612	1,430	18,846
Additions	–	–	32	32
At 31 March 2020	10,804	6,612	1,462	18,878
Addition	–	–	36	36
At 31 March 2021	10,804	6,612	1,498	18,914
<u>Accumulated depreciation:</u>				
At 1 April 2019	–	1,634	139	1,773
Depreciation for the year	–	175	46	221
At 31 March 2020	–	1,809	185	1,994
Depreciation for the year	–	175	46	221
At 31 March 2021	–	1,984	231	2,215
<u>Carrying value:</u>				
At 1 April 2019	10,804	4,978	1,291	17,073
At 31 March 2020	10,804	4,803	1,277	16,884
At 31 March 2021	10,804	4,628	1,267	16,699
			<b>Group and Company</b>	
			<b>2021</b>	<b>2020</b>
			<b>\$'000</b>	<b>\$'000</b>
Fair value at end of the year for disclosure purposes only			<b>35,114</b>	30,342
Rental and service income from investment property			<b>1,132</b>	1,236
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the reporting year			<b>(696)</b>	(697)

The depreciation expense is charged under property expenses.

The investment property is two-adjointing six-storey semi-detached industrial buildings located at Nos. 7 and 9 Harrison Road, Singapore 369650/1. Other than an office unit in one of the buildings which is used by the group as its corporate head office and classified under property, plant and equipment in Note 14, the remaining units in the two buildings are leased out under operating leases. Also see Note 30 on operating lease income commitments.

The management has not entered into contractual obligations for the maintenance or enhancement of the investment property.

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 16. INVESTMENT PROPERTY (CONT'D)

As the lessor, the reporting entity manages the risk associated with any rights it retains in the underlying assets including any means to reduce that risk. Such means may include, insurance coverage, buy-back agreements, residual value guarantees or variable lease payments for use in excess of specified limits, having clauses in the leases providing for compensation the lessor when a property has been subjected to excess wear-and-tear during the lease term.

The fair value of investment property was measured in March 2021 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by Colliers International Consultancy and Valuation (Singapore) Pte Ltd, a firm of independent professional valuers and member of Singapore Institute of Surveyors and Valuers. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the reporting year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

A description of the valuation technique and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Nos. 7 and 9 Harrison Road, Singapore 369650/1 (excluding #05-01 which is classified under property, plant and equipment)
Fair value:	\$35,114,000 (2020: \$30,342,000)
Fair value hierarchy:	Level 2 (2020: Level 2)
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs and range (weighted average):	Price per square foot: \$1,191 (2020: \$1,029)
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimate – 10% variation from estimate:	Impact – lower by \$3,512,000; higher by \$3,512,000



# NOTES TO THE FINANCIAL STATEMENTS .....

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## 17. INTANGIBLE ASSETS

<u>Group</u>	<b>Certification fees \$'000</b>
<u>Cost:</u>	
At 1 April 2019	365
Additions	6
At 31 March 2020 and 31 March 2021	<u>371</u>
<u>Accumulated amortisation:</u>	
At 1 April 2019	307
Amortisation for the year	37
At 31 March 2020	344
Amortisation for the year	19
At 31 March 2021	<u>363</u>
<u>Carrying value:</u>	
At 1 April 2019	<u>58</u>
At 31 March 2020	<u>27</u>
At 31 March 2021	<u>8</u>

## 18. INVESTMENTS IN SUBSIDIARIES

	<b>Company</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Unquoted equity shares at cost	<b>22,835</b>	22,635
Allowance for impairment	<b>(12,155)</b>	(12,155)
Net carrying amount	<b><u>10,680</u></b>	<u>10,480</u>
Movements in cost during the year:		
At beginning of the year	<b>22,635</b>	22,553
Additions	<b>200</b>	82
At the end of the year	<b><u>22,835</u></b>	<u>22,635</u>
Movements in allowance for impairment:		
At beginning of the year	<b>12,155</b>	14,138
Impairment loss reversed to profit or loss	<b>-</b>	(1,983)
At end of the year	<b><u>12,155</u></b>	<u>12,155</u>
Analysis of above amounts denominated in non-functional currencies:		
United States Dollar	<b>12,155</b>	12,155
Chinese Renminbi	<b>3,829</b>	3,829
Others	<b>82</b>	82

# NOTES TO THE FINANCIAL STATEMENTS

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## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The increasing performance of a subsidiary was considered sufficient evidence to reverse the impairment loss in 2020. It had better performance from an increase in number of customers and sales. This resulted in a reversal of the impairment loss of the subsidiary recorded in reporting year 2020.

