



SINCAP GROUP LIMITED
ANNUAL
REPORT
2023

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This annual report has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Bernard Lui, Telephone: +65 6389 3000, Email: bernard.lui@morganlewis.com.

CORPORATE PROFILE

Listed on the Catalist Board of SGX-ST in 2012, Sincap Group Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), was principally engaged in business of mineral and resources trading. The Company has been deemed a cash company since May 2021.

CORPORATE STRUCTURE



CHAIRMAN'S MESSAGE

Dear Stakeholders,

By the time we publish this annual report for the financial year ended 31 December ("FY") 2023, our annual audit will have been completed, and for the first time in more than three years, we will be holding our annual general meeting on time. This reflects our ongoing commitment to addressing the related compliance issues, and is undoubtedly our obligation to shareholders.

OPERATIONAL AND FINANCIAL REVIEWS

As updated by the Company through several announcements released on the SGXNet dated 22 May 2022 and 12 August 2022, including its annual report for FY2021 and FY2022, the Group's coal trading business faced significant headwinds due to Covid-19 related restrictions and supply chain disruptions contributing to the downturn in the Group's trading business, coupled with certain non-performing receivables, had resulted in the Group facing severe cash-flow issues. During the year under review, the Group did not have any revenue-generating activities and consequently, the Group did not record any revenue, gross profit and operating profits for FY2023. As a result, the Group reported a net loss of RMB7.8 million for FY2023, after accounting for administrative costs and related corporate expenses.

FINANCIAL PERFORMANCE

Given the reasons as abovementioned, the losses of the Group are mainly attributed to corporate expenses, comprising mainly stock exchange listing fees, professional fees, director fees, and statutory expenses.

Other income

Other income decreased by approximately RMB3.47 million from RMB3.5 million in FY2022 to RMB30,000 in FY2023 due mainly to absence of one-off gains in relation to (i) partial waiver of debt owing by the Company to the CEO of RMB0.3 million; and (ii) gain from settlement of bond payables on completion of the internal debt restructuring of RMB3.2 million in FY2022.

Administrative expenses

Administrative expenses mainly comprised corporate expenses including compliance expenses and various professional fees. Administrative expenses decreased by RMB2.8 million from RMB4.6 million in FY2022 to RMB1.8 million in FY2023 due mainly to the absence of (i) one-off collecting agent fee of RMB2.3 million for the recovery of the Richardson Loan in FY2022; and (ii) one-off professional services incurred for corporate actions in FY2022.

Other expenses

Other expenses increased by RMB5.7 million from RMB0.2 million in FY2022 to RMB5.9 million in FY2023 due mainly to the reclassification of foreign currency translation reserve from other comprehensive income to profit or loss amounting to RMB5.7 million, upon disposal of subsidiaries.

Finance costs

Finance costs increased by approximately RMB0.17 million in FY2023 due mainly to interest expense incurred for short-term loan from the Professional Investor.

FINANCIAL POSITION

Total assets decreased by RMB0.8 million from RMB0.9 million in FY2022 to RMB0.1 million in FY2023. Significant changes during the year under review were:

Cash and cash equivalent

Cash and cash equivalent decreased by RMB0.8 million from RMB0.9 million in FY2022 to RMB0.1 million in FY2023 due mainly to payments of corporate expenses including compliance expenses and various professional fees; and further offset by net cash from financing activities of RMB0.3 million mainly as a result of net proceeds from short-term loan.

Total liabilities increased by RMB1.4 million from RMB8.7 million in FY2022 to RMB10.1 million in FY2023. Significant changes during the year under review were:

Other payables

Other payables mainly comprised accruals of professional fees and other operating expenses, increased by RMB0.6 million from RMB4.1 million in FY2022 to RMB4.7 million in FY2023.

Borrowings

Total borrowings increased by RMB0.6 million from RMB4.7 million in FY2022 to RMB5.3 million in FY2023 mainly due to the short-term loan of RMB0.8 million provided by the Professional Investor during the period under review.

CHAIRMAN'S MESSAGE

GOING FORWARD

While we have made good progress in addressing those key compliance issues relating to our financial reporting, we are still in the midst of exploring several corporate turnaround plans. It has taken longer than we would have liked as we have been extremely careful in evaluating a commercially-viable deal amidst the existing market conditions. During the year under review, we had conducted site visits and performed preliminary due diligence on several targets across various industries, which we have initiated commercial negotiations. We believe some of these targets could lead to specific discussions ahead on potential acquisition terms and will keep shareholders informed again, as always. We are well aware of its strategic importance to the shareholders.

