POLLUX
PROPERTIES

Building **Strengths**
Shaping **Growth**




Annual Report
2023

Contents

This annual report has been prepared by Pollux Properties Ltd. (the "Company") and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist (the "Catalist Rules").

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

About The Company

Pollux Properties Ltd. (**"Pollux", together with its subsidiaries, the "Group"**) is a leading Singapore-based real estate company that owns, develops, invests, manages, and operates a diverse property portfolio as well as other real estate correlated businesses. Our well-diversified portfolio comprises apartment homes, offices, serviced apartments, retail spaces as well as an integrated hospitality management business and managed investment funds.

As a forward-thinking organisation, we focus on delivering superior financial performance and sustained growth to our stakeholders through strategic income growth and value creation in our portfolio assets, products and services. Our strong management expertise and engaged employees provide the talent and precise execution needed to leverage on identified market opportunities.

With a proven track record of delivering quality properties and services that offer perennial value, the Group continues its journey in developing and evolving its people and businesses with a constant view to growth.

What We Do

01. Property Development

The Group brings together many years of industry and professional experience in tackling the complex processes in project analysis, feasibility studies, construction management and more throughout the entire development lifecycle to deliver successful projects.

02. Property Investment

Our property investment business unit invests primarily in real estate used for office, retail and residential purposes, bringing a unique focus and depth of expertise to the sector. We are committed to delivering competitive investment performance through economic and property market cycles for long-term success.

03. Hospitality Management

Leveraging on the strength and experience of our human capital, the Group's hospitality business unit aims to build enhanced revenue and fee-based income streams as a hospitality management operations platform and services provider group.

04. Fund Management

Our subsidiary provides investment fund management and discretionary investment mandates to institutional and private investors. Our long-standing track record across Asia Pacific are raised from a diverse pool of investors across our discretionary and private funds.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Group's Annual Report for the financial year ended 31 December ("**FY**") 2023.

It is with great pride that we reflect on the progress we have made as a leading real estate company that owns, develops, invests, manages and operates a diversified property portfolio as well as other correlated real estate businesses.

FY2023 has been a year characterised by escalating inflation rates, high interest rates and slower growth. The property market in Singapore also began to see softening signs, especially in the rental markets. Private home rentals only rose by 8.7%, a significant moderation from the 29.7% growth in FY2022. Similarly, rentals for offices also increased modestly by 1.1% in FY2023, slower than the 2.2% growth in FY2022. These were mainly attributable to a tight market coupled with increased market supply due to more new launches and completion.

Despite the challenging operating environment, the Group has remained resilient and continued to deliver solid results. Our unwavering commitment to excellence, coupled with strategic decision-making, has enabled us to navigate through turbulent times. We managed to maintain revenue of $13.8 million in FY2023, relatively consistent with that in the preceding year. During the financial year, our new hotels in Indonesia also commenced operations, contributing positively to overall revenue. With our serviced apartments leased out to an external operator, our cost of sales fell by more than 97% to $39,871 in FY2023 as compared to $1.4 million in FY2022. This drove an 11.1% increase in our gross profit to $13.7 million in FY2023 from $12.4 million in the previous year.

"We will continue to strengthen our presence, while building strategic partnerships in the robust and dynamic real estate market in Indonesia, reinforcing our commitment to unlocking value in the diverse market environments."

gross profit

$13.7 million

fair valuation

$344.5 million

However, against the tough operating conditions, there was a significant reduction in fair valuation gain on our investment properties, the Group recorded net profit of approximately $1.97 million in FY2023, as compared to $6.49 million in FY2022.

BUILDING OUR STRENGTHS

During the year under review, we continue to build upon our diversified portfolio which comprises apartment homes, offices, serviced apartments, retail spaces, hotels, as well as integrated hospitality management business, with a focus on strengthening our four key pillars of growth, namely property development, property investment, fund management and hospitality management.

We continue to adopt an asset-light strategy that is supported by strong human capital and domain expertise in these core businesses. The various operating lease agreements we inked provide us with recurring revenue streams from our Singapore-based investment properties. These ensure steady cash flows in accordance with the lease terms and enable the Group to sharpen our value proposition, positioning us for future growth and resilience in the face of market fluctuations.

Beyond the borders, our hotels in West Java, Indonesia were pre-launched during the last quarter of the financial year, and currently in operations, registering $0.2 million in hotel income. We will continue to strengthen our presence, while building strategic partnerships in the robust and dynamic real estate market in Indonesia, reinforcing our commitment to unlocking value in the diverse market environments.

SHAPING OUR GROWTH

Looking ahead, the supply of private homes in Singapore is set to continue its rising trend in the first half of 2024, which is forecast to result in a 5% decline in rentals in the upcoming year. In 2023, over 18,000 private residences were completed, resulting in slower rental demand. Additionally, digital nomads relocating to more affordable nearby countries can further aggravate the declining tenant demand for private residential homes.

Likewise, supply of new office spaces in Singapore is also expected to increase in 2024, coupled with slow rise in premium office rentals. Grade-A rentals may increase by 2% to 3% in 2024, outperforming 2023's growth of 1.7%, but prolonged economic uncertainty, high interest rates and status of the technology sector continue to pose challenges to the office rental market.

Nonetheless, we are cautiously optimistic about the future outlook for the property market in both Singapore and Indonesia. While uncertainties persist, we are confident in our ability to adapt to evolving market conditions and capitalise on emerging opportunities. As we continue to pursue our strategic objectives, we remain committed to delivering value for our shareholders, stakeholders, and the communities in which we operate.

Chairman’s Statement
— Continued

Moreover, Indonesia’s economic growth remains resilient, backed by a stable currency and declining inflation trend. Indonesia saw 9.49 million foreign tourist arrivals in 2023, exceeding the initial goal of 8.5 million. Indonesia’s Ministry of Tourism and Creative Economy aims to attract 1.5 million tourist arrivals from China in 2024, which is expected to provide an equitable distribution of tourism benefits across Indonesia. In addition, Indonesia is also making a significant push for sustainable and eco-tourism, aiming to draw up to 14.3 million international travellers.

In pursuit of our long-term growth, we are also taking steps to drive corporate social responsibility initiatives, supporting local communities and contributing to sustainable development in both Singapore and Indonesia. Our efforts to create value extend beyond financial returns, as we strive to make a positive impact on the lives of those we serve.

In light of the uncertainties and challenges ahead, the Group will continue to exercise prudence in cash flow management by adopting cost-savings initiatives and deferring non-essential capital expenditure. The Group will also remain cautious when seeking accretive land and investments locally and abroad.

OUR HEARTFELT THANKS

In closing, I would like to take this opportunity to thank Mr. Jacob Lee for his invaluable contribution and leadership during his tenure as the Chief Executive Officer of the Group. I wish him all the best for his future endeavours. At the same time, I would like to warmly welcome Mr. Nico Purnomo Po who has joined us as an Executive Director and Chief Executive Officer. I believe that he will bring vast knowledge and experience to the Board.

Last but not least, I would also like to express my sincere gratitude to our shareholders, board members, management team, and employees for their unwavering dedication and contribution to the Group’s success. Together, we will continue to chart a course of sustainable growth and prosperity for the benefit of all stakeholders.

PHUA CHER CHEW
Non-Executive and Independent Chairman

Together
We Build Excellence

Our Commitment

The pursuit of excellence and perfection are embedded into everything we do.

We build the future through confidence and trust.

We build lasting impressions, long-term value and peace of mind.

We build excellence and perfection through our people.

OUR VISION

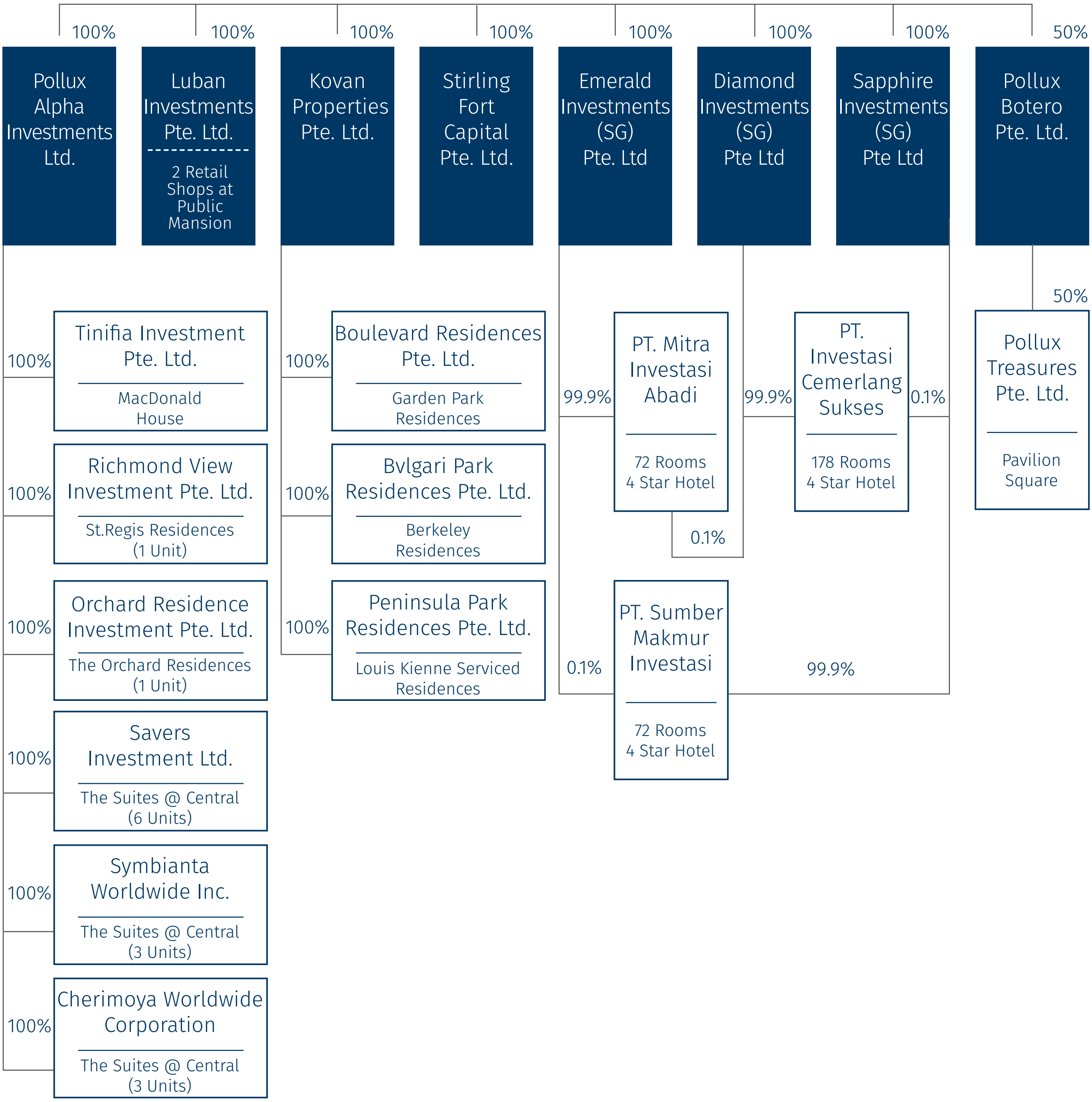
To be the premier multi-national real estate group that shapes the future of real estate, fund management and hospitality in the region.

OUR MISSION

To create, invest in, manage, and operate innovative landmark developments and businesses that deliver perennial value to the community and achieve sustainable higher returns to our shareholders.

Corporate Structure

Pollux Properties Ltd.



Board of Directors

Mr. Phua Cher Chew
Non-Executive & Independent Chairman

Mr. Phua, 50, is the Chairman of the Board of Directors and has been an Independent Director of the Company since 26 July 2021 and 31 May 2021 respectively. He is a member of the Audit Committee and Remuneration and Nominating Committee. Mr. Phua is currently the Chief Executive Officer of Technopals Pte Ltd.

Mr. Phua's extensive leadership experience includes his appointment as the Executive Director and Chief Executive Officer of Amcorp Global Limited (formerly known as Tee Land Limited). He has over 10 years of experience in the real estate industry involving corporate strategy, real estate development, business development and portfolio acquisitions.

Mr. Phua holds a Bachelor of Business (Marketing) Degree from Central Queensland University and a Diploma in Accounting from Singapore Polytechnic. He is also a member of Singapore Institute of Directors.

Mr. Jacob Lee Yen Min
(resigned on 27 October 2023)
Chief Executive Officer & Executive Director

Mr. Lee, 57, joined the Company as the Chief Executive Officer and Executive Director of the Group on 31 May 2021 and has resigned on 27 October 2023. During Mr. Lee's appointment as the Executive Director and Chief Executive Officer, he was responsible for the overall management and execution of the Group's strategies and policies. He provided strong leadership and strategic vision for the Group's portfolio of business, leads and oversees the Group's operations both locally and regionally.

With over 35 years of experience in the hospitality management and investment industry, Mr. Lee had held senior positions in various international hotel chains. His extensive management experience include hotel pre-opening, property turnaround and rebranding.

Mr. Lee holds a Diploma in Hotel & Catering & Management from ICS Learning Centres.

Mr. Nico Purnomo Po
Executive Director and
Chief Executive Officer

Mr. Nico, 43, was appointed to the Board on 27 October 2023. He is also the Chief Executive Officer of the Company. He is responsible for the management and operation of the Group as well as the implementation of the Group's strategies and policies. He continues to provide strong leadership and strategic vision for the Group's portfolio of businesses. Currently, he leads and oversees the Group's operations both locally and regionally.

Mr. Nico holds a Bachelor degree in Computing from National University of Singapore in 2003. He does not hold any directorship in other listed companies whether in or outside Singapore.

Mr. Paul Tan Lye Heng
Independent Director

Mr. Tan, 58, joined the Board of Directors as an Independent Director of the Company on 9 December 2020. He is currently the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committee. He has over 20 years of work and academia experience in areas of accounting, auditing, tax advisory, risk and corporate advisory and regulatory compliance. He is currently the Chairman of Nexia Singapore PAC (formerly known as Kreston ACA PAC), and the director of Nexia Solutions Pte. Ltd.

Mr. Tan holds a Master of Business Administration from University of Birmingham. He is a Fellow Chartered Accountant of Singapore of the Institute of Singapore Chartered Accountants and a fellow member of the Association of Chartered Certified Accountants, UK. He is also an Accredited Tax Adviser (Income Tax and GST) of Singapore Chartered Tax Professionals Limited and a member of Singapore Institute of Directors. He is also an associate of Institute of Chartered Accountants in England and Wales. He is also an Independent Director of PSC Corporation Ltd, Serial System Ltd and Second Chance Properties Ltd.

Mr. Brian Praneda
Independent Director

Mr. Praneda, 48, has been an Independent Director of the Company since 31 December 2021. He is the Chairman of the Remuneration and Nominating Committee and a member of the Audit Committee. He has over 10 years of work experience in legal advisory and litigation. His areas of expertise include corporate and commercial law and initial public offerings. Currently, he serves as the Managing Director of Praneda & Partners Law Firm.

Mr. Praneda received his Bachelor of Law degree from Sriwijaya University, South Sumatra and is a member of the Indonesia Bar Association. He is an Independent Commissioner of PT. Pollux Hotel Groups, PT. Pollux Properties Indonesia and PT. Aesler Grup Internasional Tbk.

Key Management

Mr. Lau Wei Kian
Financial Controller

Mr. Lau, 41, has been the Financial Controller of the Company since July 2019. He is responsible for overseeing the finance and accounting functions of the Company and the Group. Prior to joining the Company, he was a Group Financial Controller of a company listed on the mainboard of the SGX-ST. Prior to that, he was an auditor in Ernst and Young LLP (Singapore) and Deloitte & Touche (Malaysia). Mr. Lau holds a Bachelor of Accounting from the Multimedia University, Malaysia.

Financial & Operations Review

Revenue

The Group's revenue comprised income from rental income and income under the hotel operations segment. The total revenue of $13.8 million is relatively consistent with FY2022. In FY2023, a total revenue of $0.2 million was generated from the Group's new segment which is hotel operations.

Cost of sales and Gross profit

The Group's cost of sales decreased by 97.2% from $1.4 million in FY2022 to $0.04 million in FY2023. The cost of sales was derived from costs incurred to operate the hotels in FY2023, in contrast to costs incurred to operate the serviced apartment in FY2022. There was no cost of sales incurred to operate the serviced apartment in FY2023 as the serviced apartment has been leased out to an external operator since 1 January 2023. Correspondingly, gross profit has increased by 11.1% in FY2023.

Interest income

Interest income of $0.02 million in FY2023 mainly pertains to interest received from fixed deposits placed in bank. There was a 74.3% decrease from $0.08 million in FY2022 attributable to lower interest earned due to the release of a fixed deposit facility in FY2023.

Other income

Other income of $0.77 million mainly consists of fair valuation gain on investment properties of $0.42 million, reversal of provision of liquidated damages and retention sum payable which totalling $0.31 million and income obtained from government grants such as job support scheme, jobs growth incentive and wage credit scheme. The decrease of $4.04 million from $4.81 million in FY2022 was mainly due to reduction in fair value gain on investment properties from $4.63 million to $0.42 million.

Marketing and distribution expenses

Marketing and distribution expenses of $0.07 million included marketing efforts for rental leases and third-party commissions paid to property agents in FY2023. The decrease of $0.02 million from $0.09 million in FY2022 was mainly due to fewer marketing activities for the Group's properties.

General and administrative expenses

General and administrative expenses of $4.25 million included foreign exchange differences, staff costs, depreciation expenses, professional fees, directors' fees and office expenses. The 20.4% decrease from $5.34 million in FY2022 was mainly due to lower foreign exchange losses with the Group's exposure to Indonesian Rupiah.

Finance costs

Finance costs has increased by 80.2% from $4.23 million in FY2022 to $7.62 million in FY2023 due to the higher interest rates charged by banks during FY2023. The Group's loans are denominated in Singapore Dollars. During FY2023, the interest rates of the bank loans ranged from 4.70% to 7.05% (FY2022: 1.05% to 4.78%).

Overview in FY2023

REVENUE (S$'M)

$13.80

million

GROSS PROFIT (S$'M)

$13.75

million

NET PROFIT AFTER TAX (S$'M)

$1.97

million

Financial & Operations Review
— Continued

NET ASSETS (S$'M)

$207.92

million

Share of results of a joint venture, net of tax

The share of loss of $0.04 million in FY2023 reduced by 92.1% from $0.45 million in FY2022 due mainly to the impairment loss recognised from the market valuation of the four retail units held by the joint venture company in FY2022.

Income tax expense

The decline in income tax expenses of $0.07 million from $0.66 million in FY2022 to $0.59 million in FY2023 was mainly due to the lower taxable income, mainly arising from higher finance costs in FY2023.

As a result of the above, the Group recorded a net profit of approximately $1.97 million in FY2023 as compared to $6.49 million in FY2022.

STATEMENT OF FINANCIAL POSITION

The financial position of the Group remained strong with net assets of $207.92 million as at 31 December 2023. The Group's cash and bank deposits balances stood at $5.28 million as at 31 December 2023 as compared to $9.59 million as at 31 December 2022.

Assets

The Group's total assets stood at $373.69 million as at 31 December 2023 as compared to $377.91 million as at 31 December 2022. The decrease of $4.22 million was mainly due to (i) decrease of $4.31 million in cash and bank deposits largely due to repayment of loans and borrowings; (ii) decrease of $0.66 million in trade receivables, which were partially offset by (iii) increase of $0.42 million in total fair value of investment properties.

Liabilities

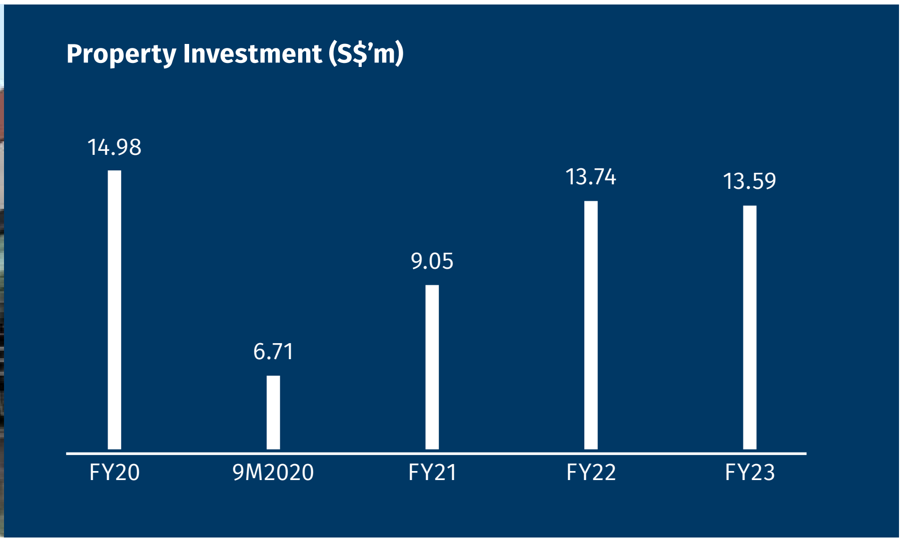
Total liabilities stood at $165.77 million as at 31 December 2023 as compared to $171.95 million as at 31 December 2022. The decrease of $6.18 million was mainly due to (i) the net repayment of the loans and borrowings of $4.73 million; (ii) decrease in other payables and accruals of $0.74 million; (iii) decrease of $1.18 million in trade payables arising from the payment settlement to trade vendors and suppliers; (iv) decrease of $0.04 million in rental received in advance; partially offset by (v) increase in amount due to related parties of $1.01 million.

As at 31 December 2023, the Group's current liabilities exceeded its current assets by $20,150,223 (31 December 2022: current liabilities exceeded its current assets by $22,215,516). The acquisition of the three hotel properties ("**Properties**") in Bekasi, Indonesia during FY2022 were funded internally by cash. The Properties are currently classified as non-current assets resulting in the Group's net current liability position as at 31 December 2023 and 31 December 2022. The Group is in the process of restructuring its loans and borrowings to meet its current obligations as and when they fall due.