The listing of and information of the subsidiaries are given below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost in books of the company		Effective equity held by the company	
	2021 \$'000	2020 \$'000	2021 %	2020 %
Compex Systems Pte Ltd <sup>(a)</sup> Singapore Trader of own made wireless connectivity products/solutions	1,569	1,569	100	100
Compex Technologies Pte Ltd <sup>(a)</sup> Singapore Trader of own made wireless connectivity products/solutions/computers related peripherals	5,000	5,000	100	100
Harrison Pte Ltd <sup>(e)</sup> (incorporated on 27 January 2021) Singapore Leasing and maintenance of property	200	–	100	–
Compex (Suzhou) Co., Ltd <sup>(b)</sup> People's Republic of China Manufacturer of wireless connectivity products	3,714	3,714	100	100
Compex Wireless (Suzhou) Co., Ltd <sup>(b)</sup> People's Republic of China Trader of own made wireless connectivity products/solutions	115	115	100	100
Compex Technologies Sdn Bhd <sup>(c)</sup> Malaysia Manufacturer of wireless connectivity products	82	82	100	100
Compex Inc <sup>(d)</sup> United States of America Dormant	12,155	12,155	100	100
	22,835	22,635		

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Audited by RSM Chio Lim LLP, a member firm of RSM International.
- (b) Audited by SBA Stone Forest CPA Co., Ltd, an alliance firm of RSM Chio Lim LLP in Singapore for consolidation purpose only.
- (c) Audited by YYC & Co PLT, a Chartered Accountant firm in Malaysia.
- (d) Not required to be audited under the law of its country of incorporation and it is not material.
- (e) Newly incorporated on 27 January 2021 and first audit applicable for this entity will be for reporting year ended 31 March 2022.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

## 19. OTHER FINANCIAL ASSETS

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Investments in equity shares at FVTOCI (Note 19A)	<b>3,224</b>	2,644
Unquoted equity shares at cost through OCI (Note 19B)	<b>5</b>	5
	<b>3,229</b>	2,649

### 19A. Investments in equity shares at FVTOCI

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair value at beginning of the year	<b>2,644</b>	6,364
Disposals	<b>(698)</b>	(68)
Gain on disposal transferred to retained earnings (Note 27)	<b>(3,291)</b>	(276)
Increase/(decrease) in fair value through other comprehensive income	<b>4,569</b>	(3,376)
Fair value at end of the year	<b>3,224</b>	2,644

The gain or loss on remeasuring investments in equity shares at FVTOCI to fair value (other than those relating to hedges) presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity.

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 19. OTHER FINANCIAL ASSETS (CONT'D)

### 19A. Investments in equity shares at FVTOCI (cont'd)

The information below gives a summary of the significant sector concentrations within the investment portfolio:

	Level	Group and Company	
		2021 \$'000	2020 \$'000
Quoted equity shares in corporations – Technology, Thailand	1	<u>3,224</u>	<u>2,644</u>

### 19B. Unquoted equity shares at cost through OCI

	Level	Group and Company	
		2021 \$'000	2020 \$'000
At beginning and end of the year		<u>5</u>	<u>5</u>

The financial reporting standard on financial instruments require that all investments in unquoted equity shares and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

When information about the performance and operations of the investee becomes available after the date of initial recognition and that relevant factors exist, they may indicate that cost might not be representative of fair value. In such cases, the unquoted equity shares have to be measured fair value.

Management has not identified a market for these unquoted equity instruments and it has not made a decision on how and when it intends to dispose of them in the foreseeable future.

The information below gives a summary of the significant sector concentrations within the investment portfolio:

	Level	Group and Company	
		2021 \$'000	2020 \$'000
Unquoted equity shares in corporation – Technology, United States of America	3	<u>5</u>	<u>5</u>

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 20. OTHER NON-FINANCIAL ASSETS, NON-CURRENT

	Group and Company	
	2021	2020
	\$'000	\$'000
Club membership	<u>8</u>	<u>8</u>

## 21. INVENTORIES

	Group	
	2021	2020
	\$'000	\$'000
Finished goods and goods for resale	950	504
Work-in-progress	1,063	454
Raw material, consumables and supplies	<u>3,004</u>	<u>793</u>
	<u>5,017</u>	<u>1,751</u>

Inventories are stated after allowance as follows:

At beginning of the year	285	606
Charged/(reversed) to profit or loss included in cost of sales	249	(116)
Used	<u>(48)</u>	<u>(205)</u>
At end of the year	<u>486</u>	<u>285</u>

Changes in inventories of finished goods and work-in-progress  
The amount of inventories included in cost of sales

	1,055	(546)
	<u>11,336</u>	<u>8,574</u>

There are no inventories pledged as security for liabilities.

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables:				
Outside parties	1,107	1,267	–	21
Less: Allowance for impairment	–	(3)	–	(3)
Net trade receivables – subtotal	1,107	1,264	–	18
Other receivables:				
Outside parties	576	198	12	24
Subsidiaries (Note 3)	–	–	15,344	21,478
Less: Allowance for impairment	–	–	(4,155)	(4,146)
	–	–	11,189	17,332
Net other receivables – subtotal	576	198	11,201	17,356
Total trade and other receivables	1,683	1,462	11,201	17,374

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Movements in above allowances:				
At beginning of the year	3	3	4,149	4,145
Charge of trade receivables to profit or loss included in other income and gains	–	–	9	7
Written-off	(3)	–	–	–
Foreign currency adjustments	–	–	(3)	(3)
At end of the year	–	3	4,155	4,149
Presented as:				
Trade and other receivables, current	1,683	1,462	8,622	15,135
Other receivables, non-current	–	–	2,579	2,239
	1,683	1,462	11,201	17,374

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 22. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 12 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the Covid-19 pandemic) are analysed.