In the meantime, as reported, we did not have any revenue-generating activities over the last three years and we thus need working capital supports. In this aspect, we have since requested the Professional Investor, Mr. Teh to provide us with temporary loans so that we could continue to pay our professionals and other related compliance costs while we are still working towards fulfilling certain key conditions precedent to the Proposed Investment. As you are aware of, the Company signed an investment agreement with Mr. Teh in August 2022.

Mr. Teh has continued to support us while we are navigating various uncertainties, financially and operationally. I must thank Mr. Teh for his strategic advice and guidance.

I must also thank shareholders, my fellow directors, external consultant, sponsor and key service providers for their sustained supports. As reiterated, we are looking forward to rebuilding shareholders' value, the plans in which have become ever more urgent.

CHU MING KIN

Executive Chairman and Chief Executive Officer

15 April 2024

BOARD OF DIRECTORS

MR CHU MING KIN

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chu, aged 59, was appointed as Non-Executive Director to the Board on 6 April 2015 and became the Executive Chairman and Chief Executive Officer with effect from 30 April 2015 and 7 July 2015 respectively. Mr. Chu was responsible for overseeing the Group's operations, including the mining and trading businesses and the property business. Leveraging on more than twenty years of experience in trading and plantation of agricultural tapioca chips in Thailand, Vietnam and Indonesia, Mr. Chu has accumulated skills to maintain the best purchasing, logistic and operating systems, handle shipments, and possesses a strong understanding in procurement. The Company was deemed a cash company in May 2021, and Mr. Chu has since shifted his focused on devising potential business diversification strategies as part of the Group's corporate turnaround plans, as well as the allocation of the Group's resources.

MR TAY BOON ZHUAN

INDEPENDENT DIRECTOR

Mr. Tay, aged 43, was appointed as Independent Director to the Board on 22 March 2021. Mr. Tay has garnered extensive experience across various financial leadership roles. He currently leverages this expertise as the director of a business advisory firm, offering clients comprehensive solutions encompassing corporate setup, company secretarial services, outsourced accounting, tax compliance, and payroll and human resource management.

Previously, Mr. Tay served as Senior Finance Director at Geniebook Pte Ltd., held the position of chief financial officer at two SGX-listed companies, and led the internal audit function for a major New York Stock Exchange-listed diesel engine manufacturer in China. He also spent eleven years honing his skills with a Big 4 accounting firm and two other leading professional service firms, specialising in accounting, payroll, business advisory, and assurance services.

MR LEE FANG WEN

INDEPENDENT DIRECTOR

Mr. Lee, aged 63, was appointed as Independent Director to the Board on 16 September 2022. Mr. Lee is a private investor and is currently a non-executive and independent director of Tai Sin Electric Limited a company listed on the Mainboard of the SGX-ST. He is accredited as a Senior Accredited Director by the Singapore Institute of Directors. Mr. Lee graduated from National University of Singapore with a Bachelor of Engineering (Chemical), and previously held positions such as executive director of Creative Master Bermuda Limited and business development director of MFS Technology (S) Pte. Ltd.

Mr. Tay's academic background includes graduating with First Class Honours in Accountancy from Nanyang Technological University and attending Raffles Institution and Raffles Junior College. He further solidified his credentials by obtaining the Chartered Accountant from the Institute of Chartered Accountants from the Institute of Singapore Chartered Accountants ("ISCA") and the ASEAN CPA certifications.

GROUP FINANCIAL HIGHLIGHTS

	2023 RMB'000	2022 RMB'000
FOR THE YEAR		
Loss before interest expenses, tax, depreciation and amortisation (EBITDA)	(7,639)	(1,313)
Loss before tax	(7,820)	(1,326)
Net loss after tax and non-controlling interest	(7,777)	(1,364)
AT YEAR END		
Total assets	71	949
Total liabilities	(10,061)	(8,740)
Total shareholders' equity attributable to the owners of the Company	(9,967)	(7,769)
Cash and cash equivalents	71	917
Basic and diluted losses per share (RMB cents)	(0.46)	(0.08)
Net liabilities per share (RMB cents)	(0.59)	(0.46)
No. of shares as at 31 December	1,701,000,410	1,701,000,410

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chu Ming Kin
(Executive Chairman and Chief Executive Officer)

Tay Boon Zhuan
(Independent Director)

Lee Fang Wen
(Independent Director)

AUDIT AND RISK COMMITTEE

Tay Boon Zhuan
(Chairman)

Lee Fang Wen
(Member)

NOMINATING COMMITTEE

Lee Fang Wen
(Chairman)

Tay Boon Zhuan
(Member)

REMUNERATION COMMITTEE

Lee Fang Wen
(Acting Chairman)

Tay Boon Zhuan
(Member)