CONSOLIDATED CASH FLOW STATEMENT

The Group's cash and cash equivalents decreased by $3.31 million mainly due to the following:

1) Net cash flows generated from operating activities of $7.98 million mainly due to (i) profit generated before tax; (ii) decrease in trade receivables; partially offset by (iii) decrease in trade payables; (iv) decrease in rental received in advance and (v) decrease in other payables and accruals;
2) Net cash flows used in investing activities of $1.06 million mainly due to purchase of property, plant and equipment; and
3) Net cash flows used in financing activities of $10.27 million mainly due to (i) repayment of loans and borrowings and (ii) interest paid; partially offset by (iii) proceeds from loans and borrowings, (iv) decrease in fixed deposits pledged, (v) proceeds of loan from joint venture and (vi) advances from related party.



5 Years Revenue By Business Segments (S$'m)

	FY20	9M2020	FY21	FY22	FY23
Property Investment	14.98	6.71	9.05	13.74	**13.59**
Property Development	-	-	-	-	**-**
Fund Management	-	0.07	0.08	0.06	**-**
Hotel Operations	-	-	-	-	**0.20**
Total	**14.98**	**6.78**	**9.13**	**13.80**	**13.79**

5 Years Gross Profit By Business Segments (S$'m)

	FY20	9M2020	FY21	FY22	FY23
Property Investment	12.68	5.64	7.59	12.31	**13.59**
Property Development	-	-	-	-	**-**
Fund Management	-	0.07	0.08	0.06	**-**
Hotel Operations	-	-	-	-	**0.16**
Total	**12.68**	**5.71**	**7.67**	**12.37**	**13.75**

Corporate Social Responsibility

We are committed to engaging with our value chain to incorporate innovative practices to reduce our carbon footprint.

ENVIRONMENT MANAGEMENT

At Pollux, we are committed to engaging with our value chain to incorporate innovative practices to reduce our carbon footprint. We aim to be a responsible partner in the communities we operate and are dedicated to mitigating our environmental impact. We monitor and track energy efficiency across our major operating assets and adopt energy reduction strategies and initiatives. The efficient use of environmental resources contributes to the functioning efficiency and long-term sustainability of the Group. We will continue to ensure that operations are conducted to comply with best practices, environmental standards and legislation.

By integrating environmental considerations in our business decisions, we minimise the environmental impact integral to our operations. Our environmental initiatives include maintaining energy efficiency correlated to business growth, waste minimisation and efficient management and use of resources. We maintain our properties in accordance to guidelines set by local building authorities and continue to uphold our environmental commitments. By actively seeking to minimise our carbon footprint, we focus on reducing waste at the source before considering repurposing or recycling.

Reducing the environmental impact of our operations plays an important role of becoming a more sustainable organisation. The Group continues to identify and review material environmental topics that are most relevant to its operations and industry. We will continue to stay updated with the developing sustainability reporting standards and regulatory compliance requirements.

AT POLLUX, WE MINIMISE THE ENVIRONMENTAL IMPACT INTEGRAL TO OUR OPERATIONS.

- Waste minimisation
- Efficient management and use of resources
- Maintaining energy efficiency correlated to business growth

ORGANISATIONAL AND RELATIONSHIP MANAGEMENT

Pollux recognises that fair, diversified and inclusive employment practices are crucial in ensuring a supportive workplace environment. At Pollux, we highly encourage a workplace culture that embraces diversity and merit-based employment. Fair employment, training and development, health and safety of our employees are core pillars and fundamental to the Group's sustainable growth.

With the end of Covid-19 endamic situation, Pollux continues to maintain safe and healthy working conditions for its employees. Pollux has complied with the Singapore Government's Safe Management Measures and timely communication of government advisories internally. We support the health and wellness of our employees and recognise that employees require varied types of support. We aim to provide a tailored work environment that contributes to the well-being of our staff. Our efforts include flexible working arrangements and a supportive non-discriminatory workplace environment. We are committed to maintaining a culture of inclusion, involvement and fairness as our employees continue with remote working arrangements and interactions.

The Group actively engages its staff through various channels for effective flow of key information. In addition to physical meetings, regular virtual communication sessions allow management to interact and engage with staff on a timely basis. The Group's code of conduct and established policies remain readily available to all employees. Our staff have signed employment contracts with transparent and clear employment terms. All employees are required to conduct themselves at the highest ethical level and the Group adopts a zero tolerance stance against corruption or fraudulent misconduct. We practice an open-door policy where staff may raise their concerns directly to management relating to any aspect of their employment. Whistle blowing policy and procedures are made accessible to all staff and external stakeholders. Pollux strives to fulfil the needs and rights of all employees in accordance to applicable laws and regulations.

Our people are the foundation to the Group's successes. Our recruitment practices adheres to the Group's guidelines of a diversified and inclusive workplace. As Pollux continues to grow, it is important that our functional competencies reflect current business needs. Sustainable human capital management is essential and we provide opportunities for employees to upgrade their competencies through training programmes and seminars.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Pollux commits to promoting board diversity and acknowledges the benefits of a diverse boardroom. A diverse board allows the Group to benefit from all available perspectives while fostering innovation and creativity.

The integration of corporate governance and sustainability enables long-term value creation and sustainable growth. The Board and management remain steadfast in balancing the interests of our stakeholders, compliance with applicable laws and regulations and impact on the environment. We recognise that good corporate governance polices coupled with sound risk management practices are present in an effective and prudent Board. Our culture of compliance and ethical business conduct remain pillars of our sustainable business model. We seek to pursue a holistic approach that balances shareholder's returns and environment concerns.

We will continue to evaluate our current governance practices and risk management frameworks to ensure that emerging issues are addressed and managed adequately. We are fully committed to upholding the highest standards of corporate governance and business integrity in all our business activities.

Corporate Information

Board of Directors

Phua Cher Chew
Non-Executive &
Independent Chairman

Nico Purnomo Po
Executive Director &
Chief Executive Officer

Tan Lye Heng Paul
Independent Director

Brian Praneda
Independent Director

Audit Committee

Tan Lye Heng Paul (Chairman)
Phua Cher Chew
Brian Praneda

Remuneration and Nominating Committee

Brian Praneda (Chairman)
Tan Lye Heng Paul
Phua Cher Chew

Company Secretary

Shirley Tan Sey Liy
(MSc Mgmt (Hons) (UCD), FCS, FCG)

Registered Office

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Tel: +65 6922 0333 Fax: +65 6922 0338
Email: info@pollux.com.sg
www.pollux.com.sg

Bankers

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
Maybank Singapore Limited
DBS Bank Ltd
PT Bank National Nobu Tbk
PT Bank Central Asia Tbk

Share Registrar and Share Transfer Office

B.A.C.S. Private Limited
77 Robinson Road,
#06-03 Robinson 77,
Singapore 068896

Auditors

Foo Kon Tan LLP
1 Raffles Place #04-61/62,
One Raffles Place, Tower 2,
Singapore 048616

Partner-in-charge:
Chan Ser

Date of appointment:
From financial year ended 31 December 2023

Sponsor

Novus Corporate Finance Pte. Ltd.
7 Temasek Boulevard
#04-02 Suntec Tower 1
Singapore 038987

Corporate Governance Report

Pollux Properties Ltd. (the "**Company**") and its subsidiaries (collectively, the "**Group**") are committed to maintaining a high standard of corporate governance within the Group, so as to ensure greater transparency and protection of shareholders' interests. The Group supports the spirit of the Code of Corporate Governance 2018 (the "**Code**") and accompanying Practice Guidance, whilst also recognising that it needs to develop and maintain its own corporate governance processes to meet its specific business needs.

This report outlines the Group's corporate governance processes and structures that were in place throughout the financial year ended 31 December 2023 ("**FY2023**"), with specific reference made to each of the principles and the provisions of the Code pursuant to Rule 710 of the Listing Manual – Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The board of directors (the "**Board**" or the "**Directors**") of the Company confirms that, for FY2023, the Group has adhered to all principles set out in the Code. Where there were any deviations from any provisions of the Code, appropriate disclosures and explanations for the deviations and how the practices adopted are consistent with the intent of the relevant principles are provided in this report.

Where necessary, the Board will review and set out the appropriate corporate governance practices to comply with the Code in the next annual report covering the financial year ending 31 December 2024.

BOARD MATTERS

The Board's Conduct of Affairs

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

Role of the Board

The primary role of the Board is to protect and enhance long-term value and returns for the shareholders. The Board approves the Group's strategic plans, key business initiatives, major investments and funding decisions, and ensures the business affairs of the Group are effectively managed and conducted by the management of the Company (the "**Management**").

The Board has adopted internal guidelines for cheque signatories and approval of capital and operating expenditures to optimise operational efficiency. Additionally, the Board has direct responsibility for decision-making in respect of the following:

(a) providing entrepreneurial leadership, setting the strategic directions and goals of the Company and ensuring that adequate resources are available to meet these objectives;

(b) establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(c) overseeing and monitoring the management and affairs of the Company;

(d) monitoring and reviewing the Management's performance towards achieving organisational goals;

(e) overseeing the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;

(f) monitoring the financial performance of the business including approval of release of the annual and interim financial reports and interested person transactions;

Corporate Governance Report

(g) identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;

(h) ensuring accurate and timely reporting to, and communication with shareholders;

(i) ensuring the Company's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct;

(j) determining and setting the Company's values and standards, including ethical standards, and ensuring consistency with the culture as well as ensuring that obligations to shareholders and other stakeholders are understood and met; and

(k) considering sustainability issues, including environmental and social factors, in the formulation of the Company's strategies.

The Board has in place a code of conduct and ethics, which sets an appropriate tone-from-the-top and desired organisational culture and ensures proper accountability within the Company. Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group. They are always obliged to act in good faith, objectively discharge their fiduciaries duties and responsibilities, and take objective decisions in the interests of the Company. Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction have to declare the nature of their interests in accordance with the provisions of the Companies Act 1967 (the "**Companies Act**").

The Board holds the Management accountable for performance. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict. The Directors would abstain from voting and decision involving the issues of conflict.

The Company has adopted internal guidelines governing matters that require the Board's approval, and clear directions have also been given to the Management on the following matters which must be approved by the Board:

(a) material acquisition and disposal of assets/investments;

(b) corporate/financial restructuring and corporate exercise;

(c) material financial/funding arrangements and capital expenditures;

(d) policies and procedures, delegation of authority matrix, code of conduct and business ethics;

(e) nomination of directors and appointment of key executives; and

(f) interested persons transactions.

All relevant information on material events and transactions will be circulated to the Directors as and when they arise.

To facilitate effective management and without abdicating the Board's responsibility, certain functions of the Board have been delegated to various Board committees ("**Board Committees**"). The Board is assisted by an Audit Committee ("**AC**") as well as a Remuneration and Nominating Committee ("**RNC**"), each of which functions are clearly defined in their respective terms of reference and operating procedures as set out in the various principles and provisions in this report, which are reviewed by the Board on a regular basis. The RNC and AC comprise Non-Executive Directors, all of whom including the Chairman of each Board Committee, are independent.

Corporate Governance Report

Board Meetings and Meetings of Board Committees

The Board meets on a half-yearly basis to review the financial performance of the Group and approve the release of the Group's half-year and full-year financial results. Additional meetings of the Board may be held as and when circumstances require. The Constitution of the Company (the "**Constitution**") allows meetings of the Board and Board Committees to be conducted by way of teleconference and videoconference. The Directors normally set dates of the meetings of the Board and Board Committees well in advance.

The attendance of Directors who were in office during FY2023 at meetings of the Board, Board Committees and general meeting held in FY2023 are set out below:

Name of Director/ Meeting	Board		Audit Committee		Remuneration and Nominating Committee		Annual General Meeting	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Tan Lye Heng Paul	3	3	2	2	1	1	1	1
Phua Cher Chew	3	3	2	2	1	1	1	1
Jacob Lee Yen Min(1)	3	2	N.A.	N.A.	N.A.	N.A.	1	1
Brian Praneda	3	3	2	2	1	1	1	1
Nico Purnomo Po(2)	3	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Notes:

(1) Mr. Jacob Lee Yen stepped down as Executive Director and Chief Executive Officer ("**CEO**") on 27 October 2023 for health reasons.

(2) Mr. Nico Purnomo Po was appointed as the Executive Director and CEO on 27 October 2023.

The Directors are required to declare their board representations. Annually, the NC reviews the multiple board representations held by the Directors and will consider whether the Director is able to adequately carry out his director's duties, to ensure that sufficient time and attention are given to the affairs of the Company. Based on the attendance of Directors at the meetings of the Board and Board Committees, it was satisfied that sufficient time and attention were given by all Directors to participate all the meetings held during FY2023.

To ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with a management report containing complete, adequate and timely information prior to Board meetings as well as a report of the Group's ongoing activities. In addition to the business plans submitted to the Board for approval, the Board is provided with board papers and related materials in respect of the Group's financial, business, performance, position and prospects as and when requested so as to enable the Directors to be properly briefed on the matters to be considered at the Board and Board Committees meetings and to make informed decisions.

The Management will also keep the Board apprised of material variances between the actual results, corresponding period of the last financial year and the budget with appropriate explanation on such variances.

The Board, the Board Committees and every Director have separate and independent access to the Management and are entitled to request for additional information as needed to make informed decisions. The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

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The Directors may, separately and independently, seek independent professional advice as and when necessary, in furtherance of their duties. The appointment of such professional advisers is subject to approval by the Board. Any cost of obtaining such professional advice will be borne by the Company.

In addition, all Directors have separate and independent access to the Company Secretary. The Company Secretary attends all meetings of the Board and Board Committees and prepares minutes of meetings of the Board and of the Board Committees which are circulated for review. The Company Secretary is also responsible for ensuring that Board procedures and all other rules and regulations applicable to the Company are followed and advises the Board of the requirements of the Company's Constitution, the Companies Act and the Catalist Rules.

Training and Development of Directors

Newly appointed Directors will be issued a formal letter by the Company Secretary setting out their statutory duties and obligations as a Director upon their appointment.

The Management will organise orientation programmes for new Directors to familiarise them with the Group's operations and business issues as well as the relevant regulations and governance requirements. In accordance with Catalist Rule 406(3)(a), the RNC will ensure that newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore attend the mandatory training in the roles and responsibilities of a director as prescribed by the SGX-ST within one year from the date of their appointment at the Company's expense. On 13 March 2024, Mr. Nico Purnomo Po had completed the mandated sustainability training course as required by the enhanced SGX sustainability reporting rules announced in December 2021. Accordingly, all Board members have completed the sustainability training prescribed by the SGX-ST.

The Company provides timely information to the Directors on Board's processes, corporate governance practices and updates on changes to laws and regulations. The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Company or themselves. Where necessary, the Directors will be updated on new legislation and/or regulations and changing commercial risks, from time to time, which are relevant to the Group. News releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The Directors are kept informed of upcoming conferences and seminars relevant to their roles as Directors of the Company. Such conferences and seminars as well as other training courses will be arranged and funded by the Company for all Directors. Annually, the external auditors will update the AC and the Board on any new and revised financial reporting standards which are relevant to the Group.

During the period under review, Directors are provided with briefings and updates (i) on the developments in financial reporting and governance standards by the external auditors; (ii) on changes to the listing rules and other regulatory requirements on a regular basis; and (iii) on changes in the relevant laws and regulations pertaining to the Group's business and changing commercial risks and business conditions of the Group by the Management on a monthly basis and during the meetings of the Board and Board Committees.

The Board has adopted a set of ethical values and standards which establish the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arise, the concerned Director must disclose such interest, recuse himself or herself from discussions and decisions involving the matter, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is to abstain from voting in relation to the conflict-related matters.

Corporate Governance Report

Board Composition and Guidance

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

As at the date of this report, the Board comprises four (4) Directors, three (3) of whom are Independent Directors. In accordance with Provision 2.3 of the Code, the Board comprises three (3) Non-Executive Directors which makes up a majority of the Board. Details of the Directors are as set out below:

Name of Director	Position held on the Board and Board Committees served on (if any)	Board appointment whether executive, non-executive or independent	Date of first appointment	Date of last re-election
Nico Purnomo Po	Executive Director and CEO	Executive	27 October 2023	N/A
Brian Praneda	Director, Chairman of RNC and member of AC	Non-Executive/ Independent	31 December 2021	27 April 2022
Phua Cher Chew	Chairman of the Board, member of AC and RNC	Non-Executive/ Independent	31 May 2021	27 April 2023
Tan Lye Heng Paul	Director, Chairman of AC and member of RNC	Non-Executive/ Independent	9 December 2020	27 April 2023

The profiles and key information of the individual Directors as well as their respective shareholdings in the Company are set out in the “Board of Directors” and “Directors’ Statement” sections of this annual report respectively.

The Board and the RNC remain committed to continuously reviewing the adequacy of the composition of the Board and ensuring that at all times, the Board will be in compliance with Principle 2 of the Code. The independence of the Directors is reviewed annually by the RNC. The RNC adopts the Code’s definition as to what constitutes an Independent Director in its review. The RNC and the Board have reviewed and ascertained that all Independent Directors are independent according to the Code, its Practice Guidance and Catalist Rule 406(3)(d) and note that:

(a) the Independent Directors: (i) are not employed by the Company or any of its related corporations for the current or any of the past three (3) financial years; (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RNC; and (iii) has not been a director of the Company for an aggregate period of more than nine (9) years (whether before or after listing);

(b) none of the Independent Directors or their immediate family member had in the current or immediate past financial year (i) provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$50,000 for services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received material services or significant payments to and/or from the Group when aggregated over any financial year in excess of S$200,000 for services rendered; and

(c) none of the Independent Directors are directly associated with a substantial shareholder of the Company.

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Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code and the Catalist Rules. The Independent Directors have confirmed that they do not have any relationship with other Directors, the Company or its related corporations or its officer or its substantial shareholders, that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interests of the Company. The Independent Directors have also confirmed their independence in accordance with the Catalist Rules. Taking into consideration the RNC's review and the confirmations received from the Independent Directors, the Board is of the view that Mr. Tan Lye Heng Paul, Mr. Phua Cher Chew, and Mr. Brian Praneda are independent.

During FY2023, the Company had endorsed a Board Diversity Policy pursuant to Catalist Rule 710A. The Company recognises and embraces the importance of diversity towards a well-functioning and effective Board. The Company believes that having a diversity of skill-sets, knowledge, experience, nationalities, ethnicity, age, cultural background and educational background among other relevant qualities in the Board's composition is essential for the effective governance of the Company. Such diversity will ultimately benefit the Board's ability to make decisions in the best interests of the Company. Such diversity will also foster constructive debate and allow the Board to avoid groupthink.

The RNC is responsible for reviewing and assessing Board composition on behalf of the Board, and for recommending the appointment of new directors. In doing so, the RNC will consider all the previously mentioned qualities in identifying and nominating suitable candidates to the Board, having regard to the optimum composition of the Board and how the diversity of qualities can be balanced appropriately. Although all Board appointments will ultimately be made based on merit and objective criteria, the Board will have due regard to the benefits of diversity and how a diversity of skills, experience, knowledge and independence can be complementary.

When a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the RNC, in consultation with the Board, will determine the selection criteria and select candidates with the appropriate expertise and experience for the position. The RNC will then nominate the most suitable candidate for appointment by the Board to the Company.

The Board Diversity Policy also recognises gender as an important aspect of diversity. As such, if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present female candidates. Currently, the Board does not have any female director and the Board targets to appoint a female director to the Board within 3 years, where such an appointment will be dependent on when a vacancy arises and the suitability of the candidates. When seeking to identify a new director for appointment to the Board, the RNC will request for female candidates to be fielded for consideration and the female representation on the Board be continually improved over time based on the set objectives of the Board. With the retirement of one of the Directors from the Board at the upcoming annual general meeting, the Company has also commenced its search for a suitable new candidate, and has also indicated in the brief that the proposed nominees include suitable female candidates with the suitable skillset. Nonetheless, the Company believes that the Board is sufficiently diverse, having considered, among others, the diversity of skills, experience, cultural background and nationalities of its current directors. In addition, the Board consists of Directors with ages ranging from early 40s to late 50s, who have served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

In addition to applying the Board Diversity Policy, the RNC will monitor its implementation and the Company's progress against the objectives set in the Board Diversity Policy. The RNC shall report to the Board on the progress made towards achieving board diversity on an annual basis.

The RNC will review the Board Diversity Policy periodically, where appropriate, in order to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

The Board and the RNC have considered and are satisfied that the current size of the Board of four (4) Directors is appropriate, taking into consideration the existing nature and scope of the operations of the Group.

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The Board and the RNC are also satisfied that the current Board as a group has core competencies in accounting and finance, legal, business and management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, and will assess the Board composition from time to time to ensure that this mix of core competencies is maintained within the Board, and enhanced where required.

The Non-Executive Directors provide, amongst other things, strategic guidelines to the Company based on their professional knowledge and experience. They constructively challenge and help develop directions on strategy and review the performance of the Management in achieving agreed targets and objectives. To facilitate a more effective check on the Management, the Independent Non-Executive Directors are encouraged to arrange for meetings without the Management being present at times deemed necessary. The Independent Directors, led by the Lead Independent Director or other independent director, are encouraged to meet amongst themselves at least once a year without the presence of the Management and the Executive Chairman of the Board to, amongst others, discuss and evaluate the performance of the Management as well as the remuneration of the Executive Chairman. The feedback and views expressed by the Independent Directors will be communicated to the Board and/or the Executive Chairman, as appropriate. The Independent Directors had met at least once in FY2023, without the presence of the Management so as to facilitate a more effective check on the Management.

In general, the Board is able to exercise objective judgment independently from the Management and no individual or small group of individuals dominates the decision-making of the Board.