The ageing of the balance is as follows:

	Gross amount		Loss allowance	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Group</u>				
Current	1,012	1,153	-	-
1 – 30 days past due	84	64	-	-
31 – 60 days past due	-	47	-	-
61 – 90 days past due	11	-	-	-
Over 90 days past due	-	3	-	(3)
Total	<u>1,107</u>	<u>1,267</u>	<u>-</u>	<u>(3)</u>
<u>Company</u>				
Current	-	18	-	-
Over 90 days past due	-	3	-	(3)
Total	<u>-</u>	<u>21</u>	<u>-</u>	<u>(3)</u>

The amounts are written-off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

There are no collateral held as security and other credit enhancements for the trade receivables.

To determine whether a financial instrument has low credit risk, management uses its internal credit risk ratings (such as external rating of "investment grade" of a financial instrument) or other methodologies that are consistent with a globally understood definition of low credit risk (such as market participant perspective taking into account all of the terms and conditions of the financial instrument).

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is from 30-90 days (2020: 30-90 days). But some customers take a longer period to settle the amounts.

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 22. TRADE AND OTHER RECEIVABLES (CONT'D)

Concentration of trade receivables customers as at the end of reporting year:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Top 1 customer	<b>517</b>	422
Top 2 customers	<b>758</b>	546
Top 3 customers	<b>887</b>	641

The other receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of expected 12 month credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

At the end of the reporting year a loss allowance is recognised at an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition including the impact of the Covid-19 pandemic. No loss allowance was necessary.

Other receivables are normally with no fixed terms and therefore there is no maturity.

The Company's non-current other receivables of \$2,579,000 (2020: \$2,239,000) are extended as quasi-equity loans to a subsidiary and have no fixed terms of repayment. The directors consider this receivable as quasi-equity in nature as this receivables is not expected to be repaid until such time the subsidiary has the financial resources in excess of their working capital requirements, and is in a position to return the capital. As such, this receivable has not been fair valued.

## 23. OTHER FINANCIAL ASSETS

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Quoted equity shares in corporations (Level 1)	<b>160</b>	145
Movements during the year:		
At beginning of the year	<b>145</b>	217
Fair value gains/(loss) included in profit or loss included in other losses	<b>15</b>	(72)
At end of the year	<b>160</b>	145



# NOTES TO THE FINANCIAL STATEMENTS

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## 24. OTHER NON-FINANCIAL ASSETS, CURRENT

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Prepayments	213	138	23	23
Deposits to secure services	95	40	70	14
	<b>308</b>	178	<b>93</b>	37

## 25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fixed deposits	11,968	29,063	2,700	5,200
Fixed deposits (maturity of over 3 months)	7,600	4,800	3,500	3,100
Cash and bank balances	21,498	5,370	6,836	571
	<b>41,066</b>	39,233	<b>13,036</b>	8,871
Interest earning balances	<b>15,020</b>	34,675	<b>6,319</b>	8,423

The rates of interest for the cash on interest earning balances ranged between 0.01% and 2.00% (2020: 0.05% and 2.95%) per year.

	Group	
	2021 \$'000	2020 \$'000
Amount as shown above	41,066	39,233
Less: Cash restricted in use over 3 months	(7,600)	(4,800)
Cash and cash equivalents in consolidated statement of cash flows	<b>33,466</b>	34,433

## 25A. Reconciliation of liabilities arising from financing activities

	2020	Cash flows	Non-cash	2021
	\$'000	\$'000	changes	\$'000
Lease liabilities	308	(182)	6	132
	<b>308</b>	<b>(182)</b>	<b>6</b>	<b>132</b>
	2019	Cash flows	Non-cash	2020
	\$'000	\$'000	changes	\$'000
Lease liabilities	–	(177)	485	308
	<b>–</b>	<b>(177)</b>	<b>485</b>	<b>308</b>

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 26. SHARE CAPITAL

<u>Group and Company</u>	<u>Number of shares issued \$'000</u>	<u>Share capital \$'000</u>	<u>Treasury shares \$'000</u>	<u>Total \$'000</u>
Ordinary shares of no par value:				
At 1 April 2019 and 31 March 2020	34,953	35,349	(790)	34,559
Capital reduction <sup>(a)</sup>	–	(9,997)	–	(9,997)
At 31 March 2021	<u>34,953</u>	<u>25,352</u>	<u>(790)</u>	<u>24,562</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

	<u>Number of treasury shares</u>		<u>Fair value</u>	
	<u>2021 \$'000</u>	<u>2020 \$'000</u>	<u>2021 \$'000</u>	<u>2020 \$'000</u>
At beginning and end of the year				
31 March 2020 and 31 March 2021	<u>850</u>	<u>850</u>	<u>790</u>	<u>790</u>

### Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

There are no external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

- (a) On 20 October 2020, the High Court of the Republic of Singapore approved a capital reduction proposed by the company which involved a capital distribution of \$0.286 in cash for each ordinary share in the capital of the company. The capital reduction was completed on 17 November 2020.