Chairman and Chief Executive Officer

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

Mr. Phua Cher Chew is currently the Non-Executive and Independent Chairman of the Board while Mr. Nico Purnomo Po is the newly appointed CEO with effect from 27 October 2023, in place of Mr. Jacob Lee Yen Min, who had stepped down as the CEO of the Company on 27 October 2023. There is no familial relationship between the Chairman and the CEO. There is a clear division of roles and responsibilities between the Non-Executive and Independent Chairman and the CEO. The Non-Executive Independent Chairman leads and manages the business of the Board whilst the CEO and his team of management staff translate the Board's decisions into executive action. The segregation of the roles and responsibilities of the Chairman and the CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman of the Board, is responsible for:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the agenda for the meetings of the Board and instructing the Company Secretary to disseminate it to all Directors before each meeting;

(c) promoting a culture of openness and debate within the Board;

(d) ensuring the Board members engage the Management in constructive debate on various matters including strategic issues;

(e) ensuring that the Directors receive complete, adequate and timely information;

(f) ensuring effective communication with shareholders;

(g) facilitating the effective contribution of all directors, the Non-Executive Directors in particular; and

(h) continuous pursuance of high standards of corporate governance.

Corporate Governance Report

The CEO is responsible for implementing the Group's strategies and policies, making strategic and business investment decisions as well as the overall management and performance of the Group. The Board is of the opinion that there is a balance of power and authority within the Board.

In view that the Chairman of the Board is independent, the Board has not appointed a lead independent Director. The Chairman of the Board encourages constructive relations within the Board and between the Board and the Management to facilitate effective contribution of all Directors. The Chairman of the Board is assisted by the Board Committees in ensuring compliance with the Company's standards of corporate governance. He is available to shareholders when they have concerns and for which contact through the normal channels of communication with the CEO or the Financial Controller has failed to resolve, or for which such contact is inappropriate.

Board Membership

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

The RNC was formed in June 2003 through the merger of the Nominating Committee and the Remuneration Committee of the Company. During FY2023 and as at the date of this report, the RNC comprises three (3) Non-Executive Directors, all of whom including the Chairman of the RNC are independent. The Chairman of the RNC is not a substantial shareholder of the Company or directly associated with any substantial shareholder of the Company.

The members of the RNC are as follows:

Mr. Brian Praneda – Chairman
Mr. Phua Cher Chew
Mr. Tan Lye Heng Paul

The RNC has written terms of reference setting out its authority and duties, and regulates its procedures and in particular, the calling and frequency of meetings, the notice to be given of such meetings, the voting and proceedings thereat. The Company also maintains records of the deliberations and proceedings of the meetings of the RNC. The key terms of reference of the RNC are as follows:

(a) the RNC shall comprise not fewer than three (3) Directors, a majority of whom shall be independent;

(b) the Chairman of the RNC shall be an Independent Non-Executive Director; and

(c) the Board shall within three (3) months of cessation of a member appoint a new member from the date of cessation so that the number of members of the Board does not fall below three (3) if a member, for any reason, ceases to be a member.

The RNC handles both nominating and remuneration matters of the Company. With regards to nominating matters, the RNC pursuant to its written terms of reference shall:

(a) establish procedures for and make recommendation to the Board on all Board appointments including appointment, re-appointment and/or replacement of the Chairman of the Board, CEO and key management personnel and re-appointments and on relevant matters relating to the succession plans of the Board;

(b) review re-nominations, having regard to the Director's contribution and performance (e.g. attendance, preparedness and participation) including, if applicable, as an Independent Director;

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(c) decide whether the Director is able to and has been adequately carrying out his duties as a Director when the Director has multiple board representations;

(d) review the independence of the Directors on an annual basis;

(e) establish procedures for the evaluation of the Board's performance and propose objective performance criteria, which shall be approved by the Board;

(f) assess the effectiveness of the Board as a whole and the Board Committees as well as assess the contribution by each individual Director to the effectiveness of the Board;

(g) identify gaps in the mix of skills, experience and other qualities required in an effective Board and nominate or recommend suitable candidate(s) to fill these gaps;

(h) ensure that all Board appointees undergo an appropriate induction programme;

(i) review annually the Board's structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary; and

(j) recommend the appropriate training and professional development programmes for the Board.

The RNC's role in respect of remuneration matters is separately disclosed under Principle 6 (Procedures for Developing Remuneration Policies).

The RNC is responsible in determining the independence of the Directors having regard to the circumstances set forth in Provision 2.1 of the Code, its Practice Guidance and Catalist Rules 406(3)(d). The RNC conducts an annual review of the Directors' independence and is of the view that Mr. Brian Praneda, Mr. Phua Cher Chew and Mr. Tan Lye Heng Paul are independent.

The Independent Directors have confirmed that they do not have any relationship with other Directors, the Company or its related corporations or its officer or its substantial shareholders, that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgement with a view to the best interests of the Company as disclosed under Principle 2 of the Code.

Currently, none of the Directors hold an excessive number of board representations. Nonetheless, the Board has set the maximum number of listed company board representations each Director may hold to be five (5). When a Director has multiple board representations, the RNC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company. The RNC is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

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The listed company directorships and principal commitments* of the Directors are set out in the table below:

Name of Directors	Listed Company Directorships	Principal Commitments*
Executive Director		
Nico Purnomo Po	Pollux Properties Ltd	Executive Director, CEO Please refer to the information required under Appendix 7F on page 28 below for a list of Mr. Po's directorships and principal commitments
Independent Directors		
Tan Lye Heng Paul	Pollux Properties Ltd	Independent Director, AC Chairman, RNC member
	Serial System Ltd	Independent Director, AC Chairman
	Second Chance Properties Ltd	Independent Director, Chairman of RNC
	OEL (Holdings) Limited	Independent Director, AC Chairman
	PSC Corporation Ltd.	Chairman, Nexia Singapore PAC (formerly known as Kreston ACA PAC)
	–	Director, Nexia Solutions Pte Ltd
	–	Director, Nexia SG Pte. Ltd.
	–	Director, Salleh Marican Foundation Ltd.
Phua Cher Chew	Pollux Properties Ltd	Independent Director, Chairman of the Board of Directors, AC member, RNC member
	–	Director, Amcorp Forward Pte Ltd
	–	Director, Amcorp Development Pte Ltd
	–	Director, Amcorp Uptown Pte Ltd
		Consultant, Juoku Pte Ltd
		Chief Executive Officer, Technopals Pte Ltd
Brian Praneda	Pollux Properties Ltd	Independent Director, Chairman of RNC, AC member
	–	Independent Commissioner, PT Aesler Grup Internasional Tbk
		Independent Commissioner, PT Pollux Properties Indonesia Tbk
		Independent Commissioner, PT Pollux Hotel Groups Tbk
		Managing Partner, Praneda & Partners Law Firm

* The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

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In the selection process for the appointment of new Directors, the RNC will review the composition of the Board and identify the skill sets which enhance the Board's overall effectiveness. Potential candidates are identified from various sources including personal networks of the entire Board, which will be subsequently put to the Board for its consideration. The RNC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to assist in the selection and evaluation process if the appointment requires a specific skill set or industry specialisation. In assessing the suitability of a candidate to be appointed to the Board, the RNC will consider if he or she is able to make the appropriate contributions to the Board and the Group. The key factors which the RNC will take into consideration are:

(a) qualifications, industry knowledge and functional expertise which are relevant and beneficial to the Group; and

(b) extensive experience and business contacts in the industry in which the Group operates.

The proposed candidates' independence (if necessary) will also be considered before the RNC makes its recommendations to the Board. The new Directors will then be appointed by the Board.

The RNC is in charge of nominating the Directors for re-appointment, having regard to their competencies, commitment, contribution and performance, including but not limited to attendance, preparedness, participation and candour in deciding whether a Director is able to, and has been adequately carrying out his duties as a Director. Under the Company's Constitution, a Director newly appointed by the Board shall hold office only until the next annual general meeting ("**AGM**") of the Company and shall then be eligible for re-election at the AGM. In addition, at least one-third of the Directors for the time being shall retire from office by rotation at each AGM of the Company, provided all Directors (including managing directors and executive directors) shall retire by rotation at least once every three (3) years.

The RNC has reviewed and is satisfied that the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM of the Company are properly qualified for re-appointment by virtue of their skills, experience and contributions. The RNC has recommended to the Board that (i) Mr. Nico Purnomo Po who will be retiring by rotation pursuant to Regulation 88 of the Company's Constitution; and (ii) Mr. Tan Lye Heng Paul who will be retiring by rotation pursuant to Regulation 89 of the Company's Constitution, be nominated for re-election as Directors at the forthcoming AGM of the Company.

Mr. Tan Lye Heng Paul has expressed his intention not to seek the re-election as a Director at the forthcoming AGM of the Company. He will be retiring at the forthcoming AGM. Following his retirement, he will relinquish as the Chairman of the AC and a member of the RNC. The Board will endeavour to appoint a new Independent Director to fill the vacancy in its Audit Committee within two (2) months, but in any case, not later than three (3) months to ensure that the Company is able to meet the requirement of Rule 704(7) of the Catalist Rules. The Board has expressed its appreciation and gratitude to Mr. Tan Lye Heng Paul for his contribution and tenure with the Company.

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Pursuant to Catalist Rule 720(5), the additional information set out in Appendix 7F of the Catalist Rules relating to Mr. Nico Purnomo Po, who is retiring by rotation at the forthcoming AGM of the Company and submitting himself for re-appointment thereat, is disclosed below and to be read in conjunction with his respective biography under the "Board of Directors" section of the annual report.

Name of Director	**Nico Purnomo Po**
Date of Initial Appointment	27 October 2023
Date of last re-appointment (if applicable)	Not applicable
Age	43
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr. Nico Purnomo Po as the Executive Director was recommended by the RNC and the Board has accepted the recommendation, after taking into consideration Mr. Nico Purnomo Po's qualifications, past experience and overall contributions since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Responsible for the management and operation of the Group and implementation of the Group's strategies and policies.
Job Title	Executive Director and Chief Executive Officer
Professional qualifications	Bachelor of Computing, National University of Singapore
Working experience and occupation(s) during the past 10 years	October 2023 - Present: Executive Director and Chief Executive Officer, Pollux Properties Ltd. 2021 - 2023: Executive Director and Chief Executive Officer, Pollux Holdings Pte Ltd 2018 - 2020: Executive Director, PT. Pollux Hotels Group Tbk (f.k.a. PT. Pollux Investasi Internasional Tbk) 2016 - 2020: Executive Director, PT. Pollux Properties Indonesia Tbk 2008 - 2021: Executive Director and Chief Executive Director, Pollux Properties Ltd
Shareholding interest in the listed issuer and its subsidiaries	
	Mr. Nico Purnomo Po owns 99.99% of the issued share capital of PT. Pollux Multi Artha, which holds 100% of the issued share capital of Pollux Holdings Pte. Ltd., which is a shareholder of the Company. As such, Mr. Nico Purnomo Po is deemed to be interested in the 1,713,242,325 shares held by Pollux Holdings Pte. Ltd., by virtue of section 7(4) of the Companies Act 1967.
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	
	Save for Mr. Nico Purnomo Po being the substantial shareholder of the Company, none.

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Name of Director	Nico Purnomo Po
Conflict of interest (including any competing business)	
	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	
	Yes
Other Principal Commitments Including Directorships	**Present Directorships** 2019 to Present: Luban Investments Pte Ltd 2017 to Present: Tinifia Investment Pte Ltd Louis Kienne International Pte Ltd. (f.k.a. Pollux Hospitality Pte Ltd) Goldman Morgan Holdings Pte Ltd Richmond View Investment Pte Ltd Orchard Residence Investment Pte Ltd Bvlgari Park Residences Pte Ltd Boulevard Residences Pte Ltd 2016 to Present: Stirling Fort Capital Pte Ltd Pollux (SF1) Pte Ltd Pollux (CCK) Pte Ltd 2015 to Present: PT. Raffles Investasi Indonesia PT. Pollux Multi Artha 2014 to Present: Pollux Holdings Pte Ltd PT. Mega Dutga Megah Laksana PT. Mega Daya Prima 2012 to Present: PT. Mega Kuningan Pinnacle PT. Adiperdana Sejahtera 2008 to Present: Pollux Alpha Investment Ltd. 2007 to Present: Cherimoya Worldwide Corporation Savers Investment Limited Symbianta Worldwide Inc

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Name of Director	Nico Purnomo Po
	Past Directorships (in the last 5 years) 2017 to 2023: Pollux Treasures Pte Ltd Channel Residences Pte Ltd Giorgio Residences Pte Ltd 2008 to 2021: Pollux Properties Ltd 2016 to 2021: PT. Pollux Properties Indonesia Tbk 2018 to 2021: PT. Pollux Hotels Group Tbk (f.k.a. PT. Pollux Investasi Internasional Tbk) 2018 to 2021: PT. Golden Flower Tbk Other: Magnificent Ocean Assets Ltd Fair Billion Holdings Ltd Dragon Diligent International Limited Sunny Scene Investment Ltd Ocean Blue Asia Limited Ariva Hospitality Premier Pte Ltd

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a)	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
(b)	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
(c)	Whether there is any unsatisfied judgment against him?	
		No
(d)	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

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Name of Director	Nico Purnomo Po
(e) 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
(f) 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
(g) 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
(h) 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
(i) 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
(j) 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 (ii) (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 (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 (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
(k) 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

Corporate Governance Report

Name of Director	Nico Purnomo Po
Disclosure applicable to the appointment of Director Only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please provide details of any training undertaken in the roles and responsibilities of a director of a listed Company. 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).	Not applicable. This is in relation to the re-appointment of a Director.

Each member of the RNC shall abstain from voting on any resolution and making any recommendation and/or participating in any deliberations of the RNC in respect of the assessment of his performance or re-nomination as a Director. Accordingly, Mr. Tan Lye Heng Paul, as members of the RNC, have abstained from voting on any resolutions in relation to the assessment of their respective performance as Directors of the Company.

The RNC recognises the importance of business continuity and the need for succession planning to attract and retain highly qualified individuals to serve on the Board. There is a structured process on reviewing the succession planning for Directors, including the Chairman, the CEO as well as other key management personnel. Board succession planning is evaluated and carried out through the annual review by the RNC. The outcome of that review is reported to the Board. The Board seeks to refresh its memberships progressively while ensuring continuity of corporate performance.

Board Performance

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

The RNC has recommended to the Board and has implemented a formal review process to assess the effectiveness of the Board and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board on an annual basis. All members of the Board are required to complete and return the evaluation forms to an independent coordinator (the "**Independent Coordinator**") directly and in confidence within four (4) weeks after the end of each financial year. The Independent Coordinator will then collate the results and forward them to all members of the RNC for discussion. The RNC will thereafter report its findings to the Board.

For the purpose of its evaluation of the Directors' performance, the RNC focuses on whether the Directors, individually or collectively, possess the background, experience, competencies in finance and management skills critical to the Group's business as well as whether each Director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well considered decisions to be made.

Corporate Governance Report

The performance criteria for the evaluation of the Board and Board Committees are in respect of the size, composition and independency of the Board and Board Committees, attendance and participation at the Board and Board Committees meeting(s), board processes, board information and accountability, board's review risk and internal controls and the Company's performance compared to industry benchmarks at comparative date.

Factors taken into account in the assessment of a Director's performance include his abilities and competencies, his objectivity and the level of participation at Board and Board Committee meetings including his contribution to Board processes as well as the business strategies and performance of the Group. The performance criteria have not been changed in FY2023 as the current criteria was considered adequate for the aforementioned assessment, and where circumstances deem it necessary for any of the criteria to be changed, the Board should justify the reason.

The Company's current Board comprises one (1) Executive Director and three (3) Independent Directors, of which the three (3) Independent Directors are the members of the AC and RNC. Hence, the Board together with the RNC, is of the view that due to relatively small size of the Board and Board Committees and given the relevant background, experience, expertise of each Director and their contribution to the Group, participation at the Board and Board Committees meetings, assessment by the RNC of the effectiveness of the Board and Board Committees as a whole and each Director's performance through completing the evaluation form adopted by the Board is sufficient.

The RNC, having reviewed the overall performance of the Board in terms of its role and responsibilities as well as the conduct of its affairs as a whole for FY2023, and the peer assessment of each Director, is of the view that the performance of the Board and Board Committees as a whole, and the contribution of each Director to the effectiveness of the Board has been satisfactory. No external facilitator had been engaged by the Board for this purpose.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

During FY2023 and as the date of this report, the RNC comprises three (3) members, all of whom, including the Chairman, are Independent Directors. The members of the RNC are as follows:

Mr. Brian Praneda – Chairman
Mr. Phua Cher Chew
Mr. Tan Lye Heng Paul

With regards to remuneration matters, the RNC pursuant to its written terms of reference shall:

(a) review and recommend to the Board a framework of remuneration for the Directors and key management personnel which covers Directors' fees, where applicable, basic salaries, allowances, bonuses, specific remuneration packages and benefits-in-kind;

(b) review and recommend to the Board the specific remuneration packages for each Director as well as for the key management personnel which take into account annual increments and bonuses;

(c) review the remuneration packages of all managerial staff who are related to any of the Directors;

(d) review the performance of key management personnel to enable the RNC to determine their annual remuneration and bonus rewards; and

(e) recommend to the Board, in consultation with the key management personnel and the CEO, any long-term incentive scheme.

Corporate Governance Report

The RNC is tasked to provide a formal, transparent and objective procedure for fixing the remuneration packages of individual Directors and to ensure that the level of remuneration paid by the Company serves to attract, retain and motivate the employees needed to manage the Company successfully. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind and termination terms shall be covered by the RNC, to ensure they are fair. The recommendations made by the RNC will be submitted for endorsement by the Board. The Board is ultimately accountable for all remuneration decisions. Each member of the RNC shall abstain from voting on any resolutions in respect of his remuneration package.

The RNC has access to professional advice from experts outside the Company on remuneration matters as and when necessary. The RNC will ensure that existing relationships between the Company and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the remuneration consultants. The Company will also disclose the names and firms of the remuneration consultants (if any) in the annual remuneration report and include a statement on whether the remuneration consultants have any such relationships with the Company. The Company did not engage any remuneration consultant in respect of the remuneration matters of the Group during FY2023.

The RNC will review the compensation commitments of the Directors' or key management personnel's contracts of service as and when necessary to ensure that such contracts of service contain fair and reasonable termination clauses.

Level and Mix of Remuneration

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

The Group sets remuneration packages which are competitive and sufficient to attract, retain and motivate Directors and key management personnel with adequate experience and expertise to manage the business and operations of the Group for the long term. In setting remuneration packages, the Group takes into account salary and employment conditions within the same industry and in comparable companies. The Group adopts a remuneration policy for the Executive Director and key management personnel, comprising of a basic salary component ,bonus component and benefits-in-kind. The bonus component is performance-based and seeks to align the interests with those of the shareholders of the Company.

Currently, the Company does not have any long-term incentive scheme. The RNC will consider recommending the implementation of incentive schemes for the executive and non-executive directors as well as key management personnel as and when it considers appropriate.

All Directors, excluding the Executive Director, are paid a basic Directors' fee. Currently, the basic fee is determined and considered by the Board based on the effort, time spent and responsibilities of the Directors. The RNC had assessed that the current remuneration of Non-Executive Directors to be appropriate to the level of contribution and commitment required from the Independent Directors. Based on the current operations and structure of the Group, the fixed basic fee is reasonable due to the non-complexity of the Group's business. The RNC is also mindful that the remuneration for Non-Executive Directors should not be excessive so as not to reasonably be perceived to compromise their independence. The payment of such fees to the Directors is subject to approval of shareholders at the AGM of the Company. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

Non-Executive Directors have no service contracts with the Company. The Executive Director has a service contract with the Company, which can be terminated by either the Company or the Executive Director giving not less than three (3) months' notice in writing.

Corporate Governance Report

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director owes a fiduciary duty to the Company, and hence, the Company should be able to avail itself of remedies against the Executive Director in the event of such breach of fiduciary duties. The RNC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RNC will review such contractual provisions with the Executive Director and key management personnel as and when necessary.

Disclosure on Remuneration

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

The compensation package for employees including the Executive Director and CEO and key management personnel comprises a fixed component (base salary), a variable component (cash-based annual bonus) and benefits-in-kind, where applicable, taking into account factors such as the individual's performance, the performance of the Group and industry practices.

Save for the CEO and the Financial Controller, the Company does not have any other key management personnel. A breakdown of the remuneration of the Directors and key management personnel for FY2023 is set out below:

Remuneration and Name of Director or key management personnel	Base/Fixed Salary	Bonus	Directors' Fees[1]	Other Benefits	Total
Jacob Lee Yen Min*	198,182	–	–	–	198,182
Nico Purnomo Po**	47,273	–	–	–	47,273
Tan Lye Heng Paul	–	–	18,000	–	18,000
Phua Cher Chew	–	–	18,000	–	18,000
Brian Praneda	–	–	18,000	–	18,000
Lau Wei Kian***	165,000	–	–	12,444	177,444

* Mr. Jacob Lee Yen Min resigned as the Executive Director and CEO with effect from 27 October 2023.

** Mr. Nico Purnomo Po was appointed as the Executive Director and CEO on 27 October 2023.

*** Mr. Lau Wei Kian has resigned as Financial Controller and will step down with effect on 30 June 2024.

(1) Directors' fees are subject to the approval of the Company's shareholders at the forthcoming AGM of the Company.

There were no termination, retirement and post-employment benefits granted to the Directors and key management personnel.

Save for Mr. Nico Purnomo Po who is a substantial shareholder of the Company, the Company does not have any employee who is a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2023.

Currently, the Company does not have any share-based compensation scheme or any long-term incentive scheme involving the offer of shares or options in place.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board endeavours to ensure that the annual audited financial statements as well as the half yearly and full year announcements of the Group's financial results present a balanced and comprehensible assessment of the Group's performance, position and prospects. The Board takes adequate steps to ensure compliance with the relevant legislative and regulatory requirements and observes obligations of continuing disclosure under the Catalist Rules. In FY2023, the Board has reviewed reports submitted by the Management to ensure compliance with all the Group's policies, operational practices and procedures and relevant legislative and regulatory requirements.

In line with the Catalist Rules, the Board has also provided a negative assurance statement to shareholders in respect of the half yearly results announcement.

Risk Management

The Board's Responsibility

The Board acknowledges that it is responsible for the overall internal control framework and the maintenance of a sound system of risk management and internal controls, and determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

Enterprise Risk Management Exercise

An Enterprise Risk Management ("**ERM**") Committee which comprises senior personnel from the operational and financial functions of the Group has been established since FY2017. The ERM Committee has reviewed the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

For the key operational, financial, compliance, human capital, environment, and information technology risks identified, the ERM Committee will ensure the adequacy and effectiveness of the internal controls implemented to manage the identified risks based on the ERM framework executed.

Confirmation provided by Senior Management

The Board has overseen the Management in the design, implementation and monitoring of the risk management system. On an annual basis, the ERM Committee will report to the Board the processes, risks, and risk mitigating controls that are in place and provide updates on the status of significant issues of the Group, if any, to the Board. Based on the evaluation of risk management system performed by the ERM Committee, the CEO and Financial Controller have provided written assurance to the Board that the Group's risk management system is adequate and effective for FY2023.

Internal Controls

The effectiveness of the internal control systems and procedures are monitored by the Management. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Corporate Governance Report

Apart from the above, the AC also commissions and reviews the findings of internal controls or infringement of any Singapore laws, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position on annual basis. In FY2023, the AC, on behalf of the Board, has reviewed the adequacy and effectiveness of the Group's internal controls systems, including financial, operational, compliance and information technology controls, and risk management systems on an annual basis. The processes used by the AC to review the adequacy and effectiveness of the system of internal control and risk management include:

(a) discussions with the Management on risks management;

(b) the internal audit processes;

(c) the review of external and internal audit plans; and

(d) the review of significant issues raised by the external and internal auditors.

Based on the framework of risk management and internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, are effective and adequate to meet the needs of the Group in its current business environment.

For FY2023, the Board has also received written assurance from the CEO and the Financial Controller that:

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

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

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

During FY2023 and as at the date of this report, the AC comprises three (3) Non-Executive Directors, all of whom including the Chairman of the AC are independent. At least two members, including the Chairman of the AC, have recent and relevant accounting or related financial management expertise or experience. The Chairman of the AC is not a substantial shareholder of the Company or directly associated with any substantial shareholder of the Company.

The members of the AC are as follows:

Mr. Tan Lye Heng Paul – Chairman
Mr. Phua Cher Chew
Mr. Brian Praneda

The members of the AC have many years of experience in senior management positions in both financial and industrial sectors. The Board is of the opinion that the members of the AC are appropriately qualified to discharge their responsibilities.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and co-operation from the Management as well as full discretion to invite any Director or executive officer of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly. For FY2023, the AC held three (3) meetings.

Corporate Governance Report

The main objective of the AC is to assist the Board in fulfilling their fiduciary duties to the Company and each of its subsidiaries. The AC, pursuant to its written terms of reference, shall:

(a) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(b) recommend to the Board the appointment or re-appointment or removal of, and approving the remuneration and terms of engagement of, the external auditors and internal auditors;

(c) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy and effectiveness of the Company's system of internal accounting controls and the assistance given by the Management to the internal and external auditors;

(d) evaluate the adequacy, effectiveness, independence, scope and results of both the internal and external audit functions;

(e) determine that no unwarranted management restrictions are being placed upon the external and internal auditors;

(f) review the financial statements with the Management and external auditors (where applicable) for submission to the Board;

(g) review the half yearly and full year announcements of the results of the Group before submission to the Board for approval;

(h) review the assurance from the CEO and the Financial Controller on the financial records and financial statements;

(i) report to the Board summarising the work performed by the AC in carrying out its functions;

(j) review interested person transactions;

(k) have explicit authority to investigate any matter within its terms of reference, with full access to and co-operation by the Management and full discretion to invite any Director or executive officer of the Group to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(l) review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(m) review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external and internal auditors;

(n) meet with the external and internal auditors, without the presence of the Management, at least annually; and

(o) review and report to the Board, at least annually, the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems (such review can be carried out internally or with the assistance of any competent third parties).

In addition to the abovementioned activities undertaken to fulfil its responsibilities, the AC is kept abreast by the Management, external and internal auditors on changes to accounting standards, Catalist Rules and other rules and regulations which could have an impact on the Group's business and financial statements.

The AC has met the external auditors and the internal auditors, without the presence of the Management, for FY2023.

Corporate Governance Report

During the year, the Company had changed their external auditors from Ernst & Young LLP to Foo Kon Tan LLP. The Company has complied with Rules 712 of the Catalist Rules in relation to the appointment of its external auditors and the AC had taken into consideration the Audit Quality Indicator Disclosure Framework published by the Accounting and Corporate Regulatory Authority. During FY2023, the aggregate amount of fees paid and/or payable to the external auditors for audit services amounted to approximately S$163,000. During FY2023, there were no non-audit services rendered by the external auditors to the Group. The AC has reviewed and confirmed the independence and objectivity of the external auditors.

The Company confirms its compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its auditors. No former partner or director of the Company's existing auditing firm or audit corporation is a member of the AC. With reference to the joint recommendations made by the Monetary Authority of Singapore, ACRA and SGX-ST, the audit committees of all Singapore-listed entities are encouraged to disclose their perspectives and assessment on key audit matters ("**KAM**"). The following KAM was discussed between external auditors and Management, and reviewed by the AC.

Key Audit Matter	How the AC reviewed this matter and what decision was made
Valuation of investment Properties	As at 31 December 2023, the Group's investment properties amounted to $344,470,000 and accounted for 92.2% of the Group's total assets. The fair valuation of these properties is significant to the group result due to their materiality and use of estimates in the valuation process. The Group records its investment properties at their fair values based on independent external valuations. The valuation process involves valuation methods with significant estimates on the underlying assumptions applied. The AC has considered and is satisfied with the competency and capabilities of the independent external valuation specialist as well as the valuation methods. The valuation of investment properties is an area of focus for the external auditors. The external auditors have included it as a key audit matter in the independent auditors' report for the financial year ended 31 December 2023. Please refer to pages 50 to 51 of this annual report.

Whistle-Blowing Policy

The Board undertakes to investigate complaints in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group including a direct channel to the AC, for reporting suspected fraud, corruption, dishonest practices or other similar matters.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that the identity of the whistleblower is kept confidential and only made known to the members of the AC, which has oversight and monitors the whistle-blowing function, and employees making such reports in good faith will be treated fairly and be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during staff training as part of the Group's efforts to promote fraud control awareness.

The AC, which comprises independent directors, is responsible for the oversight and monitoring of the whistle-blowing policy, ensuring that any investigation and follow-up procedures are taken, if any. The policy and its effectiveness will be reviewed by the AC periodically, with recommendations regarding updates or amendments, if any, to be made to the Board as required.

There was no whistle-blowing report received during FY2023.

Complaints, incidents or claims can be raised directly to the Chairman of the AC at ac@pollux.com.sg.

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Internal Audit

The AC's responsibilities over the Group's internal controls and risk management systems are complemented by the work of the internal auditors. The size of the operations of the Group does not warrant the Group having an in-house internal audit function. The Company has outsourced its internal audit function to an independent professional firm, Wensen Consulting Asia (S) Pte. Ltd. ("**Wensen**"), to perform the review and test of controls of the Group's processes in FY2023. Wensen has experience in providing risk advisory, internal audit and other consulting services. The team, comprising a manager and assistant manager is led by an engagement partner who has more than 20 years of experience. The AC approves any hiring, removal, evaluation and remuneration of the external professional firm to which the internal audit function is outsourced. The AC has reviewed and assessed the qualifications and experience of the appointed internal audit firm's team which undertakes the function of its internal audit within the Group.

The internal auditors report to the Chairman of the AC. The internal auditors plan their internal audit schedules in consultation with, but independent of, the Management. The internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC has reviewed the scope and findings of the internal audit performed by the internal auditors during FY2023 and the Management's responses thereto. There were no material internal control weaknesses identified by the internal auditors in their course of audit for FY2023.

The AC will assess and ensure the adequacy and effectiveness of the internal audit function annually. The AC is satisfied that the internal audit function is independent, effective and adequately staffed with suitably qualified and experienced professional members with the relevant experience.

The internal auditors are guided by the Standards for the International Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

All shareholders are entitled to attend the Company's general meetings and are provided the opportunity to participate in the general meetings. Shareholders are also briefed by the Company on the rules, including voting procedures that govern general meetings. These general meetings also provide excellent opportunities for the Company to obtain shareholders' views on value creation. Shareholders (other than a shareholder who is a relevant intermediary) may appoint up to two (2) proxies to vote on their behalf at the general meetings of the Company. A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the general meetings of the Company. The duly completed proxy form has to be deposited at the Company's registered office or such other place as may be specified for that purpose 72 hours before the time of the general meetings.

The shareholders are encouraged to attend the general meetings to communicate their views on matters affecting the Group and to stay informed of the Group's strategies and visions. The Company's Constitution does not allow shareholders to vote in absentia. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. Substantially separate issues are tabled in separate resolutions at general meetings. Where the issues are interdependent and linked to form one significant proposal and the resolutions are bundled, the Company will explain the reasons and material implications in the notice of the general meeting. Voting is carried out systemically, and the votes casted and resolutions passed are properly recorded.

Corporate Governance Report

The Company conducts the voting of all its resolutions by poll at all its general meetings. The results of poll of each resolution tabled are announced at the meetings and in an announcement released after the meeting via SGXNet and on the Company's corporate website. Shareholders can vote personally or by their appointed proxies. The Company will employ electronic polling if necessary.

All Board members, including the Chairman of the AC and the RNC, and the external auditors are normally available at general meetings of the Company to answer questions from the shareholders. Registered shareholders are invited to attend and participate actively in such meetings.

In view of the COVID-19 situation, the AGM in respect of the financial year ended 31 December 2022, was convened and held on 27 April 2023 ("**2022 General Meeting**") by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"). Shareholders could appoint the Chairman of the AGM as their proxy to vote on the resolutions at the AGM. All Directors who were in office had attended the 2022 General Meeting. Save for the 2022 General Meeting, there were no other general meetings held in FY2023.

The Company Secretary prepares minutes of general meetings, which incorporates substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and the Management (if any). The Minutes of the 2022 General Meeting were published on the SGX website within one month after the date of the 2022 General Meeting.

Except as disclosed in the preceding paragraph, the Company does not publish minutes of general meetings of shareholders on its corporate website as the Company is of the view that there are potential adverse implications, including commercial and legal implications. All shareholders, including those who did not attend the relevant general meeting, have a statutory right to request and would be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Company is therefore of the view that its practices are consistent with the intent of Principle 11 of the Code.

The Company's constitution allows for electronic communications and as part of its sustainability efforts, it will not be posting physical copies of the annual reports to shareholders. Nonetheless, a copy of the annual report upon request will be sent to shareholders. The request form for printed copies of the annual report, the notice of AGM and proxy form will be sent to every shareholder. The notice of AGM will also advertised in a daily newspaper.

The Company is committed to a sustainable dividend policy and aims to deliver growth in the long term. Subject to applicable laws and regulations, the Company plans to provide shareholders of the Company ("Shareholders") with a targeted annual dividend payout of at least 20% of any profits in excess of S$5 million net profit attributable to Shareholders excluding non-controlling interests and non-recurring, one-off and exceptional items.

The dividends will be paid on a yearly basis with effect from 31 December 2023. Such declaration and payment of dividends shall be determined at the sole discretion of the Board.

In proposing any dividend payout, the Board will, subject to Section 403 of the Companies Act 1967 and Practice Note 7G of the Catalist Rules, also take into account, *inter alia*:-

(i) the level of the Group's cash and retained earnings;

(ii) the Group's actual and projected financial performance;

(iii) the Group's projected levels of capital expenditure and other investment plans;

Corporate Governance Report

(iv) the Group's working capital requirements and general financing condition;

(v) restrictions on payment of dividends imposed on the Group by the Group's financing arrangements (if any); and

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

This dividend policy and the declaration and/or payment of future dividends under this policy are subject to the Board's continuing determination that this dividend policy and the declaration and/or payment of dividends would be in the best interests of the Company and Shareholders, and are in compliance with all applicable laws and regulations.

The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

Engagement with Shareholders

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

The Board is mindful of its obligations to provide timely and fair disclosure of material information to the SGX-ST and shareholders in accordance with Appendix 7A on "Corporate Disclosure Policy" of the Catalist Rules. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Board's policy is that all shareholders should be equally informed on a timely basis of all major developments that impact the Group. Price sensitive information, financial results and annual reports of the Company are released via SGXNET on a timely basis. The Annual Report, the Notice of AGM and the accompanying proxy form will be published on the Company's website at http://pollux.com.sg/annual-reports and on the SGX website at https://www.sgx.com/securities/company-announcements. The Notice of AGM is also advertised in a daily newspaper.

The Company is committed to corporate governance and transparency by disclosing to its stakeholders, including its shareholders, as much relevant information as is possible, in a timely, fair and transparent manner as well as to hearing its shareholders' views and addressing their concerns.

The Company does not practice selective disclosure of material information. All material information on the performance and development of the Group and of the Company is disclosed in an accurate and comprehensive manner through SGXNET and the Company's website.

General meetings have been and are still the principal forum for dialogue with shareholders. General meetings offer opportunities for the Board to interact with shareholders, understand their views, gather feedback as well as address concerns. Enquiries by shareholders are dealt with as promptly as practicably possible. The Company does not have an investor relations team, however, the Company maintains a website at http://pollux.com.sg and updates it on a timely basis to bring public awareness of the Group's latest development and businesses. To enable shareholders to contact the Company easily, the contact details are set out in the Company's website. Shareholders can provide feedback to the Company via the electronic mail address, the registered office address or telephone calls. Calls and emails requesting for information are attended to promptly.

Corporate Governance Report

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

The Company has regularly engaged its stakeholders mainly through its company website and emails to ensure that its interests are aligned with those of its stakeholders. The Company has identified stakeholders groups which have a significant influence and interest in the Group's business and operations. The key stakeholders include investors, tenants, employees, government and regulators and business partners.

The Company adopts an inclusive approach by considering and balancing the needs of material stakeholders and embeds environmental, social and governance considerations into its risk assessment, financing policies and business operations. The Company will be publishing its Sustainability Report for FY2023 together with its annual report on SGXNET and the Company's corporate website.

The Company maintains a corporate website at http://pollux.com.sg to communicate and engage with stakeholders.

DEALINGS IN THE COMPANY'S SECURITIES

The Company has issued a guideline on share dealings to all Directors and employees of the Group which sets out the code of conduct on transactions in the Company's shares by these persons, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1204(19) of the Catalist Rules, the Company issues a notification to all Directors and employees of the Group informing them that they are not allowed to deal in the securities of the Company during the period commencing one (1) month before the announcement of the Company's half-year and full-year financial results, and ending on the date of the announcement of the relevant results. The Company also does not deal in its shares during such period. In addition, the Company prohibits all Directors and officers (including employees) of the Group from dealing in the Company's securities on short-term considerations or when they are in possession of unpublished price-sensitive information.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures governing all interested person transactions to ensure that they are properly reviewed and approved. The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

During FY2023, the aggregate value of all interested person transactions are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under the review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil	Nil

Corporate Governance Report

MATERIAL CONTRACTS

As at the end of FY2023, there was an aggregate outstanding loan amount of S$4,694,808 due to Pollux Treasures Pte. Ltd., a company wholly-owned by Pollux Botero Pte. Ltd. (a 50:50 joint venture with Goldman Morgan Holdings Pte. Ltd.), from the Company and Goldman Morgan Holdings Pte. Ltd. This loan is unsecured and interest-free, and is repayable on demand.

Save as disclosed in this annual report, there were no other material contracts entered into by the Company or any of its subsidiaries involving the interests of the CEO, any Director or controlling shareholder, either still subsisting at the end of FY2023, or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, S$9,500 of non-sponsor fees was paid to the Company's sponsor, Novus Corporate Finance Pte. Ltd. in FY2023 for non-sponsor related work.

Financial Contents

Directors' Statement

For the financial year ended 31 December 2023

The directors submit this statement to the members of Pollux Properties Ltd. (the "Company") together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2023 and statement of financial position of the Company as at 31 December 2023.

In our opinion:

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

(b) at the date of this statement, having regard to the matters disclosed in Note 2, 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 has, on the date of this statement, authorised these financial statements for issue.

Names of directors

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

Phua Cher Chew	(Independent Non-executive Chairman)
Nico Purnomo Po	(Chief Executive Officer and Executive director) (Appointed on 27 October 2023)
Tan Lye Heng Paul	(Independent Non-executive director)
Brian Praneda	(Independent Non-executive director)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than as disclosed in this statement.

Directors' Statement

For the financial year ended 31 December 2023

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company and its related corporations, except as set out below:

	Holdings registered in the name of directors or nominee		Holdings in which directors are deemed to have an interest	
	As at appointment date	As at 31.12.2023	As at appointment date	As at 31.12.2023
The Ultimate holding company		Number of ordinary shares		
PT. Pollux Multi Artha				
Nico Purnomo Po	999,999	999,999	1	1
The Immediate holding company		Number of ordinary shares		
Pollux Holdings Pte. Ltd.				
Nico Purnomo Po	–	–	131,000,000	131,000,000
The Company		Number of ordinary shares		
Pollux Properties Ltd.				
Nico Purnomo Po	–	–	1,713,242,325	1,713,242,325

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

By virtue of Section 7 of the Act, Nico Purnomo Po is deemed to have interests in Pollux Holdings Pte. Ltd., the Company and its subsidiaries, at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Except as disclosed in this statement, no directors who held office at the end of the financial year had interests in shares, shares options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or of its subsidiaries.

There were no shares issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under options at the end of the financial year.

Directors' Statement

For the financial year ended 31 December 2023

Audit Committee

The Audit Committee as at the date of this statement comprises the following members, all of whom are independent directors:

Tan Lye Heng Paul (Chairman)
Phua Cher Chew
Brian Praneda

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Act. In performing those functions, the AC has:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the internal and external auditors;

- Reviewed the half yearly financial results and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;

- Reviewed the effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- Met with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- Reviewed the nature and extent of non-audit services provided by the external auditor;

- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate; and

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST)'s Listing Manual Section B: Rules of Catalist.

During the financial year, no non-audit services were provided by the external auditor to the Group. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the financial year with full attendance from all members. The AC has also met with the internal and external auditors, without the presence of the Company's management during the financial year.

The AC is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Corporate Governance Report.

In appointing our auditors for the Company, we have complied with Rules 712 and 715 of the Catalist Rules.

Directors' Statement

For the financial year ended 31 December 2023

Independent auditor

Foo Kon Tan LLP was appointed as auditor of the Company with effect from 27th April 2023 until the conclusion of the Annual General Meeting of the Company through a general meeting.

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

NICO PURNOMO PO

PHUA CHER CHEW

Dated: 3 June 2024

Independent Auditor’s Report

For the financial year ended 31 December 2023

Independent Auditor’s Report to the Members of Pollux Properties Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pollux Properties Ltd. (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

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

<u>Valuation of investment properties</u>

The Group owns a portfolio of investment properties comprising a commercial building, several residential units, serviced apartments and shop units which are located in Singapore. As at 31 December 2023, the net carrying amount of investment properties amounted to $344.5 million, of which a fair value gain of $420,000 was recorded during the financial year. The net carrying amount of the investment properties accounted for 92% of the Group’s total assets.

The valuation of these properties is significant to our audit due to its materiality and use of significant judgement and estimations in the valuation process. The Group records its investment properties at their fair values based on independent external valuations. The valuation process is complex and involves significant judgement and estimation in determining the appropriate valuation methodology to be used, and in evaluating the underlying assumptions to be applied. Accordingly, the valuations performed by independent external valuation specialists are inherently subjective and are highly sensitive to changes in the key assumptions applied such as terminal capitalisation rate, discount rate and adjusted price of comparable properties. As such, we identified this as a key audit matter.

Independent Auditor’s Report

For the financial year ended 31 December 2023

Independent Auditor’s Report to the Members of Pollux Properties Ltd.

Key Audit Matters (cont’d)

Valuation of investment properties (cont’d)

Our response:

We assessed the Group’s processes for the determination of the scope of work of the external valuation specialists, and the review and acceptance of the valuations reported by the external valuation specialists.

We read the terms of engagement of the external valuation specialists to consider the objectivity and independence of the external valuation specialists, and also considered the qualification and competency of the external valuation specialists engaged.

We also engaged our auditor’s expert and evaluated that the auditor’s expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor’s expert, we considered the appropriateness of the valuation techniques used, taking into account the profile and type of the investment properties.

We also compared the key assumptions used in the valuations by reference to internal historical data and corroborated with available benchmarks and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationship between key unobservable inputs and fair values.

Disclosures about the Group’s investment properties are made in Notes 7 and 35(b) to the financial statements.

Other Matter

The financial statements of the Group and the Company for the financial year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 March 2023.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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.

Responsibilities of Management and Directors for the Financial Statements

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

Independent Auditor's Report

For the financial year ended 31 December 2023

Independent Auditor's Report to the Members of Pollux Properties Ltd.

Responsibilities of Management and Directors for the Financial Statements (cont'd)

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:

- 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

For the financial year ended 31 December 2023

Independent Auditor's Report to the Members of Pollux Properties Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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, actions taken to eliminate threats or safeguards applied.