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. OTHER RESERVES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fair value reserve (Note 27A)	2,834	1,556	2,834	1,556
Reserve on consolidation (Note 27B)	88	88	-	-
Foreign currency translation reserve (Note 27C)	(985)	(1,037)	-	-
	<b>1,937</b>	<b>607</b>	<b>2,834</b>	<b>1,556</b>

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

### 27A. Fair value reserve

	Group and Company	
	2021 \$'000	2020 \$'000
At beginning of the year	1,556	5,208
Transferred to retained earnings – realised on disposal	(3,291)	(276)
Increase/(decrease) in fair value through other comprehensive income	4,569	(3,376)
At end of the year	<b>2,834</b>	<b>1,556</b>

Fair value reserve represents the cumulative fair value changes of equity investments designated as FVTOCI until the investments are derecognised.

### 27B. Reserve on consolidation

	Group	
	2021 \$'000	2020 \$'000
At beginning and at end of the year 31 March 2020 and 31 March 2021	<b>88</b>	<b>88</b>

### 27C. Foreign currency translation reserve

	Group	
	2021 \$'000	2020 \$'000
At beginning of the year	(1,037)	(1,015)
Exchange differences on translating foreign operations	52	(22)
At end of the year	<b>(985)</b>	<b>(1,037)</b>

The translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from presentation currency of the group.

# NOTES TO THE FINANCIAL STATEMENTS .....

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**28. TRADE AND OTHER PAYABLES**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables:				
Outside parties and accrued liabilities	<b>4,243</b>	2,234	<b>361</b>	288
Other payables:				
Outside parties	<b>81</b>	37	-	-
Total trade and other payables	<b>4,324</b>	2,271	<b>361</b>	288

**29. OTHER NON-FINANCIAL LIABILITIES**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Advance rental received	<b>15</b>	33	<b>15</b>	33
Deferred revenue	<b>28</b>	63	-	-
Deposits received	<b>3,551</b>	2,632	<b>214</b>	237
Provision for warranty costs	<b>123</b>	100	-	-
	<b>3,717</b>	2,828	<b>229</b>	270
Movements in provisions for warranty cost:				
At beginning of the year	<b>100</b>	89	-	-
Charged to profit or loss included in cost of sales	<b>72</b>	23	-	-
Used	<b>(49)</b>	(12)	-	-
At end of the year	<b>123</b>	100	-	-
Movements in deposits received:				
At beginning of the year	<b>2,632</b>	3,772	<b>237</b>	250
Performance obligation satisfied – revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year	<b>(2,459)</b>	(3,555)	<b>(63)</b>	(33)
Consideration received or receivable	<b>3,378</b>	2,415	<b>40</b>	20
At end of the year	<b>3,551</b>	2,632	<b>214</b>	237

# NOTES TO THE FINANCIAL STATEMENTS

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## 30. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2021 \$'000	2020 \$'000
Not later than one year	626	1,043
Between 1 and 3 years	107	302
Total	<u>733</u>	<u>1,345</u>
Rental income for the year	<u>1,132</u>	<u>1,236</u>

Operating lease income commitments are for the investment properties. The lease rental income terms are negotiated for an average term of two years at an agreed monthly rental.

## 31. ITEMS IN ADMINISTRATIVE EXPENSES

	Group	
	2021 \$'000	2020 \$'000
Audit fees to:		
– Independent auditor of the company*	122	122
– Other independent auditor	11	11
	<u>133</u>	<u>133</u>

\*Includes an alliance firm of RSM Chio Lim LLP.

The above includes internal and external audit services provided to the Company.

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

### 32A. Categories of financial assets and liabilities

The following table categorises the carrying amounts of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assets:				
Financial assets at amortised cost	42,749	40,695	24,237	26,245
Financial assets at fair value through profit or loss (FVTPL)	160	145	160	145
Financial assets that is an equity investment at fair value through other comprehensive income (FVTOCI)	3,229	2,649	3,229	2,649
	<u>46,138</u>	<u>43,489</u>	<u>27,626</u>	<u>29,039</u>
Financial liabilities:				
Financial liabilities at amortised cost	4,456	2,579	361	288

Further quantitative disclosures are included throughout these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS .....

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## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks.

The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

- (i) Minimise interest rate, currency, credit and market risk for all kinds of transactions.
- (ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
- (iii) All financial risk management activities are carried out and monitored by senior management staff.
- (iv) All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposure to risk, the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### 32C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 25 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

### 32E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The following table analyses the non-derivative financial liabilities at the end of the reporting year by remaining contractual maturity (contractual undiscounted cash flows):

<u>Group</u>	<b>Less than 1 year \$'000</b>	<b>2 to 5 years \$'000</b>	<b>Total \$'000</b>
<u>2021:</u>			
Gross lease liabilities	134	–	134
Trade and other payables	4,324	–	4,324
	<b>4,458</b>	<b>–</b>	<b>4,458</b>
<u>2020:</u>			
Gross lease liabilities	190	131	321
Trade and other payables	2,271	–	2,271
	<b>2,461</b>	<b>131</b>	<b>2,592</b>
<u>Company</u>			
<u>2021:</u>			
Trade and other payables	<b>361</b>	<b>–</b>	<b>361</b>
<u>2020:</u>			
Trade and other payables	288	–	288

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

There are no liabilities contracted to fall due after 12 months at the end of the reporting year. The average credit period taken to settle trade payables is about 90 days (2020: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.



# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial assets.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2021 \$'000	2020 \$'000
Financial assets with interest:		
Fixed rates	<u>15,020</u>	<u>34,675</u>
Financial liabilities with interest:		
Fixed rates	<u>132</u>	<u>308</u>

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The impact on pre-tax profit is insignificant.