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 Chan Ser.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore
3 June 2024

Statements of Financial Position

As at 31 December 2023

	Note	Group 2023 $	Group 2022 $	Company 2023 $	Company 2022 $
ASSETS					
Non-Current Assets					
Property, plant and equipment	6	17,460,031	17,053,967	3,385	7,321
Investment properties	7	344,470,000	344,050,000	–	–
Investment in subsidiaries	8	–	–	142,058,299	142,058,299
Investment in a joint venture	9	2,589,262	2,625,154	1	1
Investment securities	10	502,881	502,881	502,881	502,881
		365,022,174	364,232,002	142,564,566	142,568,502
Current Assets					
Trade receivables	11	134,597	792,211	–	–
Other receivables and deposits	12	2,263,064	2,135,659	16,749	791
Prepaid operating expenses	13	670,698	827,873	17,000	17,000
Due from subsidiaries	14	–	–	46,086,084	46,212,148
Due from related parties	15	15	15	–	–
Investment securities	10	324,002	333,816	–	–
Fixed deposits pledged	16	1,530,000	2,530,000	–	–
Cash and cash equivalents	16	3,749,302	7,060,339	153,658	18,357
		8,671,678	13,679,913	46,273,491	46,248,296
Total assets		373,693,852	377,911,915	188,838,057	188,816,798
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	17	140,099,994	140,099,994	140,099,994	140,099,994
Revenue reserve		67,960,353	65,991,727	(34,706,499)	(32,049,398)
Foreign currency translation reserve	17(a)	(135,633)	(126,981)	–	–
Total equity		207,924,714	205,964,740	105,393,495	108,050,596
Non-Current Liabilities					
Deferred tax liabilities	27	8,336	8,336	–	–
Loans and borrowings	18	134,591,497	133,755,263	–	–
Loan from joint venture	19	2,347,404	2,288,147	2,347,404	2,288,147
		136,947,237	136,051,746	2,347,404	2,288,147
Current Liabilities					
Due to related parties	15	1,010,051	51	1,010,000	–
Due to subsidiaries	20	–	–	79,805,679	78,118,714
Trade payables	21	1,597,079	2,772,923	14,706	–
Other payables and accruals	21	6,492,992	7,231,521	266,773	359,341
Rental received in advance	22	2,222,196	2,624,397	–	–
Provision for taxation		612,433	809,915	–	–
Loans and borrowings	18	16,887,150	22,456,622	–	–
		28,821,901	35,895,429	81,097,158	78,478,055
Total liabilities		165,769,138	171,947,175	83,444,562	80,766,202
Total equity and liabilities		373,693,852	377,911,915	188,838,057	188,816,798

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2023

	Note	Year ended 31 December 2023 $	Year ended 31 December 2022 $
Revenue	4	13,785,607	13,795,462
Cost of sales	5	(39,871)	(1,423,607)
Gross profits		13,745,736	12,371,855
Interest income	23	21,226	82,603
Other income	24	767,515	4,807,349
Marketing and distribution expenses		(67,928)	(89,697)
General and administrative expenses		(4,252,547)	(5,343,232)
Finance costs	25	(7,621,751)	(4,227,494)
Share of results of a joint venture, net of tax	9	(35,892)	(451,516)
Profit before tax	26	2,556,359	7,149,868
Tax expense	27	(587,733)	(661,758)
Profit for the year		1,968,626	6,488,110
Other comprehensive income/(loss) after tax:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from consolidation of foreign operations		(8,652)	(126,981)
Other comprehensive loss for the year, net of nil tax		(8,652)	(126,981)
Total comprehensive income for the year		1,959,974	6,361,129
Profit attributable to:			
Owners of the Company		1,968,626	6,488,110
Total comprehensive income attributable to:			
Owners of the Company		1,959,974	6,361,129
Earnings per share (cents):			
- Basic	28	0.07	0.23
- Diluted	28	0.07	0.23

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2023

The Group	Equity attributable to owners of the Company			
	Share capital $	Revenue reserve $	Foreign currency translation reserve $	Total equity $
At 1 January 2022	140,099,994	59,503,617	–	199,603,611
Profit for the year	–	6,488,110	–	6,488,110
Other comprehensive loss	–	–	(126,981)	(126,981)
Total comprehensive income/(loss) for the year	–	6,488,110	(126,981)	6,361,129
At 31 December 2022	140,099,994	65,991,727	(126,981)	205,964,740
Profit for the year	–	1,968,626	–	1,968,626
Other comprehensive loss	–	–	(8,652)	(8,652)
Total comprehensive income/(loss) for the year	–	1,968,626	(8,652)	1,959,974
At 31 December 2023	140,099,994	67,960,353	(135,633)	207,924,714

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2023

	Note	Year ended 31 December 2023 $	Year ended 31 December 2022 $ Reclassified
Cash Flows from Operating Activities			
Profit before taxation		2,556,359	7,149,868
Adjustments for:			
Impairment loss on trade receivables	11, 26	3,769	9,750
Depreciation of property, plant and equipment	6	181,583	52,278
Interest income	23	(21,226)	(82,603)
Reversal of provision on liquidated damages	24	(150,792)	–
Reversal of retention sum payable	24	(163,265)	–
Fair value gain on investment properties	26, 7	(420,000)	(4,631,356)
Fair value loss/(gain) on quoted equity securities	24, 26	9,814	(10,351)
Interest expense	25	7,602,428	4,214,894
Share of results of a joint venture	9	35,892	451,516
Currency realignment		153,607	1,214,756
Operating profit before working capital changes		9,788,169	8,368,752
Changes in trade receivables		653,845	1,457,866
Changes in other receivables, deposits and prepaid operating expenses		29,770	(647,846)
Changes in trade payables		(861,787)	700,525
Changes in rental received in advance		(402,201)	703,739
Changes in other payables and accruals		(458,435)	2,044,259
Cash generated from operations		8,749,361	12,627,295
Interest received		21,226	82,603
Income taxes paid		(785,214)	(273,579)
Net cash generated from operating activities		7,985,373	12,436,319
Cash Flows from Investing Activities			
Purchase of property, plant and equipment (Note A)		(1,064,659)	(19,186,466)
Additions to investment properties	7	–	(368,644)
Net cash used in investing activities		(1,064,659)	(19,555,110)
Cash Flows from Financing Activities			
Proceeds/(Repayment) of loan from joint venture (Note B)		59,257	(675,330)
Advances from related party (Note B)		1,010,000	–
Proceed from loans and borrowings (Note B)		1,500,000	–
Decrease in fixed deposits pledged (Note B)		1,000,000	–
Repayment of loans and borrowings (Note B)		(6,233,238)	(6,271,600)
Interest paid (Note B)		(7,602,428)	(4,214,894)
Net cash used in financing activities		(10,266,409)	(11,161,824)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows (cont'd)

For the financial year ended 31 December 2023

	Note	Year ended 31 December 2023 $	Year ended 31 December 2022 $ Reclassified
Net decrease in cash and cash equivalents		(3,345,695)	(18,280,615)
Net effect of exchange rate changes on the balance of cash held in foreign currencies		34,658	180,288
Cash and cash equivalents at beginning of year		7,060,339	25,160,666
Cash and cash equivalents at end of year	16	3,749,302	7,060,339

Note (A):
For the financial year ended 31 December 2023, cash payments of $1,064,659 (2022: $19,186,466) consist of acquisition of property, plant and equipment made during the year with an aggregate cost of $784,565 (2022: $18,542,907) and the balance pertains to partial payment made for property, plant and equipment purchased in prior periods.

Note: (B)
The tables below detail changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Cash Flow				Non-cash changes	
Group	Note	At 1 January 2023 $	Changes In bank pledges $	Repayment of loans $	Proceeds from loans and advances $	Interest paid $	Finance Costs $	At 31 December 2023 $
2023								
Fixed deposit pledged	16	(2,530,000)	1,000,000	–	–	–	–	(1,530,000)
Loans and borrowings	18	156,211,885	–	(6,233,238)	1,500,000	(7,602,428)	7,602,428	151,478,647
Loan from joint venture	19	2,288,147	–	–	59,257	–	–	2,347,404
Amount due to related parties	15	51	–	–	1,010,000	–	–	1,010,051

			Cash Flow				Non-cash changes	
Group	Note	At 1 January 2022 $	Changes In bank pledges $	Repayment of loans $	Proceeds from loans and advances $	Interest paid $	Finance Costs $	At 31 December 2022 $
2022								
Fixed deposit pledged	16	(2,530,000)	–	–	–	–	–	(2,530,000)
Loans and borrowings	18	162,483,485	–	(6,271,600)	–	(4,214,894)	4,214,894	156,211,885
Loans from joint venture	19	2,963,477	–	(675,330)	–	–	–	2,288,147
Amount due to related parties	15	51	–	–	–	–	–	51

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

1 General Information

The financial statements of the Group and the Company for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' statement.

The Company is incorporated as a limited liability company domiciled in the Republic of Singapore. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is at 554 Havelock Road, Singapore 169639.

The immediate holding company is Pollux Holdings Pte. Ltd., a company incorporated in Singapore. The ultimate holding company is PT. Pollux Multi Artha, a company incorporated in Indonesia.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries and joint venture are disclosed in Notes 8 to 9 to the financial statements, respectively.

2 Going concern

The financial statements have been prepared on a going concern basis, notwithstanding that the Group's current liabilities exceeded its current assets by $20,150,223 (2022: $22,215,516) as at 31 December 2023.

As at 31 December 2023, the Group has cash and cash equivalents of $3,749,302 (2022: $7,060,339). The Group has also generated positive cash inflows from its operations of $7,985,373 (2022: $12,436,319) during the year. The cash flow projection for at least the next 12 months from the date of the financial statements prepared by management resulted in a positive net cash balance. The ability of the Group to continue as a going concern is dependent on the generation of sufficient income. The directors are of the view that the Group will have sufficient cash resources to satisfy its working capital requirements and short-term obligations within the next 12 months after the date of the financial statements to enable it to continue operations and meet its liabilities as and when they fall due based on the following:

i) The Group's ability to generate sufficient cash flows from its operating activities.

ii) $7.5 million (2022: $15.1 million) of the Group's current loans and borrowings are on a monthly revolving basis and management expects them to be renewed as and when they fall due.

iii) Unutilised credit facilities of $8.5 million (2022: nil) yet to be drawn down by the Group.

3(a) Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD) which is the Company's functional currency. All financial information are disclosed in Singapore Dollars, unless otherwise stated.

Notes to the Financial Statements

3(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2023, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 17	*Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2	*Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8	*Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-12	*International Tax Reform – Pillar Two Model Rules*	1 January 2023

<u>SFRS(I) 17 *Insurance Contracts*</u>

SFRS(I) 17 is a new comprehensive accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. When effective, SFRS(I) 17 shall replace SFRS(I) 4 Insurance Contracts. SFRS(I) 17 applies to all types of insurance contracts (such as life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions are applicable. The overall objective of SFRS(I) 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SFRS(I) 4, which are largely based on grandfathering previous local accounting policies, SFRS(I) 17 provides a comprehensive model for insurance contracts covering all relevant accounting aspects. The core of SFRS(I) 17 is the general model, supplemented by a specific adaptation for contracts with direct participation features (the variable fee approach) and a simplified approach (the premium allocation approach) mainly for short-duration contracts. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows, explicitly measures the cost of that uncertainty, and takes into account market interest rates and the impact of policyholders' options and guarantees.

SFRS(I) 17 are applied retrospectively, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the beginning of the reporting period in which SFRS(I) 17 is first applied, and the transition date is the beginning of the period immediately preceding the date of initial application.

There is no impact on the financial statements as the Group does not have such contracts in scope of SFRS(I) 17 as at the reporting date.

Notes to the Financial Statements

3(b) Adoption of new and revised SFRS(I) effective for the current financial year (cont'd)

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Disclosure of Accounting Policies*

The amendments provide guidance and examples to help a reporting entity apply materiality judgement to accounting policy disclosures. The amendments aim to help the entity to provide accounting policy disclosures that are more useful by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies and by adding guidance on how the entity applies the concept of materiality in making decisions about accounting policy disclosures.

The amendments to SFRS(I) 1-1 are applied prospectively. The amendments to SFRS(I) Practice Statement 2 do not contain an effective date or transition requirements.

There is no financial impact on the financial statements on adoption of these amendments. The material accounting policy information (2022: Significant accounting policies) in Note 3(e) were updated in line with the amendments.

Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates*

The amendments replace the definition of 'change in accounting estimates' with a definition of 'accounting estimates'. The amendments clarify the distinction between change in accounting estimates and change in accounting policies and correction of errors, and that entities use measurement techniques and inputs to develop accounting estimates.

The amendments are applied to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of the period of initial application.

There is no impact on the financial statements as there have been no such changes in accounting policies and changes in accounting estimates during the period.

Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, a reporting entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

The Group has adopted the amendments from 1 January 2023. The amendments are applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax asset and deferred tax liability shall be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

There is no impact to the Group's and the Company's financial statements upon adoption, as there are no lease arrangements which give rise to equal taxable and deductible temporary differences.

Notes to the Financial Statements

3(b) Adoption of new and revised SFRS(I) effective for the current financial year (cont'd)

Amendments to SFRS(I) 1-12 *International Tax Reform – Pillar Two Model Rules*

The amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform.

The OECD published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate.

The amendments will introduce:

- A temporary exception – to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules. This will help to ensure consistency in the financial statements while easing into the implementation of the rules; and

- Targeted disclosure requirements – to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after 1 January 2023.

There is no impact on the financial statements as the Group's consolidated revenue is less than EUR 750 million each for financial years ended 31 December 2023 and 2022, and thus, it is not in scope of the Pillar Two model rule.

3(c) New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not early adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application.

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1	*Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16	*Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	*Supplier Finance Arrangements*	1 January 2024
Amendments to SFRS(I) 1-21	*Lack of Exchangeability*	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be determined

Notes to the Financial Statements

3(d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, 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 incomes and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving significant judgement are described below.

Significant judgements in applying accounting policies

(i) Determination of functional currency

The Group measures foreign currency translation in the respective currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(ii) Income taxes

The Group has exposure to income taxes in Singapore and Indonesia. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or assets arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolio and concluded that they are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, but rather through sale of the investment properties instead. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted. There is no capital gain tax on disposal of investment properties in Singapore.

Notes to the Financial Statements

3(d) Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty

(i) Valuation of investment properties (Note 7, 35)

The Group's investment properties are stated at estimated fair values based on the valuation performed by independent professional valuers using valuation techniques (direct comparison method and discounted cash flow method) which involve certain estimates and significant unobservable inputs. In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. A 5% adjustment to the fair value of investment properties from management's estimates would result in approximately $17,223,500 (2022: $17,202,500) variance to the Group's results for the year. The fair values of the Group's investment properties and the information relating to the valuation techniques and inputs used in determining their fair value are disclosed in Note 7 and 35, respectively.

(ii) Impairment of financial assets (Note 11, 12, 14, 16)

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past historical experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of the Group's and the Company's trade and other receivables at the end of the reporting period are disclosed in Note 11 and 12 to the financial statements. A reasonably possible change in key assumptions indicates that the impact is insignificant.

The Company held non-trade receivables from its subsidiaries that are repayable on demand of $70,320,841, (2022: $67,762,736) as at the reporting date. These balances are amounts extended to the subsidiaries to satisfy their short-term funding requirements. The impairment of the amounts due from subsidiaries is based on the expected loss model using general approach which considers the availability of highly accessible liquid assets of the subsidiaries to repay these amounts if demanded repayment at the reporting date. As a result of management's assessment, allowance for impairment loss on non-trade receivables due from its subsidiaries during the financial year ended 31 December 2023 is disclosed in Note 14. A reasonably possible change in key assumptions indicates that the impact is insignificant.

(iii) Impairment of non-financial assets (Note 6, 8, 9)

Property, plant and equipment, investments in subsidiaries and joint venture are tested for impairment whenever there is objective evidence or indication that these assets may be impaired.

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). The FVLCD calculation is based on available data from comparable sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget projected on a ten-year horizon. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The carrying amount of the property, plant and equipment in the Group's consolidated financial statements are disclosed in Note 6. The carrying amount of the Company's investment in subsidiaries and the Group's investment in joint venture at the reporting date are disclosed in Note 8 and 9, respectively.

Notes to the Financial Statements

3(e) Material accounting policy information

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group assets and liabilities, equity, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Specifically, income and expenses of a subsidiary or an investee acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

<u>Subsidiary</u>

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it 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.

Thus, the Group controls an investee if, and only if, the Group has all of the following:

- power over the investee;

- exposure, or rights to variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect its returns.

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

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

<u>Subsidiary</u> (Cont'd)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

<u>Non-controlling interest</u>

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

<u>Changes in ownership interests in subsidiaries without change of control</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

- de-recognises the carrying amount of any non-controlling interest;

- de-recognises the cumulative translation differences recorded in equity;

- recognises the fair value of the consideration received;

- recognises the fair value of any investment retained;

- recognises any surplus or deficit in profit or loss;

- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Leasehold improvement	3 years
Office equipment	5 years
Computers and software	3 years
Furniture and fittings	5 years
Operating equipment	5 to 10 years
Linen, glass/silverware and uniforms	4 years
Leasehold properties	20 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Construction-in-progress represents hotel properties under renovation, which is stated at cost less any impairment losses, and is not depreciated. Costs comprise the purchase prices, purchase taxes and renovation costs. Construction-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are properties that are either owned by the Group or leased under a operating lease that are held 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 in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment properties only when there is a change in use.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Joint ventures

The Group accounts for its investment in joint venture using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income.

Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Investments in debt instruments (Cont'd)

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value less in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) Offsetting of financial instruments

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

Impairment of financial assets

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

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Allowance for ECL of other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions, current credit standing of debtor or significant financial difficulties of the debtor as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time of horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

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

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flows, fixed deposits pledged are excluded from cash and cash equivalents.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Employee benefits

<u>Defined contribution plans</u>

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

<u>Key management personnel</u>

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Leases

(a) As lessee

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses and low value assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out below. Contingent rents are recognised as revenue in the period in which they are earned.

Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms on ongoing leases. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Serviced apartment operation income

Income from serviced apartment is recognised when services are rendered to customers. Income from room rental is recognised on a straight-line basis over the period the customer stays in the serviced apartment.

(c) Management and advisory fees

Management and advisory fees from rendering of services that are of short duration are recognised when the significant acts have been completed.

Revenue is recognised when performance obligation is completed and customer is able to consume the benefit, i.e. decision in making investment portfolio.

The Group has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Revenue (Cont'd)

(d) Rendering of services

Revenue from hotel operations, comprising primarily the use of rooms, food and beverage sales and other services, are recognised when rooms are occupied, food and beverages are sold and services are performed.

Government grants

Government grants are recognised when there is reasonable assurance that the grants will be received, and all attaching conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Income tax

(a) Current income tax

Current tax assets and liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subjected to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Income tax (Cont'd)

(b) Deferred tax (Cont'd)

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

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

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

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

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases and decommissioning liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Income tax (Cont'd)

(c) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the consolidated statement of financial position of the Group except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Related parties

A related party is defined as follows:

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

   (i) has control or joint control over the Company;

   (ii) has significant influence over the Company; or

   (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

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

   (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

   (iii) both entities are joint ventures of the same third party;

   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

   (vi) the entity is controlled or jointly controlled by a person identified in (a);

   (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

   (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Functional currency

<u>Functional and presentation currency</u>

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore Dollars, which is also the functional currency of the Company.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Conversion of foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rates at the balance sheet date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
- Income and expenses for each statement presenting profit and loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

Notes to the Financial Statements

3(e) Material accounting policy information (Cont'd)

Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

4 Revenue

The principal activities of the Group consist of leasing of its residential and commercial properties, income from serviced apartment, management and advisory fees and operations of hotels.

The Group	2023 $	2022 $
Serviced apartment operation income	–	5,263,902
Management and advisory fees	–	56,834
Hotel operations	201,603	–
Revenue from contracts with customers	201,603	5,320,736
Rental income	13,584,004	8,474,726
Total Revenue	13,785,607	13,795,462

Notes to the Financial Statements

4 Revenue (Cont'd)

(a) Disaggregation of revenue

	Serviced apartment		Investment properties		Fund management		Hotel Operations		Total revenue	
	2023	2022	2023	2022	2023	2022	2023	2022*	2023	2022
	$	$	$	$	$	$	$	$	$	$
Primary geographical markets										
Singapore	–	5,263,902	13,584,004	8,474,726	–	56,834	–	–	13,584,004	13,795,462
Indonesia	–	–	–	–	–	–	201,603	–	201,603	–
	–	5,263,902	13,584,004	8,474,726	–	56,834	201,603	–	13,785,607	13,795,462
Major product or service lines										
Residential properties	–	–	1,411,067**	1,254,838**	–	–	–	–	1,411,067	1,254,838
Commercial properties	–	–	12,172,937**	7,219,888**	–	–	–	–	12,172,937	7,219,888
Serviced apartment operation income	–	5,263,902	–	–	–	–	–	–	–	5,263,902
Hotel operation	–	–	–	–	–	–	201,603	–	201,603	–
Management and advisory fees	–	–	–	–	–	56,834	–	–	–	56,834
	–	5,263,902	13,584,004	8,474,726	–	56,834	201,603	–	13,785,607	13,795,462
Revenue from contracts with customers										
Timing of transfer of goods or services										
At a point in time	–	–	–	–	–	56,834	201,603	–	201,603	56,834
Over time	–	5,263,902	–	–	–	–	–	–	–	5,263,902
	–	5,263,902	–	–	–	56,834	201,603	–	201,603	5,320,736

* There was no revenue derived from hotel operations segment in the financial year ended 31 December 2022.

** Rental income is generated from the leasing of the Group's residential and commercial investment properties. This meets the criteria of SFRS(I) 16 Leases, and falls out of scope of SFRS(I) 15 Revenue from contracts with customers.

Notes to the Financial Statements

4 Revenue (cont'd)

(b) Contract balances from contracts with customers

Information about receivables from contracts with customers are disclosed as follows:

The Group	2023 $	2022 $
Receivables from contracts with customers	88,755	238,790

5 Cost of sales

The Group	2023 $	2022 $
Hotel operations	39,871	–
Serviced apartment	–	1,423,607
Total	39,871	1,423,607

Notes to the Financial Statements

6 Property, plant and equipment

The Group	Leasehold improvement $	Office equipment $	Computers and software $	Furniture and fittings $	Operating equipment $	Linen, glass/ silverware and uniforms $	Construction-in-progress $	Leasehold Properties* $	Total $
Cost									
At 1 January 2022	181,471	39,984	214,209	1,946,966	591,813	117,612	–	–	3,092,055
Additions	69,025	–	5,670	–	74,133	–	18,394,079	–	18,542,907
Currency realignment	–	–	–	–	–	–	(1,522,025)	–	(1,522,025)
At 31 December 2022	250,496	39,984	219,879	1,946,966	665,946	117,612	16,872,054	–	20,112,937
Additions	–	–	–	270,604	17,089	–	496,872	–	784,565
Reclassification to Leasehold Properties*	–	–	–	–	–	–	(1,808,458)	1,808,458	–
Currency realignment	–	–	–	–	–	–	(176,806)	(20,112)	(196,918)
At 31 December 2023	250,496	39,984	219,879	2,217,570	683,035	117,612	15,383,662	1,788,346	20,700,584
Accumulated depreciation									
At 1 January 2022	169,399	39,984	180,101	1,945,426	556,662	115,120	–	–	3,006,692
Depreciation for the year	18,299	–	16,600	712	14,175	2,492	–	–	52,278
At 31 December 2022	187,698	39,984	196,701	1,946,138	570,837	117,612	–	–	3,058,970
Depreciation for the year	27,402	–	6,273	21,264	34,249	–	–	92,395	181,583
At 31 December 2023	215,100	39,984	202,974	1,967,402	605,086	117,612	–	92,395	3,240,553
Net carrying amount									
At 31 December 2023	35,396	–	16,905	250,168	77,949	–	15,383,662	1,695,951	17,460,031
At 31 December 2022	62,798	–	23,178	828	95,109	–	16,872,054	–	17,053,967

* Transfer to leasehold properties

During the financial year, 2 floors of a hotel property in Indonesia were completed and had begun operations. Therefore, the related costs for both floors had been reclassified from construction-in-progress to leasehold properties.

Notes to the Financial Statements

6 Property, plant and equipment (cont'd)

The Company	Leasehold improvement $	Office equipment $	Computers and software $	Furniture and fittings $	Total $
Cost					
At 1 January 2022	27,919	12,364	58,067	69,948	168,298
Additions	–	–	5,670	–	5,670
At 31 December 2022 and at 31 December 2023	27,919	12,364	63,737	69,948	173,968
Accumulated depreciation					
At 1 January 2022	27,919	12,364	52,954	69,948	163,185
Depreciation for the year	–	–	3,462	–	3,462
At 31 December 2022	27,919	12,364	56,416	69,948	166,647
Depreciation for the year	–	–	3,936	–	3,936
At 31 December 2023	27,919	12,364	60,352	69,948	170,583
Net carrying amount					
At 31 December 2023	–	–	3,385	–	3,385
At 31 December 2022	–	–	7,321	–	7,321

7 Investment properties

The Group	2023 $	2022 $
At beginning of the year	344,050,000	339,050,000
Additions	–	368,644
Fair value gain recognised in profit or loss, net (Note 26)	420,000	4,631,356
At end of the year	344,470,000	344,050,000
At valuation:		
Freehold properties	297,920,000	296,100,000
Leasehold properties	46,550,000	47,950,000
	344,470,000	344,050,000

Notes to the Financial Statements

7 Investment properties (cont'd)

The following amounts are recognised in profit or loss:

The Group	2023 $	2022 $
Rental income arising from:		
- Serviced apartment	–	5,263,902
- Residential or commercial investment properties	13,584,004	8,474,726
Direct operating expenses arising from rental generating properties	9,211,303	6,978,009

The Group has no restrictions on the realisation of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed at the end of the reporting date. The valuations were performed by Cushman & Wakefield VHS (2022: Cushman & Wakefield VHS), an independent certified valuer who has appropriate recognised and relevant professional qualification and with recent experience within the local market and in the location and category of the investment properties valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller at an arm's length transaction. The investment properties are valued on a highest and best use basis. For all of the Group's investment properties, the current use is considered to be the highest and best use. Details of the valuation techniques and inputs are disclosed in Note 35(b).

Investment properties pledged as security

Investment properties amounting to $344,470,000 (2022: $344,050,000) are mortgaged to secure certain bank loans of the Group (Note 18).

The investment properties held by the Group as at 31 December 2023 and 2022 are as follows:

Description and location	Existing use	Total net lettable area (square foot)	Tenure	Unexpired lease term
2 units at No. 432 Balestier Road	Shops	2,583	Freehold	Freehold
96 units at No. 554 Havelock Road	Serviced Apartments	64,257	Leasehold	11 years and 3 months
10-storey development at 40A Orchard	Commercial	86,909	Freehold	Freehold
12 units at 57B Devonshire Road, The Suites @ Central	Residential	20,095	Freehold	Freehold
1 unit at 31 Tanglin Road, St. Regis Residences	Residential	2,486	999 years	970 years
1 unit at 238 Orchard Boulevard, The Orchard Residences	Residential	2,852	99 years	81 years

Notes to the Financial Statements

8 Investments in subsidiaries

The Company	2023 $	2022 $
Unquoted equity investments, at cost	142,058,299	142,058,299

Details of investments in subsidiaries held by the Company as at 31 December 2023 and 2022 are as below.

Name of subsidiaries	Country of incorporation/ principal place of business	Proportion of ownership interest 2023 %	2022 %	Principal activities
Held by the Company				
Luban Investments Pte. Ltd.[1]	Singapore	100	100	Property investment holding
Kovan Properties Pte. Ltd.[1]	Singapore	100	100	Investment holding
Pollux Alpha Investments Ltd.[1]	British Virgin Islands	100	100	Investment holding
Stirling Fort Capital Pte. Ltd ("SFCPL")	Singapore	100[1]	100[3]	Fund management
Emerald Investments (SG) Pte. Ltd.[1]	Singapore	100	100	Investment holding[n]
Diamond Investments (SG) Pte. Ltd.[1]	Singapore	100	100	Investment holding[n]
Sapphire Investments (SG) Pte. Ltd.[1]	Singapore	100	100	Investment holding[n]
Held through subsidiaries				
Boulevard Residences Pte. Ltd.[1]	Singapore	100	100	Property development
Bvlgari Park Residences Pte. Ltd.[1]	Singapore	100	100	Property development
Channel Residences Pte. Ltd.	Singapore	*	100	Property development
Giorgio Residences Pte. Ltd.	Singapore	*	100	Property development
Peninsula Park Residences Pte. Ltd.[1]	Singapore	100	100	Property investment holding
Tinifia Investment Pte. Ltd.[1]	Singapore	100	100	Property investment holding

Notes to the Financial Statements

8 Investments in subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation/ principal place of business	Proportion of ownership interest 2023 %	2022 %	Principal activities
Held through subsidiaries (cont'd)				
Richmond View Investment Pte. Ltd.(1)	Singapore	100	100	Property investment holding
Orchard Residence Investment Pte. Ltd.(1)	Singapore	100	100	Property investment holding
Symbianta Worldwide Inc.(1)	British Virgin Islands	100	100	Property investment holding
Savers Investment Ltd(1)	British Virgin Islands	100	100	Property investment holding
Cherimoya Worldwide Corporation(1)	British Virgin Islands	100	100	Property investment holding
PT. Investasi Cemerlang Sukses(2)(4)	Indonesia	100	100	Hotel operations(n)
PT. Mitra Investasi Abadi(2)(4)	Indonesia	100	100	Hotel operations(n)
PT. Sumber Makmur Investasi(2)(4)	Indonesia	100	100	Hotel operations(n)

Notes:

(i) The respective auditors of the companies as listed as below:

(1) Audited by Foo Kon Tan LLP
(2) Audited by Foo Kon Tan LLP for the purpose of Group consolidation
(3) Audited by JC Allianz & Co in the last financial year
(4) Audited by Kantor Akuntan Publik Umaryadi, Ak., CPA in the last financial year

(ii) (n) These companies were incorporated in the last financial year.

(iii) (*) These companies have been struck off from the local register on 7 August 2023.

Notes to the Financial Statements

9 Investment in a joint venture

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Unquoted equity investments, at cost	1	1	1	1
Share of post-acquisition reserves	2,589,261	2,625,153	–	–
	2,589,262	2,625,154	1	1

The Group held 50% (2022: 50%) interest in the ownership and voting rights in a joint venture, Pollux Botero Pte. Ltd [1]. The joint venture was incorporated in Singapore and holds 100% interest in an entity with a property under development. The Group jointly controls the joint venture entity with other partner under a contractual agreement and requires unanimous consent for all major decisions over the relevant activities. The Group has recognised its interest in the joint venture using the equity method.

Note:

(1) Audited by Foo Kon Tan LLP

Summarised financial statement information in respect of Pollux Botero Pte. Ltd., in the consolidated financial statements is as follows:

	2023	2022
	$	$
Summarised balance sheet		
Completed development property held for sale	1,430,000	1,430,000
Other receivables	3,330	–
Due from shareholders (non-trade)	4,694,808	4,805,219
Cash and cash equivalents	3,922	6,905
Total assets	6,132,060	6,242,124
Current financial liabilities, representing current liabilities	953,536	991,816
Non-current liabilities	–	–
Total liabilities	953,536	991,816

Notes to the Financial Statements

9 Investment in a joint venture (cont'd)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint venture is as follows: -

	Pollux Botero Pte. Ltd.	
	2023	2022
	$	$
Net assets attributable to investee's shareholders	5,178,524	5,250,308
Group's equity interest	50%	50%
Group's share of net assets	2,589,262	2,625,154

	2023	2022
	$	$
Summarised statement of comprehensive income		
Revenue	9,000	–
Other operating income	1,376	73,226
Operating expenses	(81,563)	(967,003)
Finance costs	(597)	(755)
Loss before tax	(71,784)	(894,532)
Income tax expense	–	(8,500)
Loss after tax	(71,784)	(903,032)
Total comprehensive loss	(71,784)	(903,032)
Proportion of the Group's ownership	50%	50%
Attributable to investee's shareholders	(35,892)	(451,516)

	Pollux Botero Pte. Ltd.	
	2023	2022
	$	$
Group's interest in net assets of joint venture at beginning of the year	2,625,154	3,076,670
Group's share of loss for the year	(35,892)	(451,516)
Group's share of net assets	2,589,262	2,625,154

Notes to the Financial Statements

10 Investment securities

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Non-current				
Equity investments (designated as) at FVPL:				
- Unquoted equity securities	502,881	502,881	502,881	502,881
Current				
Equity investments (mandatorily measured) at FVPL:				
- Quoted equity securities	324,002	333,816	–	–

Information about the Group's and the Company's exposure to market price risks and fair value measurement are included in Note 34 and Note 35 respectively.

11 Trade receivables

The Group	2023 $	2022 $
Trade receivables	278,262	933,067
Less: Allowance for expected credit losses	(143,665)	(140,856)
	134,597	792,211

Trade receivables are generally on 7 – 30 days' (2022: 7 – 30 days') terms. They are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables are denominated in Singapore Dollars. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

Expected credit losses

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The movement in allowance in respect of trade receivables during the year is as follows:

The Group	2023 $	2022 $
Balance at beginning of year	140,856	140,856
Impairment loss (Note 26)	3,769	9,750
Amount written off as uncollectible	(960)	(9,750)
Balance at end of year	143,665	140,856

Information about the Group's exposure to credit risks is disclosed in Note 34.

Notes to the Financial Statements

12 Other receivables and deposits

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Deposits	38,150	108,667	16,749	791
Other receivables	390,355	3,287,036	–	–
Less: Allowance for expected credit losses	–	(3,118,357)	–	–
GST receivables	1,834,559	1,858,313	–	–
	2,263,064	2,135,659	16,749	791

Expected credit losses

The movement in allowance in respect of other receivables during the year is as follows:

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Balance at beginning	3,118,357	3,118,357	–	–
Written off for the financial year	(3,118,357)	–	–	–
Balance at end of year	–	3,118,357	–	–

In the previous financial year, the Group has provided an allowance of $3,118,357 for impairment of payment of construction cost in advance to main contractor. This balance was written off in the current year following the strike-off of a subsidiary from the local register.

Information about the Group's and the Company's exposure to foreign currency risks and credit risks are disclosed in Note 34.

Other receivables and deposits (excluding GST receivables) are denominated in the following currencies:

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Singapore dollars	390,528	277,346	16,749	791
Indonesian Rupiah	37,977	–	–	–
	428,505	277,346	16,749	791

Notes to the Financial Statements

13 Prepaid operating expenses

The Group's prepaid operating expense are primarily made for procurement of property agent commission service which have been paid in advance in order to obtain a lease contract that has commenced on 1 January 2023. It will be expensed off over the lease period upon lease commencement.

14 Due from subsidiaries

The Company	2023 $	2022 $
Due from subsidiaries	70,320,841	67,762,736
Less: Allowance for impairment	(24,234,757)	(21,550,588)
	46,086,084	46,212,148

The amounts due from subsidiaries, representing intercompany loan advances, are non-trade in nature, unsecured, non-interest bearing, repayable on demand and to be settled in cash.

Impairment in amounts due from subsidiaries

As at the reporting date, management carried out a review of the recoverability of the non-trade amounts extended to its subsidiaries to determine if the amount of impairment allowance at year end is adequate. For amounts due from subsidiaries which are repayable on demand, expected credit losses are based on the assumption that repayment of these amounts due from subsidiaries is demanded at the reporting date. Based on management's assessment, the amounts owing from certain subsidiaries could not be repaid if demanded at the reporting date after considering the highly accessible liquid assets of these subsidiaries. Accordingly, management has made a net impairment loss of $2,684,169 (2022: net reversal of impairment loss of $2,127,291) on the amounts due from the subsidiaries during the year.

The Company	2023 $	2022 $
Balance at beginning of year	21,550,588	23,677,879
Provision for expected credit losses	5,401,718	1,933,369
Reversal of expected credit losses	(2,717,549)	(4,060,660)
Balance at end of year	24,234,757	21,550,588

Amount due from subsidiaries are denominated in the following currencies:

The Company	2023 $	2022 $
Singapore dollars	29,119,234	29,245,298
Indonesian Rupiah	16,966,850	16,966,850
	46,086,084	46,212,148

Information about the Company's exposure to foreign currency risks and credit risks are disclosed in Note 34.

Notes to the Financial Statements

15 Due from/(to) related parties

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Due from related parties	15	15	–	–
Due to related parties	(1,010,051)	(51)	(1,010,000)	–

The amounts due from related parties, representing payment on behalf, are denominated in Singapore Dollars, non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash. They are recognised at their original amounts which represent their fair values on initial recognition.

The amounts due to related parties, representing advances from related parties, are denominated in Singapore Dollars, non-trade in nature, unsecured, interest-free and repayable on demand and are to be settled in cash.

Information about the Group's and the Company's exposure to credit risks and liquidity risks are disclosed in Note 34.

16 Cash and fixed deposits

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Cash and cash equivalents	3,749,302	7,060,339	153,658	18,357
Fixed deposits pledged	1,530,000	2,530,000	–	–
	5,279,302	9,590,339	153,658	18,357

Fixed deposits with maturities of within one year (2022: within one year) are pledged to bank as collateral for banking facilities at the end of the financial year. The effective interest rate of the deposits was 0.56% (2022: 0.38%) per annum.

Information about the Group's and Company's exposure to credit and foreign currency risks are disclosed in Note 34.

Total cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Singapore dollars	5,253,723	8,537,821	153,658	18,357
Indonesian Rupiah	25,579	1,052,518	–	–
	5,279,302	9,590,339	153,658	18,357

Notes to the Financial Statements

17 Share capital

The Group and The Company	2023 No. of ordinary shares	2022 No. of ordinary shares	2023 $	2022 $
Issued and fully paid, with no par value				
Balance at beginning and at end of year	2,759,468,325	2,759,468,325	140,099,994	140,099,994

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

17(a) Foreign currency translation reserve

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

18 Loans and borrowings

The Group	Maturity	2023 $	2022 $
Non-current			
Long-term bank loans	2025-2038 (2022: 2024-2037)	134,591,497	133,755,263
Current			
Short-term bank loans	2024	7,500,000	15,091,600
Current portion of long-term bank loans	2024	9,387,150	7,365,022
		16,887,150	22,456,622
Total		151,478,647	156,211,885

(a) The Group's loans are denominated in Singapore Dollars. During the financial year, the effective interest rates of the bank loans ranged from 4.70% to 7.05% (2022: 1.05% to 4.78%) per annum.

(b) There are no unsecured loans for the financial years ended 31 December 2023 and 2022. The Group's loans are generally secured by the following:

   (i) First legal mortgage over the related investment properties

   (ii) Corporate guarantee by the Company

   (iii) Legal assignment over all rights, titles, and interests in the related construction contracts, insurance policies, performance bond (if any), tenancy agreements, current and future rental income relating to the specified property pledged.

Notes to the Financial Statements

18 Loans and borrowings (cont'd)

The bank loans include a financial covenant that the outstanding loan balance shall not exceed the range of stipulated percentage 55% to 80% (2022: 55% to 80%) of the market value of the properties.

Further analysis of liquidity risks is set out in Note 34.

19 Loan from joint venture

The loan from joint venture is denominated in Singapore Dollars, unsecured, non-interest bearing, to be settled in cash and not be recalled in the next 12 months.

Further analysis of liquidity risks is set out in Note 34.

20 Due to subsidiaries

The amounts due to subsidiaries, representing intercompany loan advances are denominated in Singapore Dollars, non-trade in nature, unsecured, non-interest bearing, repayable on demand and to be settled in cash.

Further analysis of liquidity risks is set out in Note 34.

21 Trade and other payables

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Trade payables	1,597,079	2,772,923	14,706	–
Other payables	213,398	161,378	72,838	141,816
Payable for purchase of property, plant and equipment	984,809	1,264,903	–	–
Accrued directors' fees	151,393	151,393	151,393	151,393
Accrued operating expenses	405,327	668,966	42,542	66,132
Deposits received from customers	4,356,696	4,630,934	–	–
Provisions	–	150,792	–	–
GST payable	381,369	203,155	–	–
Total Other Payables	6,492,992	7,231,521	266,773	359,341
Total Trade and Other Payables	8,090,071	10,004,444	281,479	359,341

Trade payables are denominated in Singapore Dollars, non-interest bearing and are normally settled on 60-day (2022: 60 days) terms. Other payables are unsecured, non-interest bearing and repayable on demand.

Notes to the Financial Statements

21 Trade and other payables (cont'd)

Payable for purchase of property, plant and equipment

This pertains mainly to income taxes and stamp duty payable to government authorities upon acquisition of hotel properties in Indonesia during the last financial year.

The Group	2023 $	2022 $
Balance at beginning of year	1,264,903	1,908,462
Additions for property, plant and equipment	784,565	18,542,907
Payments made for property, plant and equipment	(1,064,659)	(19,186,466)
Balance at end of year	984,809	1,264,903

Deposits received from customers

This pertains to security deposits from customers upon acceptance of letter of offer of lease agreements.

Provisions

Provisions mainly relate to provision for liquidated damages arising from the development properties.

The Group	2023 $	2022 $
Balance at beginning of year	150,792	152,326
Utilised during the financial year	–	(1,534)
Reversed during the financial year	(150,792)	–
Balance at end of year	–	150,792

Other payables (excluding GST payables and provisions) are denominated in the following currencies:

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Singapore dollars	5,110,440	5,612,153	266,773	359,341
Indonesian Rupiah	1,001,183	1,265,421	–	–
	6,111,623	6,877,574	266,773	359,341

Please refer to Note 34 for details of currency and liquidity risks exposure.

Notes to the Financial Statements

22 Rental received in advance

The Group generates rental income from the leasing of its residential or commercial properties. As per lease agreement, some customers are required to make upfront rental payments. The Group recognises the rental received as contract liabilities which is amortised over the lease term.

The Group	2023 $	2022 $
At 1 January	2,624,397	1,920,658
Rental received during the year	2,019,199	1,927,672
Less: Revenue recognised for rental received during the year	(2,421,400)	(1,223,933)
At 31 December	2,222,196	2,624,397

23 Interest income

The Group	2023 $	2022 $
Interest income from short term deposits	21,226	82,603

Interest income is recognised using the effective interest method.

24 Other income

The Group	2023 $	2022 $
Fair value gain on investment properties	420,000	4,631,356
Fair value gain on quoted equity securities	–	10,351
Government grants	30,961	50,258
Reversal of liquidated damages provision	150,792	–
Reversal of retention sum payable	163,265	–
Others	2,497	115,384
	767,515	4,807,349

Government grants mainly relate to cash grants received from the Inland Revenue Authority of Singapore.