### 32G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts of financial assets and financial liabilities denominated in non-functional currency at the end of the reporting year:

Group	United States		
	Thai Baht \$'000	Dollar \$'000	Total \$'000
2021:			
Financial assets:			
Cash and cash equivalents	–	15,162	15,162
Loans and receivables	–	1,109	1,109
Other financial assets	3,224	–	3,224
Total financial assets	<u>3,224</u>	<u>16,271</u>	<u>19,495</u>
Financial liabilities:			
Trade and other payables	–	(734)	(734)
Total financial liabilities	<u>–</u>	<u>(734)</u>	<u>(734)</u>
Net financial assets at end of the year	<u>3,224</u>	<u>15,537</u>	<u>18,761</u>

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32G. Foreign currency risks (cont'd)

Group	United States		
	Thai Baht	Dollar	Total
2020:	\$'000	\$'000	\$'000
<u>Financial assets:</u>			
Cash and cash equivalents	–	11,237	11,237
Loans and receivables	–	1,246	1,246
Other financial assets	2,644	–	2,644
Total financial assets	2,644	12,483	15,127
<u>Financial liabilities:</u>			
Trade and other payables	–	(321)	(321)
Total financial liabilities	–	(321)	(321)
Net financial assets at end of the year	2,644	12,162	14,806

There is exposure to foreign currency risk as part of the group's normal business.

Sensitivity analysis:

	Group	
	2021	2020
	\$'000	\$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the US\$ with all other variables held constant would have an adverse effect on pre-tax profit of	<b>(1,412)</b>	(1,106)
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Thai baht with all other variables held constant would have an adverse effect on other comprehensive income of	<b>(293)</b>	(240)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at the end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 32. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 32H. Equity price risk

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the equity shares. The fair values of these equity shares are disclosed in notes 19 and 23.

## 33. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>SFRS (I) No.</u>	<u>Title</u>
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments SFRS (I) 3
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to SFRS (I) 1-1 and 1-8
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (I) 16	Covid-19-Related Rent Concessions – Amendments to (effective from 1 June 2020)

# NOTES TO THE FINANCIAL STATEMENTS .....

31 March 2021

## 34. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS (I) No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments to	1 January 2022
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to SFRS (I) 1-16	1 January 2022
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to SFRS (I) 1-37	1 January 2022
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 January 2022
Various	Annual Improvements to SFRS(I)s 2019-2020	1 January 2022

## STATISTICS OF SHAREHOLDINGS

As At 17 June 2021

Issued and full paid-up capital (excluding treasury shares):	S\$24,562,120.20
Number of ordinary shares in issue (including treasury shares):	35,802,796
Class of Share:	Ordinary Shares
Number of ordinary shares (excluding treasury shares):	34,953,156
Voting Rights:	One Vote per share

As at 17 June 2021, the total number of treasury shares held was 849,640. The treasury shares as a percentage of the total number of issued shares excluding treasury shares is 2.43%.

The Company does not have any subsidiary holdings.

### DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	122	5.32	7,098	0.02
100 – 1,000	1,161	50.68	660,325	1.89
1,001 – 10,000	877	38.28	2,679,437	7.67
10,001 – 1,000,000	128	5.59	8,273,084	23.67
1,000,001 AND ABOVE	3	0.13	23,333,212	66.75
<b>TOTAL</b>	<b>2,291</b>	<b>100.00</b>	<b>34,953,156</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CHEN MUN	19,427,932	55.58
2	ANG BEE YAN	2,874,800	8.22
3	DBS NOMINEES (PRIVATE) LIMITED	1,030,480	2.95
4	TAN KIAN CHUAN (CHEN JIANZHUAN)	710,000	2.03
5	LIM POH KENG (LIN BAOQING)	663,300	1.90
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	649,940	1.86
7	TAN KOK CHING	400,000	1.14
8	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	391,500	1.12
9	HO SOON TECK	338,200	0.97
10	IFAST FINANCIAL PTE. LTD.	279,100	0.80
11	AH HOT GERARD ANDRE	209,100	0.60
12	HUANG PING K'NAR	182,800	0.52
13	ANG LAY HOON	180,000	0.51
14	SEAH CHYE ANN (XIE CAI'AN)	161,000	0.46
15	LUO FENG	142,100	0.41
16	RAFFLES NOMINEES (PTE.) LIMITED	139,994	0.40
17	CHIN KHAN HEE @CHIN KIAN HEE	130,000	0.37
18	ABN AMRO CLEARING BANK N.V.	126,389	0.36
19	PHILLIP SECURITIES PTE LTD	100,600	0.29
20	SIM WEE MING	99,100	0.28
	<b>TOTAL</b>	<b>28,236,335</b>	<b>80.77</b>

# STATISTICS OF SHAREHOLDINGS .....

As At 17 June 2021

## Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

<u>Name of Shareholders</u>	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
Dr Chen Mun	19,427,932	55.58	0	0.00
Ang Bee Yan	2,874,800	8.22	0	0.00

## Percentage of Shareholdings in Public Hands

35.56% of the Company's shares are in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

# NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING .....

**NOTICE IS HEREBY GIVEN** that the Thirty-Second Annual General Meeting of **POWERMATIC DATA SYSTEMS LIMITED** (the “Company”) will be held by electronic means on Friday, 23 July 2021 at 11.00 a.m. (of which there will be a live webcast), to transact the following businesses:

## AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and Audited Financial Statements of the Company for the financial year ended 31 March 2021 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a first and final one-tier tax exempt dividend of Singapore 5 cents per ordinary share for the financial year ended 31 March 2021. (FY2020: Nil). **(Resolution 2)**
3. To re-elect Mr Tan Chao Hsiung, David as Director of the Company retiring pursuant to Regulation 103 of the Constitution of the Company. **(Resolution 3)**
4. To re-elect Mr Cheng Heng Tan as Director of the Company retiring pursuant to Regulation 107 of the Constitution of the Company. **(Resolution 4)**

Mr Cheng Heng Tan will, upon re-election as Director of the Company, remain as Member of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered independent.

5. To approve the payment of Directors’ Fees of S\$54,500 for the financial year ended 31 March 2021. (FY2020: S\$52,000). **(Resolution 5)**
6. To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

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

### 8. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in 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) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

## NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING .....

- (b) (notwithstanding 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 (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company 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 (i)]**

**(Resolution 7)**

9. **Proposed continued appointment of Mr Tan Chao Hsiung, David as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That contingent upon the passing of Ordinary Resolution 3 above, and in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited which will take effect on 1 January 2022, shareholders to approve Mr Tan Chao Hsiung, David's continued appointment as an Independent Director of the Company, this Resolution will remain in force until the earlier of Mr Tan Chao Hsiung, David's retirement or resignation of the Director; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 9 below.

**[See Explanatory Note (ii)]**

**(Resolution 8)**



## NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING . . . . .

10. **Proposed continued appointment of Mr Tan Chao Hsiung, David as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That contingent upon the passing of Ordinary Resolution 8 above, and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited which will take effect on 1 January 2022, shareholders (excluding Directors, Chief Executive Officer, and their associates) to approve Mr Tan Chao Hsiung, David's continued appointment as an Independent Director of the Company, this Resolution will remain in force until the earlier of Mr Tan Chao Hsiung, David's retirement or resignation of the Director; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 8 above.

**[See Explanatory Note (ii)]**

**(Resolution 9)**

11. **Proposed continued appointment of Dr Lye Kin Mun as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited which will take effect on 1 January 2022, shareholders to approve Dr Lye Kin Mun's continued appointment as an Independent Director of the Company, this Resolution will remain in force until the earlier of Dr Lye Kin Mun's retirement or resignation of the Director; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 11 below.

**[See Explanatory Note (ii)]**

**(Resolution 10)**

12. **Proposed continued appointment of Dr Lye Kin Mun as Independent Director of the Company for the purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That contingent upon the passing of Ordinary Resolution 10 above, and in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited which will take effect on 1 January 2022, shareholders (excluding Directors, Chief Executive Officer, and their associates) to approve Dr Lye Kin Mun's continued appointment as an Independent Director of the Company, this Resolution will remain in force until the earlier of Dr Lye Kin Mun's retirement or resignation of the Director; or the conclusion of the third Annual General Meeting following the passing of Ordinary Resolution 10 above.

**[See Explanatory Note (ii)]**

**(Resolution 11)**

By Order of the Board

Wong Yoen Har  
Secretary  
Singapore, 8 July 2021

# NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING .....

## Explanatory Notes:

- (i) The Ordinary Resolution 7 in item 8 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting 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 issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards and any subsequent bonus issue, consolidation or subdivision of shares.

- (ii) Ordinary Resolutions 8, 9, 10 and 11 are to seek approvals from the shareholders via a Two-Tier Voting process for Mr Tan Chao Hsiung, David and Dr Lye Kin Mun to continue in office as Independent Directors of the Company for a three-year term, with effect from the passing of these resolutions proposed at the Thirty-Second Annual General Meeting, until the conclusion of the third annual general meeting of the Company following the passing of these resolutions. The Board seeks to strike an appropriate balance between tenure of service, continuity of experience and refreshment of the Board. Such refreshment process of the Board will take some time and cannot happen overnight in order to maintain stability to the Board. Furthermore, the Company benefits from such Directors who have, over time, gained valuable insights into the Group, its market and the industry.

The Nominating Committee and the Board have determined that Mr Tan Chao Hsiung, David and Dr Lye Kin Mun remain objective and independent minded in Board deliberations. Their vast experience enable them to provide the Board and the various Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making and that their length of services do not in any way interfere with their exercise of independent judgments nor hinder their abilities to act in the best interests of the Company. Additionally, both Mr Tan Chao Hsiung, David and Dr Lye Kin Mun fulfil the definition of Independent Directors of the Listing Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance 2018. More importantly, the Board trust that both Mr Tan Chao Hsiung, David and Dr Lye Kin Mun are able to continue to discharge their duties independently with integrity and competency.

Mr Tan Chao Hsiung, David will, upon re-election as Director of the Company, remain as Lead Independent Director, Chairman of the Audit Committee and Remuneration Committee and Member of the Nominating Committee and will be considered independent.