Notes to the Financial Statements

25 Finance costs

The Group	2023 $	2022 $
Interest expense from bank loans	7,602,428	4,214,894
Bank charges	19,323	12,600
	7,621,751	4,227,494

26 Profit before tax

The following items have been included in arriving at profit before tax:

The Group	Note	2023 $	2022 $
Audit fees to:			
- Auditors of the Group		163,000	146,800
Impairment loss on trade receivables	11	3,769	9,750
Depreciation of property, plant and equipment	6	181,583	52,278
Rental expenses relating to short-term leases		13,344	12,972
Upkeep of building maintenance		863,976	708,059
Property tax payments		1,106,581	947,446
Employee benefits expense	32	826,770	1,391,465
Fair value loss on investment properties	7	1,400,000	–
Fair value gain on investment properties	7	(1,820,000)	(4,631,356)
Fair value loss/(gain) on quoted equity securities		9,814	(10,351)
Foreign exchange differences, net		185,006	1,294,749

27 Income tax

Major components of income tax expense

The major components of income tax expense recognised in profit or loss for the financial years ended 31 December 2023 and 2022 are:

The Group	2023 $	2022 $
Current tax expense		
- Current income taxation	571,412	806,931
- Under/(over) provision in respect of prior years	16,321	(145,173)
Income tax expense recognised in profit or loss	587,733	661,758

Notes to the Financial Statements

27 Income tax (cont'd)

Major components of income tax expense (cont'd)

Reconciliation of effective tax rate

The Group	2023 $	2022 $
Profit before taxation	2,556,359	7,149,868
Share of losses of joint venture	35,892	451,516
Profit before taxation excluding share of results of joint venture	2,592,251	7,601,384
Tax at statutory rate of 17% (2022: 17%)	440,683	1,292,235
Tax effect on non-deductible expenses	515,457	370,993
Tax effect on non-taxable income	(363,995)	(800,235)
Effect of partial tax exemption and tax relief	(34,850)	(56,483)
Benefits from previously unutilised tax losses not recognised	(5,271)	(9,931)
Under/(over) provision of current income tax in respect of prior years	16,321	(145,173)
Others	19,388	10,352
	587,733	661,758

As at 31 December 2023, certain subsidiaries of the Group have tax losses of approximately $1,510,191 (2022: $1,541,197) that are available for offset against future taxable profits of the companies in which the losses arose, net of amounts transferred under the group relief transfer system, for which no deferred tax assets is recognised because it is not probable that future taxable profits will be available against which the Group can utilise the tax losses. The use of the tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the country in which the companies operate. The tax loss has no expiry date in Singapore, whereas in Indonesia, tax loss can only be carried forward for a maximum period of 5 years.

Expenses not deductible for tax purposes relate mainly to fair value loss on investment property, restriction of interest expenses and other disallowed expenses incurred in the ordinary course of business.

Income not subject to tax relate mainly to fair value gain on investment properties.

Deferred tax liabilities as at 31 December 2023 and 2022 relates to the following:

The Group	2023 $	2022 $
Difference in depreciation for tax purposes	(8,336)	(8,336)

Notes to the Financial Statements

28 Earnings per share

Basic earnings per share are calculated by dividing earnings attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing earnings for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic and diluted earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares since there were no dilutive potential ordinary shares in existence for the years ended 31 December 2023 and 2022.

The following table reflects weighted average number of ordinary shares used in the computation of basic and diluted earnings per share for the financial years ended 31 December 2023 and 2022.

The Group	**2023** **$**	**2022** **$**
Profit attributable to ordinary shareholders of the Company	1,968,626	6,488,110

Weighted average number of shares

The Group	**2023**	**2022**
	No. of shares	
Weighted average number of ordinary shares for the purpose of		
- Basic earnings per share	2,759,468,325	2,759,468,325
- Diluted earnings per share	2,759,468,325	2,759,468,325

Notes to the Financial Statements

29 Related party transactions

(i) Compensation of key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors are considered as key management personnel of the Group.

The key management personnel compensation comprises:

The Group	2023 $	2022 $
Short-term employee benefits	464,455	459,000
Contributions to Central Provident Fund	12,444	18,750
Other short-term benefits	–	–
Total compensation paid to key management personnel	476,899	477,750
Comprised amounts paid to:		
Directors of the Company	299,455	294,000
Other key management personnel	177,444	183,750
	476,899	477,750

(ii) Due from/(to) related parties

	The Group		The Company	
	2023 $	2022 $	2023 $	2022 $
Due from related party [a]	15	15	–	–
Due to related parties [b]	(1,010,051)	(51)	(1,010,000)	–

[a] Amount of $15 (2022: $15) is due from a director.
[b] The Group received an amount of $1,010,000 (2022: $51) from an entity in which one of the directors has control over the Company and is also a key management personnel of the entity.

Notes to the Financial Statements

30 Commitments

Operating lease commitments - as lessor

The Group has entered into various operating lease agreements for its investment properties. These non-cancellable leases have remaining lease terms of between 1 to 5 years.

Rental income from investment properties is disclosed in Note 4.

The future minimum rental receivables under non-cancellable operating leases as at 31 December 2023 and 2022 are as follows:

The Group	**2023** **$**	**2022** **$**
Less than one year	10,383,658	8,718,437
One to two years	5,325,590	5,064,420
Two to three years	4,800,000	369,903
Three to four years	4,800,000	–
Four to five years	4,800,000	–
More than 5 years	–	–
	30,109,248	14,152,760

31 Contingencies

Guarantees

As at 31 December 2023, corporate guarantees issued to banks by the Company in respect of banking facilities extended to subsidiaries amounted to $188,472,858 (2022: $178,472,858) of which the amounts utilised by the subsidiaries was $151,478,647 (2022: $156,211,885).

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees. The fair values of these corporate guarantees is estimated to be insignificant as the borrowings are fully collateralised by the related mortgaged properties and the subsidiaries have the ability to generate sufficient cash flows from their operations to repay the borrowings.

Notes to the Financial Statements

32 Employee benefits

Employee benefits expense (including directors and key management personnel):

The Group	2023 $	2022 $
Salaries and bonuses	773,293	1,217,594
Contributions to Central Provident Fund	53,477	129,676
Other short-term benefits	–	44,195
	826,770	1,391,465

The above includes directors' and key management's remuneration shown in Note 29(i).

33 Segment information

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

(a) The Property Development segment is involved in acquisition and development of properties for sale;

(b) The Property Investment segment is involved in renting of properties and operating of serviced apartments;

(c) The Corporate segment is involved in Group-level corporate services and investment;

(d) The Fund Management segment is involved in providing management and advisory services; and

(e) The Hotel Operations segment is involved in the operation of hotels and provision of food and beverage services

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Notes to the Financial Statements

33 Segment information (cont'd)

	Property investment		Property development		Corporate		Fund management		Hotel operations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$	$	$	$	$	$	$
Revenue:												
External customers	13,584,004	13,738,628	–	–	–	–	–	56,834	201,603	–	13,785,607	13,795,462
Inter-segment	–	–	–	–	–	–	–	–	–	–	–	–
Total revenue	13,584,004	13,738,628	–	–	–	–	–	56,834	201,603	–	13,785,607	13,795,462
Results:												
Interest income	19,127	13,191	–	–	–	54,416	–	–	2,099	14,996	21,226	82,603
Other income	767,044	4,672,898	–	–	471	134,416	–	35	–	–	767,515	4,807,349
Depreciation	64,700	48,815	–	–	3,935	3,463	–	–	112,948	–	181,583	52,278
Interest expense	7,602,428	4,214,894	–	–	–	–	–	–	–	–	7,602,428	4,214,894
Share of results of joint venture	–	–	35,892	451,516	–	–	–	–	–	–	35,892	451,516
Income tax expense	587,733	661,758	–	–	–	–	–	–	–	–	587,733	661,758
Segment profit/ (loss)	3,080,543	9,291,887	(60,436)	(468,024)	(759,417)	(993,660)	(19,285)	30,691	(272,779)	(1,372,784)	1,968,626	6,488,110
Assets												
Investment in a joint venture	–	–	2,589,262	2,625,154	–	–	–	–	–	–	2,589,262	2,625,154
Segment assets	350,781,148	354,168,904	–	32,180	676,674	771,967	416,652	530,825	19,230,116	19,782,885	371,104,590	375,286,761
Total assets	350,781,148	354,168,904	2,589,262	2,657,334	676,674	771,967	416,652	530,825	19,230,116	19,782,885	373,693,852	377,911,915
Liabilities												
Provision for taxation	612,433	809,915	–	–	–	–	–	–	–	–	612,433	809,915
Deferred tax liabilities	8,336	8,336	–	–	–	–	–	–	–	–	8,336	8,336
Segment liabilities	143,480,036	149,053,712	1,518,644	1,844,610	19,147,646	18,958,434	860	6,747	1,001,183	1,265,421	165,148,369	171,128,924
Total liabilities	144,100,805	149,871,963	1,518,644	1,844,610	19,147,646	18,958,434	860	6,747	1,001,183	1,265,421	165,769,138	171,947,175
Other segment information												
Impairment loss recognised in the statement of profit or loss & other comprehensive income	3,769	9,750	–	–	–	–	–	–	–	–	3,769	9,750
Fair value (gain) of investment properties	(420,000)	(4,631,356)	–	–	–	–	–	–	–	–	(420,000)	(4,631,356)
Fair value loss/(gain) on quoted equity securities	–	–	–	–	9,814	(10,351)	–	–	–	–	9,814	(10,351)

Notes to the Financial Statements

33 Segment information (cont'd)

Geographical information

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

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
	$	$	$	$
Singapore	13,584,004	13,795,462	347,690,173	347,359,948
Indonesia	201,603	–	17,332,001	16,872,054

Non-current assets information presented above consist of property, plant and equipment, investment properties, investment in a joint venture and long-term investment securities presented in the consolidated balance sheet.

Information about major customers

Customers who individually account for 10% or more of the Group's revenue is detailed below:

	2023	2022
The Group	$	$
Customer A	4,560,000	1,675,022
Customer B	1,768,243	1,474,286
Customer C	1,430,383	1,434,388
	7,758,626	4,583,696

These revenues were derived from the property investment segment for the financial years ended 31 December 2023 and 2022.

34 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign currency risk, market price risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

Notes to the Financial Statements

34 Financial risk management (cont'd)

(a) Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to help ensure that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment. The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Notes to the Financial Statements

34 Financial risk management (cont'd)

(a) Credit risk (cont'd)

Trade receivables at amortised cost

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses, trade receivables are grouped based on days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts to reflect current and forward-looking macroeconomic data. The lifetime expected credit loss of trade receivables is disclosed in Note 11.

Other receivables

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that these receivables have low credit risk as they are not due for payment and there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined the ECL is insignificant.

Intercompany receivables

The Company provides for ECLs based on the highly accessible liquid assets of the subsidiaries if demanded for repayment at the reporting date. There is no significant increase in credit risk for the non-trade amounts due from subsidiaries other than those disclosed with expected credit loss exposures. The impairment on those balances has been measured on the 12-month expected credit loss basis. The expected credit loss of intercompany receivables are disclosed in Note 14.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents with bank and financial institution counterparties with high credit-ratings assigned by international credit-rating agencies. Impairment on cash and cash equivalents are measured based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company considers cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

- the carrying amounts of each class of financial assets recognised in the statement of financial position, and
- a nominal amount of $188,472,858 (2022: $178,472,858) relating to corporate guarantees provided by the Company for its subsidiaries (Note 31)

Notes to the Financial Statements

34 Financial risk management (cont'd)

(a) Credit risk (cont'd)

The tables below detail the credit quality of the Group's and the Company's financial assets, as well as maximum exposure to credit risk without taking into account of any collateral held or other credit enhancements:

The Group	12-month ECL Not credit impaired $	Lifetime Expected Credit loss Not credit impaired $	12-month ECL Expected Credit loss Credit impaired $	Total $
Trade receivables				
- neither past due nor impaired	–	134,597	–	134,597
- past due but not impaired	–	–	–	–
- past due and impaired	–	143,665	–	143,665
Other receivables and deposits*	–	–	–	–
- neither past due nor impaired	428,505	–	–	428,505
- past due but not impaired	–	–	–	–
- past due and impaired	–	–	–	–
Due from related parties	–	–	–	–
- neither past due nor impaired	15	–	–	15
- past due but not impaired	–	–	–	–
- past due and impaired	–	–	–	–
Gross amount	428,520	278,262	–	706,782
Loss allowances	–	(143,665)	–	(143,665)
At 31 December 2023	428,520	134,597	–	563,117
Trade receivables				
- neither past due nor impaired	–	792,211	–	792,211
- past due but not impaired	–	–	–	–
- past due and impaired	–	140,856	–	140,856
Other receivables and deposits*	–	–	–	–
- neither past due nor impaired	277,346	–	–	277,346
- past due but not impaired	–	–	–	–
- past due and impaired	–	–	3,118,357	3,118,357
Due from related parties	–	–	–	–
- neither past due nor impaired	15	–	–	15
- past due but not impaired	–	–	–	–
- past due and impaired	–	–	–	–
Gross amount	277,361	933,067	3,118,357	4,328,785
Loss allowances	–	(140,856)	(3,118,357)	(3,259,213)
At 31 December 2022	277,361	792,211	–	1,069,572

Notes to the Financial Statements

34 Financial risk management (cont'd)

(a) Credit risk (cont'd)

The Company	12-month/ Lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
At 31 December 2023				
Other receivables and deposits*	12-month ECL	16,749	–	16,749
Amounts due from subsidiaries (non-trade)	12-month ECL	70,320,841	(24,234,757)	46,086,084
		70,337,590	(24,234,757)	46,102,833
At 31 December 2022				
Other receivables and deposits*	12-month ECL	791	–	791
Amounts due from subsidiaries (non-trade)	12-month ECL	67,762,736	(21,550,588)	46,212,148
		67,763,527	(21,550,588)	46,212,939

* exclude GST receivables

Notes to the Financial Statements

34 Financial risk management (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables, other receivables and due from related parties on an on-going basis. The credit risk concentration profile of the Group's and the Company's trade and other receivables and due from subsidiaries at the balance sheet date is as follows:

	2023		2022	
The Group	**$**	**% of total**	**$**	**% of total**
Trade receivables				
By Country:				
Singapore	134,597	100	792,211	100
By Industry:				
Property investment	45,842	34	553,420	70
Fund management	88,755	66	238,791	30
	134,597	100	792,211	100
Other receivables (excluding GST receivables)				
By Country:				
Singapore	390,527	91	277,346	100
Indonesia	37,978	9	–	–
	428,505	100	277,346	100
By Industry:				
Property investment	66,230	15	122,772	44
Fund management	324,297	76	153,783	56
Hotel operations	37,978	9	–	–
Others	–	–	791	*
	428,505	100	277,346	100
Due from related parties				
By Country:				
Singapore	15	100	15	100
By Industry:				
Property investment	15	100	15	100

* Less than 1%

Notes to the Financial Statements

34 Financial risk management (cont'd)

(a) Credit risk (cont'd)

Credit risk concentration profile (cont'd)

The Company	2023 $	2023 % of total	2022 $	2022 % of total
Other receivables (excluding GST receivables)				
By Country:				
Singapore	16,749	100	791	100
By Industry:				
Corporate	16,749	100	791	100
Due from subsidiaries				
By Country:				
Singapore	29,119,234	63	29,245,298	63
Indonesia	16,966,850	37	16,966,850	37
	46,086,084	100	46,212,148	100
By Industry:				
Corporate	46,086,084	100	46,212,148	100

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from loans and borrowings.

The Group obtains financing through loans from financial institutions. The Group's policy is to obtain the most competitive market interest rates in the prevailing market.

Notes to the Financial Statements

34 Financial risk management (cont'd)

(b) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

A change of 50 basis points (bp) in interest rates on variable rate bank loans at the reporting date would have increased/(decreased) profit before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax increase/(decrease)		**Equity increase/(decrease)**	
The Group	**50 bp decrease $**	**50 bp increase $**	**50 bp decrease $**	**50 bp increase $**
At 31 December 2023				
Variable rate bank loans	757,393	(757,393)	757,393	(757,393)
At 31 December 2022				
Variable rate bank loans	781,059	(781,059)	781,059	(781,059)

(c) Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in a currency other than functional currencies of respective Group entities. The currency in which these transactions primarily are denominated in is the Indonesian Rupiah (IDR).

At present, the Group does not have any formal policy for hedging against currency risk. The Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary.

There is no sensitivity analysis disclosed for the Group as the foreign currecy risk exposure is not material.

The Company's exposures to currency risks are as follows:

The Company	**2023 $**	**2022 $**
Financial Assets		
Indonesian Rupiah	16,966,850	16,966,850
Net currency exposure on financial assets	16,966,850	16,966,850

Notes to the Financial Statements

34 Financial risk management (cont'd)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

A 10% strengthening/weakening of the above currency against the functional currency of the Company at the reporting date would have increased/(decreased) equity and profit before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

	31 December 2023		31 December 2022	
The Company	**Profit before tax $**	**Equity $**	**Profit before tax $**	**Equity $**
IDR				
- strengthened 10% against SGD	1,696,685	1,696,685	1,696,685	1,696,685
- weakened 10% against SGD	(1,696,685)	(1,696,685)	(1,696,685)	(1,696,685)

(d) Market price risk

Price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest and exchange rates). The Group is not exposed to significant equity price risk as its investment in quoted equity securities is immaterial.

(e) Liquidity risk

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

The Group and the Company monitor and maintain a level of cash and bank balances deemed adequate by the management to finance the Group's and Company's operations and mitigate the effect of fluctuations in cash flows.

Notes to the Financial Statements

34 Financial risk management (cont'd)

(e) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

		Contractual undiscounted cash flows			
The Group	Carrying amount $	Total $	Less than 1 year $	Between 2 and 5 years $	Over 5 years $
31 December 2023					
Financial liabilities:					
Trade payables	1,597,079	1,597,079	1,597,079	–	–
Other payables and accruals*	6,111,623	6,111,623	6,111,623	–	–
Loans and borrowings	151,478,647	167,898,458	20,330,742	122,746,541	24,821,175
Due to related parties	1,010,051	1,010,051	1,010,051	–	–
Loan from joint venture	2,347,404	2,347,404	–	2,347,404	–
Total undiscounted financial liabilities	162,544,804	178,964,615	29,049,495	125,093,945	24,821,178
31 December 2022					
Financial liabilities:					
Trade payables	2,772,923	2,772,923	2,772,923	–	–
Other payables and accruals*	6,877,574	6,877,574	6,877,574	–	–
Loans and borrowings	156,211,885	181,891,611	29,697,938	130,146,679	22,046,994
Due to related parties	51	51	51	–	–
Loan from joint venture	2,288,147	2,288,147	–	2,288,147	–
Total undiscounted financial liabilities	168,150,580	193,830,306	39,348,486	132,434,826	22,046,994

Notes to the Financial Statements

34 Financial risk management (cont'd)

(e) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The Company	Carrying amount $	Contractual undiscounted cash flows Total $	Less than 1 year $	Between 2 and 5 years $	Over 5 years $
31 December 2023					
Financial liabilities:					
Trade payables	14,706	14,706	14,706	–	–
Other payables and accruals*	266,773	266,773	266,773	–	–
Due to subsidiaries	79,805,679	79,805,679	79,805,679	–	–
Due to related parties	1,010,000	1,010,000	1,010,000	–	–
Loan from joint venture	2,347,404	2,347,404	–	2,347,404	–
Total undiscounted financial liabilities	83,444,562	83,444,562	81,097,158	2,347,404	–
31 December 2022					
Financial liabilities:					
Other payables and accruals*	359,341	359,341	359,341	–	–
Due to subsidiaries	78,118,714	78,118,714	78,118,714	–	–
Loan from joint venture	2,288,147	2,288,147	–	2,288,147	–
Total undiscounted financial liabilities	80,766,202	80,766,202	78,478,055	2,288,147	–

* exclude GST payables and provisions

Notes to the Financial Statements

34 Financial risk management (cont'd)

(e) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

The Company	Less than 1 year $	Between 2 and 5 years $	Over 5 years $	Total $
31 December 2023				
Financial guarantees:				
- Banking facilities	16,887,150	147,535,100	24,050,608	188,472,858
31 December 2022				
Financial guarantees:				
- Banking facilities	22,456,622	131,965,628	24,050,608	178,472,858

35 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as 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.

Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Financial Statements

35 Fair value measurement (cont'd)

(a) Fair values of financial instruments

The following table shows the Levels within the hierarchy of financial assets measured at fair value on a recurring basis:

The Group	Note	Level 1 $	Level 2 $	Level 3 $	Total $
31 December 2023					
Financial assets measured at fair value through profit or loss					
- Quoted equity securities	10	324,002	–	–	324,002
- Unquoted equity securities	10	–	–	502,881	502,881
		324,002	–	502,881	826,883
31 December 2022					
Financial assets measured at fair value through profit or loss					
- Quoted equity securities	10	333,816	–	–	333,816
- Unquoted equity securities	10	–	–	502,881	502,881
		333,816	–	502,881	836,697
The Company					
31 December 2023					
Financial assets measured at fair value through profit or loss					
- Unquoted equity securities	10	–	–	502,881	502,881
31 December 2022					
Financial assets measured at fair value through profit or loss					
- Unquoted equity securities	10	–	–	502,881	502,881

Level 1 fair value measurements

The fair value of quoted equity securities is determined directly by reference to their published market price at the balance sheet date.

Notes to the Financial Statements

35 Fair value measurement (cont'd)

(a) Fair values of financial instruments (cont'd)

Level 3 fair value measurements

Information about significant unobservable inputs applied for financial assets in Level 3 fair value measurements is as below.

Description	Fair value at 2023 $	Fair value at 2022 $	Valuation techniques	Unobservable inputs	Range
Unquoted equity securities - FVPL	502,881	502,881	Net Asset Value ("NAV")	Value of the underlying net asset value of the entities	The estimated fair value would increase/decrease if NAV was higher/ lower

For the unquoted equity securities at FVPL (Level 3), increasing the significant unobservable input by 5% at the reporting date would have increased equity by $25,144 (2022 - $25,144). A 5% decrease in the significant unobservable input would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

There were no transfers between Level 1, Level 2 and Level 3 in 2023 and 2022.

(b) Fair values of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Note	Level 1 $	Level 2 $	Level 3 $	Total $
31 December 2023					
Investment Properties	7	–	65,920,000	278,550,000	344,470,000
31 December 2022					
Investment Properties	7	–	65,600,000	278,450,000	344,050,000

Notes to the Financial Statements

35 Fair value measurement (cont'd)

(b) Fair values of non-financial assets (cont'd)

Level 3 fair value measurements

Information about significant unobservable inputs applied for non-financial assets in Level 3 fair value measurements is as below.