Dr Lye Kin Mun will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and Member of the Audit Committee and Remuneration Committee and will be considered independent.

**Shareholders should note that in the event that the proposed Ordinary Resolutions 8, 9, 10 and 11 relating to the continued appointments of Independent Directors are not passed, the Company shall endeavour to fill the vacancy of the independent director(s) (which must comprise of at least one-third of the Board) within two months, in any case not later than three months from the date the Independent Directors be re-designated as Non-Independent Non-Executive Directors for the purpose of compliance with Rule 210(5)(c) of the Listing Manual of the SGX-ST, as applicable.**

## Notes:

- (1) The Annual General Meeting (“the Meeting”) is being convened, and will be held, by 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, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendments No. 2 & 3) Order 2020.
- (2) Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in “**Instructions to Shareholders for the Thirty-Second Annual General Meeting 2021**”.

# NOTICE OF THIRTY-SECOND ANNUAL GENERAL MEETING . . . . .

- (3) **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Central Provident Fund (“CPF”) and Supplementary Retirement Scheme (“SRS”) investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by **11.00 a.m. on 12 July 2021**.

- (4) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- (5) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
- if submitted by post, be lodged with the Company’s registered office at No. 9, Harrison Road, #05-01, Singapore 369651; or
  - if submitted electronically, be submitted via email to [agm2021@powermatic.com.sg](mailto:agm2021@powermatic.com.sg).

in either case, **at least 72 hours before the time for holding the Meeting, by 11.00 a.m. on 20 July 2021**.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

- (6) The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the Meeting as proxy(ies) which was delivered by a member to the Company before 11.00 a.m. on 20 July 2021 as a valid instrument appointing the Chairman of the Meeting as the member’s proxy to attend and vote at the Meeting if:
- the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and
  - the member has not withdrawn the appointment.
- (7) A member may withdraw an instrument appointing the Chairman of the Meeting as proxy by sending an email to [agm2021@powermatic.com.sg](mailto:agm2021@powermatic.com.sg) to notify the Company of the withdrawal, at least 72 hours before the time for holding the Meeting.

## **IMPORTANT**

The following documents can be accessed at <https://powermatic.com.sg/> or on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>:

- **Annual Report for the financial year ended 31 March 2021 (“2021 Annual Report”)**
- **Instructions to Shareholders for the Thirty-Second Annual General Meeting 2021**
- **Notice of Annual General Meeting**
- **Proxy Form**

## **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
Date of Appointment	:	24 March 2008	8 February 2021	1 February 1993
Age	:	59	69	69
Country of Principal Residence	:	Singapore	Singapore	Singapore
Date of last re-appointment (if applicable)	:	25 July 2019	Not Applicable	29 September 2020
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	:	The Board, having considered the recommendation of the Nominating Committee, is of the view that Mr Tan Chao Hsiung, David has the requisite qualifications, knowledge and working experiences to assume the responsibilities as the Independent Director of the Company	The Board, having considered the recommendation of the Nominating Committee, is of the view that Mr Cheng Heng Tan has the requisite qualifications, knowledge and working experiences to assume the responsibilities as the Independent Director of the Company	The Board, having considered the recommendation of the Nominating Committee, is of the view that Dr Lye Kin Mun has the requisite knowledge and experiences to assume the responsibilities as the Independent Director of the Company
Whether appointment is executive, and if so, the area of responsibility	:	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	:	Lead Independent Non-Executive Director, Chairman of AC and RC and member of NC	Independent Non-Executive Director, member of AC, NC and RC	Independent Non-Executive Director, Chairman of NC and member of AC and RC

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
Professional qualifications	:	Fellow member of CPA (Australia)  Master of commerce, University of New South Wales  Bachelor of Economics, Macquarie University	Fellow of Chartered Certified Accountants, Singapore  Fellow of Chartered Certified Accountants, The Association of Chartered Certified Accountants/United Kingdom  Retired Member of the American Institute of CPAs, AICPA, U.S.	B.Sc. University of Alberta, Canada,  M.Eng. University of Singapore, Ph.D., University of Hawaii, Manoa, U.S.A.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	:	Nil	Nil	Nil
Conflict of interest (including any competing business)	:	None	None	None
Working experience and occupation(s) during the past 10 years	:	2012 to date – non executive independent director of Mun Siong Engineering Ltd	February 2012 to Present – Omakase Burger October 2011 to Present – Vishay Intertechnology, Inc	Boards of Singapore Polytechnic and Ngee Ann Polytechnic  Director of Cellonics Inc.
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Rule 720(1))	:	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	:	Yes	None	None
Shareholding Details	:	40,000 ordinary shares	Not Applicable	Not Applicable