Description	Fair value at 2023 $	Fair value at 2022 $	Valuation techniques	Unobservable inputs	Range	Inter-relationship between significant unobservable inputs and fair value measurement
						The estimated fair value would increase/ (decrease) if:
Investment properties	243,000,000	242,000,000	Comparable Sales approach	Adjusted price per square foot	\$2,794 - \$2,937 (2022: \$2,905 - \$3,617)	Adjusted price per square foot was higher/(lower)
			and/or			
			Discounted Cash Flow approach basis	Discount rate	6.5% (2022: 6.5%)	Discount rate was lower/(higher)
				Terminal rate	3.0% (2022: 3.0%)	Terminal rate was lower/(higher)
	30,000,000	31,400,000	Discounted Cash Flow approach basis	Discount rate	8.0% (2022: 7.75%)	Discount rate was lower/(higher)
	5,550,000	5,050,000	Comparable Sales approach	Adjusted price per square foot	\$1,818 - \$2,415 (2022: \$1,923 - \$2,016)	Adjusted price per square foot was higher/(lower)
	278,550,000	278,450,000				

There were no transfers between Level 1, Level 2 and Level 3 in 2023 and 2022.

Notes to the Financial Statements

35 Fair value measurement (cont'd)

(b) Fair values of non-financial assets (cont'd)

The following table presents the changes in Level 3 items in 2023 and 2022 for recurring fair value measurements:

The Group	2023 $	2022 $
Investment properties		
Balance at beginning of year	278,450,000	274,660,000
Amounts recognised is profit or loss:		
- Gains recognised in "other income"	100,000	3,790,000
Balance at end of year	278,550,000	278,450,000

(c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Management has determined that the carrying amounts of trade receivables, other receivables and deposits, due from/(to) subsidiaries, due from/(to) related parties, cash and cash equivalents, trade payables, other payables and accruals and loans and borrowings are reasonable approximation of their fair values as they are either repayable on demand or short-term in nature. The carrying value of non-current loans and borrowings is an approximation to their fair values since these are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

The fair value of loan from joint venture is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. As at the end of the reporting period, the carrying amounts of such items are not materially different from their calculated fair values.

Notes to the Financial Statements

35 Fair value measurement (cont'd)

(d) Classification of financial instruments

	The Group		The Company	
	2023	2022	2023	2022
	$	$	$	$
Financial assets carried at amortised cost				
Trade receivables	134,597	792,211	–	–
Other receivables and deposits*	428,505	277,346	16,749	791
Due from subsidiaries	–	–	46,086,084	46,212,148
Due from related parties	15	15	–	–
Fixed deposits pledged	1,530,000	2,530,000	–	–
Cash and cash equivalents	3,749,302	7,060,339	153,658	18,357
	5,842,419	10,659,911	46,256,491	46,231,296
Financial asset at fair value through profit or loss				
Investment securities				
- Quoted	324,002	333,816	–	–
- Unquoted	502,881	502,881	502,881	502,881
Financial liabilities carried at amortised cost				
Trade payables	1,597,079	2,772,923	14,706	–
Other payables and accruals**	6,111,623	6,877,574	266,773	359,341
Loans and borrowings	151,478,647	156,211,885	–	–
Loan from joint venture	2,347,404	2,288,147	2,347,404	2,288,147
Due to subsidiaries	–	–	79,805,679	78,118,714
Due to related parties	1,010,051	51	1,010,000	–
	162,544,804	168,150,580	83,444,562	80,766,202

* exclude GST receivables
** exclude GST payables and provisions

Notes to the Financial Statements

36 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;

(b) To support the Group's and the Company's stability and growth; and

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability.

(d) To provide an adequate return to shareholder.

The Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently had adopted a formal dividend policy.

Management monitors capital using net gearing ratio, which is net debt divided by the aggregate of equity attributable to owners of the Company and net debt. Net debt comprises trade payables, other payables and accruals, loans and borrowings, loan from joint venture and amount due to related parties less cash and cash equivalents.

There were no changes in the Group's and the Company's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements, other than as disclosed in Note 18 to the financial statements.

The Group	**2023** **$**	**2022** **$**
Trade payables	1,597,079	2,772,923
Other payables and accruals	6,492,992	7,231,521
Loans and borrowings	151,478,647	156,211,885
Loan from joint venture	2,347,404	2,288,147
Due to related parties	1,010,051	51
Total debt	162,926,173	168,504,527
Less: Cash and cash equivalents	(3,749,302)	(7,060,339)
Net debt	159,176,871	161,444,188
Equity attributable to the owners of the Company	207,924,714	205,964,740
Capital and net debt	367,101,585	367,408,928
Gearing ratio	43%	44%

Notes to the Financial Statements

37 Subsequent events

On 4 February 2024, the Group through its wholly-owned subsidiary in Singapore, Cherimoya Worldwide Corporation has entered into an Option to Purchase agreement to sell 1 of the residential units located at The Suites at Central for S$4,400,000.

38 Comparative information

Certain reclassifications was made to the consolidated statement of cash flows for the financial year ended 31 December 2022 because the fixed deposits pledged do not constitute part of cash and cash equivalents in the consolidated statement of cash flows.

The material changes included the following:

The Group	As previously reported $	Reclassification $	As reclassified $
(i) Consolidated statement of financial position			
At 1 January 2022:			
Cash and cash equivalents	27,690,666	(2,530,000)	25,160,666
Fixed deposits pledged	–	2,530,000	2,530,000
At 31 December 2022:			
Cash and cash equivalents	9,590,339	(2,530,000)	7,060,339
Fixed deposits pledged	–	2,530,000	2,530,000
(ii) Consolidated statement of cash flows			
Cash Flows from Operating Activities			
Cash flows generated from operations:			
Interest paid	(4,214,894)	4,214,894	–
Cash Flows from Financing Activities			
Interest paid	–	(4,214,894)	(4,214,894)
Cash and cash equivalents at beginning of year	27,690,666	(2,530,000)	25,160,666
Cash and cash equivalents at end of year	9,590,339	(2,530,000)	7,060,339

Statistics of Shareholdings

As at 21 May 2024

Number of issued shares (excluding treasury shares and subsidiary holdings	-	2,759,468,325
Issued and fully paid-up share capital	-	S$200,691,525.56
Class of shares	-	Ordinary shares each with equal voting rights
Voting rights	-	One (1) vote per ordinary share
Number of treasury shares and percentage	-	Nil
Number of subsidiary holdings and percentage	-	Nil

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

As at 21 May 2024, 10.01% of the total number of issued ordinary shares of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST which requires 10% of the equity securities (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed to be in the hands of the public.

ANALYSIS OF SHAREHOLDINGS

(As recorded in the Register of Members and Depository Register as at 21 May 2024)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of total Issued Shares
1 to 99	3	0.24	23	0.00
100 to 1,000	338	26.74	318,520	0.01
1,001 to 10,000	426	33.70	2,245,610	0.08
10,001 to 1,000,000	461	36.47	58,899,682	2.14
1,000,001 and above	36	2.85	2,698,004,490	97.77
TOTAL	**1,264**	**100.00**	**2,759,468,325**	**100.00**

Statistics of Shareholdings

As at 21 May 2024

TOP 20 SHAREHOLDERS AS AT 21 MAY 2024

No.	Name of Shareholders	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	1,222,763,079	44.31
2	RAFFLES NOMINEES (PTE) LIMITED	772,188,800	27.98
3	HSBC (SINGAPORE) NOMINEES PTE LTD	300,000,500	10.87
4	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	200,000,000	7.25
5	UOB KAY HIAN PTE LTD	81,844,000	2.97
6	CGS-INTERNATIONAL SECURITIES SINGAPORE PTE LTD	32,400,000	1.18
7	OCBC SECURITIES PRIVATE LTD	10,500,781	0.38
8	LIM CHIN HOCK	7,600,000	0.28
9	TAN KAY KIANG	6,365,000	0.23
10	TAN SIOK HWEE	6,292,990	0.23
11	PHILLIP SECURITIES PTE LTD	6,074,600	0.22
12	MORPH INVESTMENTS LTD	5,200,000	0.19
13	TJIOE A LAN @ CHEW A LAN	4,000,000	0.14
14	ONG SWEE WHATT	3,760,800	0.14
15	TAN LI YU	3,250,000	0.12
16	CHIN KAI SENG	3,120,500	0.11
17	TAN KAY SING	3,013,950	0.11
18	DBS NOMINEES PTE LTD	2,863,200	0.10
19	MERRILL LYNCH (SINGAPORE) PTE LTD	2,020,400	0.07
20	TAY SWEE LENG	1,950,000	0.07
		2,675,208,600	**96.95**

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders as at 21 May 2024)

	Direct Interest		Deemed Interest	
Name of Shareholders	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
Pollux Holdings Pte. Ltd.	1,713,242,325	62.09	–	–
PT. Pollux Multi Artha[(1)]	–	–	1,713,242,325	62.09
Nico Purnomo Po[(2)]	–	–	1,713,242,325	62.09
Fortress Global Opportunistic Fund SPC	770,000,000	27.90	–	–

Notes:

(1) PT. Pollux Multi Artha is the sole shareholder of Pollux Holdings Pte. Ltd. By virtue of section 7(4) of the Companies Act 1967 (the "**Act**"), PT. Pollux Multi Artha is deemed interested in the shares of the Company held by Pollux Holdings Pte. Ltd.

(2) PT. Pollux Multi Artha is 99.99% owned by Nico Purnomo Po. Nico Purnomo Po is deemed to be interested in the 1,713,242,325 shares held by Pollux Holdings Pte. Ltd., by virtue of section 7(4) of the Act.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Pollux Properties Ltd. ("**Company**") will be convened and held at 137 Cecil Street, Cecil Building, Level 4, Kyoto Room, Singapore 069537 on Friday, 21 June 2024 at 10.30 a.m. for the following purposes.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements and Directors' Statement for the financial year ended 31 December 2023 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$54,000 for the financial year ended 31 December 2023. (Financial year ended 31 December 2022: S$54,000) **(Resolution 2)**

3. (a) To re-elect Mr. Nico Purnomo Po, a Director who is retiring pursuant to Regulation 88 of the Constitution of the Company. **(Resolution 3)**

   [See Explanatory note (i)]

   (b) To note the retirement of Mr. Tan Lye Heng Paul, a Director who is retiring pursuant to Regulation 89 of the Constitution of the Company and would not be seeking re-election at the forthcoming AGM.

4. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company, to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Resolution 4)**

5. To transact any other ordinary business which may properly be transacted at an AGM.

SPECIAL BUSINESS

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

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited**

   That, pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), authority be and is hereby given to the Directors to:

   (a) (i) allot and issue shares in the capital of the Company (the "**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 may in their absolute discretion deem fit; and

   (b) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force, notwithstanding that the authority granted by this resolution may have ceased to be in force at the time of such issuance of shares.

Notice of Annual General Meeting

PROVIDED ALWAYS THAT:

(1) save as may otherwise be permitted by the SGX-ST, the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities issued other than on a pro rata basis to shareholders of the Company shall not exceed 50% of the total number of issued Shares in the capital of the Company excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares in the capital of the Company excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities,

(ii) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of passing of this resolution, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue or consolidation or subdivision of shares,

and, in sub-paragraph (1) above and this sub-paragraph (2), "**subsidiary holdings**" has the meaning given to it in the Catalist Rules of the SGX-ST;

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act 1967 and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this resolution 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 the earlier.

(Resolution 5)

[See Explanatory note (ii)]

By Order of the Board

Shirley Tan Sey Liy
Company Secretary
Singapore, 6 June 2024

Notice of Annual General Meeting

Explanatory Notes:

(i) Mr. Nico Purnomo Po ("**Mr. Nico**") will, upon re-election as Director of the Company, remains as the Executive Director and Chief Executive Officer of the Company.

The profile and key information of Mr. Nico (including information as required under Appendix 7F of the Catalist Rules) can be found under the section entitled "Board of Directors" and the "Corporate Governance Report" of the Company's Annual Report for the financial year ended 31 December 2023.

(ii) Resolution 5, if passed, will empower the Directors of the Company to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in aggregate 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 50% may be issued other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time that Ordinary Resolution 5 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time Ordinary Resolution 5 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Notes relating to conduct of meeting:

No Virtual Attendance

1. Shareholders are invited to **attend physically only** at the AGM to be held at 137 Cecil Street, Cecil Building, Level 4, Kyoto Room, Singapore 069537 on Friday, 21 June 2024 at 10.30 a.m. **There will be no option for shareholders to participate virtually.**

Voting at the AGM and voting by proxy

2. Shareholders may cast their votes for each resolution at the AGM or appoint proxy or proxies (other than the Chairman of the AGM) to vote on their behalf at the AGM.

3. A proxy need not be a member of the Company.

4. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instruction as to voting are given, or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

5. As an alternative to voting at the AGM in the foregoing manner, shareholders who wish to vote on any or all of the resolutions at the AGM may appoint the Chairman of the AGM to act as their proxy to vote on their behalf at the AGM. Specific instructions as to voting, or abstentions from voting, in respect of a resolution must be given in the instrument of proxy, failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. If a shareholder wishes to appoint a proxy or proxies (other than the Chairman of the AGM) to vote on their behalf at the AGM or to appoint the Chairman as proxy to vote on their behalf at the AGM, duly executed proxy forms, must be submitted in hard copy form or electronically via email:

   (a) if submitted by post, to be deposited at the share registrar office of the Company at B.A.C.S Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

   (b) if submitted by way of electronic means, to be submitted via email in Portable Document Format (PDF) to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

   in either case, by 10:30 a.m. on 18 June 2024, not less than seventy-two (72) hours before the time set for holding the AGM and/or any adjournment thereof and in default the instrument of proxy shall not be treated as valid.

7. A shareholder who wishes to submit an instrument of proxy must complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to revoked by such attendance.

Notice of Annual General Meeting

8. **Shareholders are strongly encouraged to submit the completed and signed proxy forms by way of electronic means via email. Any incomplete proxy form will be rejected by the Company.**

9. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

10. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

11. A shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the instrument. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

12. A shareholder who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the instrument.

13. Printed copies of this Notice of AGM and the attached proxy form will be despatched to shareholders by post. The accompanying proxy form to the Notice of AGM may also be downloaded from the Company's announcement on the SGX website accessible at the URL https://www.sgx.com/securities/company-announcements and the Company's website accessible at the URL https://pollux.com.sg/announcements2. An internet browser and PDF reader are required to view these documents on SGXNET or the Company's website.

Shareholders' Questions and Answers

14. Shareholders and duly appointed proxy or proxies will be able to ask questions relating to the resolutions to be tabled for approval at the AGM. The Company will endeavor to respond to and address substantial and relevant questions as far as reasonably practicable during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

15. Alternatively, Shareholders can submit their questions in advance relating to the resolutions to be tabled for approval at the AGM no later than 6.00 p.m. on 13 June 2024.

    (a) if submitted by post, to be deposited at the registered office of the Company at 554 Havelock Road, Singapore 169639 or the office of the Company's Share Registrar at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or

    (b) if submitted by way of electronic means, to be submitted via email to the Company, at info@pollux.com.sg.

    Shareholders who submit questions in advance of the AGM should identify themselves by stating his/her/its full name as it appears on his/her/its Central Depository (Pte) Limited ("**CDP**")/ Central Provident Fund ("**CPF**")/ Supplementary Retirement Scheme ("**SRS**") share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP, CPF, SRS and/or physical scrip) for verification purposes.

16. Shareholders are encouraged to submit their questions via one of the foregoing means as soon as possible so that they may have the benefit of the answers to their questions (where substantial and relevant to the agenda of the AGM) prior to submitting their proxy forms. All substantial and relevant questions relating to the resolutions to be tabled and received by 6.00 p.m. on 13 June 2024 would be addressed by the Company and published via SGXNet and on the Company's website before 10:30 a.m. on 16 June 2024, being no later than 48 hours before the closing date and time for the lodgment of the proxy forms. The Company will also address any subsequent clarifications sought, or follow-up questions which are submitted after 6.00 p.m. on 13 June 2024 at the AGM in respect of substantial and relevant matters. The Company will, within one (1) month after the date of the AGM, publish the minutes of the AGM on the SGX website and the minutes will include the responses to the questions referred to above.

Notice of Annual General Meeting

CPF and SRS investors

17. Persons who hold shares through Relevant Intermediaries (as defined below), including CPF and SRS investors, and who wish to participate in the AGM by: (a) submitting questions in advance of the AGM in the manner provided above; and/or (b) voting at the AGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators or appointing the Chairman of the AGM as proxy to attend speak and vote on their behalf at the AGM, should contact the Relevant Intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such Shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM.

18. CPF and SRS Investors may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. CPF and SRS investors who wish to appoint the Chairman of the AGM as their proxy, should approach their respective CPF Agent Banks and SRS Operators to submit their votes by 10 June 2024, being at least **seven (7) working days** before the AGM.

19. A "**Relevant Intermediary**" is:

    (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

    (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

    (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or submitting any questions to the Company in advance of the AGM in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company(including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines and (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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*This Notice of AGM has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This Notice of AGM has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this Notice of AGM.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

POLLUX PROPERTIES LTD.
(Company Registration No. 199904729G)
(Incorporated in the Republic of Singapore)

IMPORTANT:
- Relevant intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("**AGM**") (please see the notes for the definition of "Relevant Intermediary").
- CPF and SRS investors may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies. For CPF and SRS investors, who wish to appoint the Chairman of the AGM as their proxy, they should approach their respective CPF Agent Banks and SRS Operators to submit their votes by 10 June 2024, being at least seven (7) working days before the AGM.
- By submitting this proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 June 2024.
- This Proxy Form is not valid for use by CPF investor and SRS investor and shall be ineffective for all intents and purposes if used or purported to be used by them.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the AGM (or any person other than the Chairman) as a shareholder's proxy to vote on his/her/its behalf at the AGM.

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)

being a member/members of **POLLUX PROPERTIES LTD.** ("**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Email Address**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

*and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Email Address**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

or failing whom, the Chairman of the Annual General Meeting ("**AGM**") or such other person the Chairman may designate, as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held at 137 Cecil Street, Cecil Building, Level 4, Kyoto Room, Singapore 069537 on Friday, 21 June 2024 at 10.30 a.m. and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against, or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, (i) the proxy/proxies (other than the Chairman of the AGM) will vote or abstain from voting at *his/their discretion on any of the resolutions to be proposed at the AGM and on any other matters arising at the AGM; and (ii) the appointment of the Chairman of the AGM as proxy of that resolution will be treated as invalid.

No.	**Ordinary Resolutions relating to:**	**No. of votes 'For'****	**No. of votes 'Against'****	**No. of Votes 'Abstain'****
Ordinary Business				
1	Audited Financial Statements and Directors' Statement for the financial year ended 31 December 2023 and the Independent Auditors' Report thereon.			
2	Approval of Directors' fees of S$54,000 for the financial year ended 31 December 2023 (Financial year ended 31 December 2022: S$54,000).			
3	Re-election of Mr. Nico Purnomo Po, a Director retiring by rotation in accordance with Regulation 88 of the Company's Constitution.			
4	Re-appointment of Messrs Foo Kon Tan LLP as Independent Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.			
Special Business				
5	Authority to allot and issue shares.			

*** If you wish to exercise all your votes 'For', 'Against' or 'Abstain from Voting', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.*

Dated this __________ day of ________________ 2024

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

____
Signature of Shareholder(s)
And/or Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. 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 2001 of Singapore), 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 a proxy or proxies shall be deemed to relate all the Shares held by you.
2. A shareholder who is not a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder's instrument appointing a proxy(ies) appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the instrument. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this Proxy Form as invalid.
3. A shareholder who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such shareholder's instrument appointing a proxy(ies) appoints more than two (2) proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the instrument.
4. A proxy need not be a member of the Company.
5. If a shareholder wishes to appoint a proxy or proxies (other than the Chairman of the AGM) to vote on their behalf at the AGM or to appoint the Chairman as proxy to vote on their behalf at the AGM, duly executed Proxy Forms, must be submitted in hard copy form or electronically via email:
   (a) if submitted by post, to be deposited at the share registrar office of the Company at B.A.C.S Private Limited, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
   (b) if submitted by way of electronic means, to be submitted via email in Portable Document Format (PDF) to the Company's Share Registrar, B.A.C.S. Private Limited at main@zicoholdings.com,

   in either case, by **10:30 a.m. on 18 June 2024, being not less than seventy-two (72) hours before the time set for holding the AGM** and/or any adjournment thereof and in default the instrument of proxy shall not be treated as valid.

   A shareholder who wishes to submit an instrument of proxy must complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to revoked by such attendance.
6. **Shareholders are strongly encouraged to submit the completed and signed Proxy Forms by way of electronic means via email. Any incomplete proxy form will be rejected by the Company.**

First fold

PLEASE
AFFIX
POSTAGE
STAMP

Pollux Properties Ltd.
c/o B.A.C.S. Private Limited
77 Robinson Road,
#06-03 Robinson 77,
Singapore 068896

Second fold

7. Persons who hold Shares through Relevant Intermediaries (as defined below), including CPF and SRS investors, and who wish to participate in the AGM ("**Relevant Intermediary Participants**") by appointing the Chairman of the AGM as proxy to attend speak and vote on their behalf at the AGM, should contact the Relevant Intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks and SRS Operators) through which they hold such Shares as soon as possible in order to facilitate the necessary arrangements for them to participate in the AGM. CPF and SRS investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective CPF Agent and SRS Operators to submit their votes by 10 June 2024, being at least **seven (7) working days** before the AGM.
8. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a Proxy Form is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
10. Printed copies of the Notice of AGM and the attached Proxy Form will be despatched to shareholders by post. The accompanying proxy form to the Notice of AGM may also be downloaded from the Company's announcement on the SGX website accessible at the URL https://www.sgx.com/securities/company-announcements and the Company's website accessible at the URL https://pollux.com.sg/announcements2. An internet browser and PDF reader are required to view these documents on SGXNET or the Company's website.

* "**Relevant Intermediary**" is:

(a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 June 2024.

Contact

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POLLUX

PROPERTIES