## ADDITIONAL INFORMATION .....

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
<b>Other Principal Commitments Including Directorships</b>				
Past (for the last 5 years)	:	None	<p>July 2011 to April 2018 – Chip Eng Seng Corporation Ltd., Independent Director</p> <p>October 2016 to 2019 – Omakase (Partners) Pte. Ltd., Executive Director</p> <p>March 2009 to 2019 – Walton Heng Investments Pte. Ltd., Executive Director</p>	<p>Directorships: Nil</p> <p>Principal Commitments: May 2012 to April 2020 Chief Risk Officer, Agency for Science, Technology and Research (A*STAR)</p> <p>July 2019 to Present Executive Director, Institute for Infocomm Research, Agency for Science, Technology and Research (A*STAR)</p>
Present	:	<p>Directorships: Mun Siong Engineering Ltd – Non Executive Independent Director</p> <p>Principal Commitments: Nil</p>	<p>Directorships: February 2012 to Present – Omakase Burger Pte. Ltd., Executive Director</p> <p>September 2013 to Present – Omakase Burger (Orchard) Pte. Ltd., Executive Director</p> <p>April 2016 to Present – Omakase Pte. Ltd., Executive Director</p> <p>July 2016 to Present – Omakase IT Pte. Ltd., Executive Director</p> <p>Principal Commitments: Nil</p>	<p>Directorships: Nil</p> <p>Principal Commitments: Executive Director, Institute for Infocomm Research, Agency for Science, Technology and Research (A*STAR)</p>

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	:	No	No	No
Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	:	No	No	No
Whether there is any unsatisfied judgment against him?	:	No	No	No

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	:	No	No	No
Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	:	No	No	No
Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	:	No	No	No



## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	:	No	No	No
Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	:	No	No	No
Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	:	No	No	No
Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-				
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	:	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	:	No	No	No

## ADDITIONAL INFORMATION .....

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	:	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	:	No	No	No
Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	:	No	No	No

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	:	Mr Tan Chao Hsiung, David	Mr Cheng Heng Tan	Dr Lye Kin Mun
<b>Disclosure applicable to the appointment of Director only</b>				
<p>Any prior experience as a director of an listed issuer listed on the Exchange?</p> <p>If No, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	:	Not Applicable	Not Applicable	Not Applicable

**POWERMATIC DATA SYSTEMS LIMITED**

(Company Registration No. 198900414E)  
(Incorporated In the Republic of Singapore)

**PROXY FORM**

(Please see notes overleaf before completing this Form)

**IMPORTANT:**

1. The Annual General Meeting ("the Meeting") will be held by 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, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendments No. 2 & 3) Order 2020.
2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), registration for live webcast, submission of questions in advance of the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the Instructions to Shareholders for Annual General Meeting 2021.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
4. Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes by **11.00 a.m. on 12 July 2021**. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 July 2021.

Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Meeting.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No./Registration No.)

of \_\_\_\_\_ (Address)

being a member/members of **Powermatic Data Systems Limited** (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Second Annual General Meeting (the "Meeting") of the Company to be held by electronic means on **Friday, 23 July 2021 at 11.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy to vote for or against or abstain from voting the resolutions to be proposed at the Meeting in the spaces provided hereunder.

No.	Resolutions relating to:	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	To adopt the Statement by Directors and Audited Financial Statements for the financial year ended 31 March 2021 together with the Independent Auditor's Report thereon			
2.	Payment of proposed first & final one-tier tax exempt dividend			
3.	To re-elect Mr David Tan Chao Hsiung as Director of the Company			
4.	To re-elect Mr Cheng Heng Tan as Director of the Company			
5.	To approve of Directors' Fees of S\$54,500 for the financial year ended 31 March 2021			
6.	To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
7.	To authorise Directors to allot and issue shares			
8.	Approval of Mr Tan Chao Hsiung, David's continued appointment as Independent Director in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited which takes effect on 1 January 2022			
9.	Approval of Mr Tan Chao Hsiung, David's continued appointment as Independent Director by shareholders (excluding Directors, Chief Executive Officer, and their associates) in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited which takes effect on 1 January 2022			
10.	Approval of Dr Lye Kin Mun's continued appointment as Independent Director in accordance with Rule 210(5)(d)(iii)(A) of the Listing Manual of the Singapore Exchange Securities Trading Limited which takes effect on 1 January 2022			
11.	Approval of Dr Lye Kin Mun's continued appointment as Independent Director by shareholders (excluding Directors, Chief Executive Officer, and their associates) in accordance with Rule 210(5)(d)(iii)(B) of the Listing Manual of the Singapore Exchange Securities Trading Limited which takes effect on 1 January 2022			

If you wish the Chairman of the Meeting as your proxy to cast all your votes **For** or **Against** a resolution, please tick (✓) within the box in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box in respect of that resolution.

If you wish the Chairman of the Meeting as your proxy to Abstain from voting on a resolution, please tick in the Abstain box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the Abstain box in respect of that resolution.

In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

**Notes:**

1. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.** This proxy form may be accessed at the Company's website at <https://powermatic.com.sg/> and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
2. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as Proxy for that resolution will be treated as invalid.
3. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by **11.00 a.m. on 12 July 2021**.
6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. The duly completed and signed instrument appointing the Chairman of the Meeting as proxy must either be submitted by:
  - (a) mail to the Company's registered office at No. 9, Harrison Road, #05-01, Singapore 369651; or
  - (b) email to [agm2021@powermatic.com.sg](mailto:agm2021@powermatic.com.sg).

as soon as possible, in either case, not less than seventy-two (72) hours before the time appointed for holding the Meeting.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms personally or by post, members are strongly encouraged to submit completed proxy forms electronically via email.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 July 2021.

**GENERAL:**

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy 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. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



**POWERMATIC DATA SYSTEMS LIMITED**

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Co. Reg.No.: 198900414E

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