COMPANY SECRETARY

Chong Eng Wee

REGISTERED OFFICE

112 Robinson Road
#04-02
Singapore 068902

EMAIL ADDRESS

ir@sincapgroup.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

CONTINUING SPONSOR

Stamford Corporate Services Pte. Ltd.
10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

INDEPENDENT AUDITOR

Foo Kon Tan LLP
Public Accountants and Chartered Accountants
1 Raffles Place #04-61
One Raffles Place Tower 2
Singapore 048616
Partner-in-charge: Chin Bo Wui
(Appointed from the financial year ended
31 December 2021)



CORPORATE GOVERNANCE REPORT

The Board recognises the importance of good corporate governance practices within the Group to safeguard the interest of shareholders and to enhance corporate value and accountability. The Board will continue to be committed to enhancing the Group's corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Code of Corporate Governance issued in August 2018 (the "**Code**") and the requirements under Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**") so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company's corporate governance structures and practices that were in place during the financial year ended 31 December ("**FY**") 2023, with specific reference made to the principles and provisions of the Code. Where the Company's practices vary from any of the provisions of the Code, explanations for the deviation and how the Group's practices are consistent with the aim and philosophy of the relevant principle, are provided in the sections below.

The Board and the management of the Company (the "**Management**") have taken steps to align the corporate governance framework of the Company with the principles of the Code, and where there are deviations from the provisions in the Code, appropriate explanations are provided.

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
BOARD MATTERS		
The Board's Conduct of Affairs		
Principle 1	The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.	The Board is collectively responsible for the overall performance of the Group and works with the Management to ensure the implementation of necessary corporate actions for the long-term success of the Company. The Board sets the strategic direction and vision of the Group and directs the overall strategy, policies, and business plans of the Group, as well as oversees the stewardship and allocation of the Group's resources. In this regard, the Board also consults and works with other experienced professionals who could provide strategic guidance to the Company. Please refer to Provisions 1.1 to 1.7 of the Code below for more details and instances of the Company's compliance with this principle.

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation										
Provision 1.1	Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.	<p>Currently, the Board has three (3) Directors, two (2) of whom are Independent Directors. The Directors as at the date of this report are:-</p> <table border="1" data-bbox="695 689 1433 972"> <thead> <tr> <th colspan="2" data-bbox="695 689 1433 734">Table 1.1 – Composition of the Board</th> </tr> <tr> <th data-bbox="695 734 954 786">Name of Director</th> <th data-bbox="954 734 1433 786">Designation</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 786 954 875">Mr Chu Ming Kin</td> <td data-bbox="954 786 1433 875">Executive Chairman and Chief Executive Officer ("CEO")</td> </tr> <tr> <td data-bbox="695 875 954 927">Mr Tay Boon Zhuan</td> <td data-bbox="954 875 1433 927">Independent Director</td> </tr> <tr> <td data-bbox="695 927 954 972">Mr Lee Fang Wen</td> <td data-bbox="954 927 1433 972">Independent Director</td> </tr> </tbody> </table> <p>The Board is collectively entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principal functions are:</p> <ul style="list-style-type: none"> (a) supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic objectives and direction; (b) overseeing the process for evaluating the adequacy of internal control, risk management, financial reporting and compliance; (c) reviewing the performance of Management and overseeing succession planning for Management; (d) setting the Company's corporate objectives, value and standards, and ensuring that the obligations to the shareholders of the Company (the "Shareholders") and other stakeholders are understood and met; and (e) providing overall corporate governance of the Company. 	Table 1.1 – Composition of the Board		Name of Director	Designation	Mr Chu Ming Kin	Executive Chairman and Chief Executive Officer (" CEO ")	Mr Tay Boon Zhuan	Independent Director	Mr Lee Fang Wen	Independent Director
Table 1.1 – Composition of the Board												
Name of Director	Designation											
Mr Chu Ming Kin	Executive Chairman and Chief Executive Officer (" CEO ")											
Mr Tay Boon Zhuan	Independent Director											
Mr Lee Fang Wen	Independent Director											

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interests of the Group. The Board puts in place a code of conduct and ethics, sets an appropriate tone-from-the-top and desired organisation culture, and ensures proper accountability within the Group. The Board also ensures that good corporate governance practices are in place to protect the interests of Shareholders.</p> <p>All Directors are required to disclose their business interests and any potential or actual conflicts of interest that they are aware of, or as soon as such conflicts become apparent. In any situation that involves a conflict of interest between any Director and the Company, such Director shall recuse himself or herself from participating in any discussion and deciding on the matter.</p>
Provision 1.2	<p>Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.</p>	<p>The Company ensures that incoming new Directors are provided with a formal letter of appointment setting out their duties and obligations. The Company encourages Directors to receive regular training at the Company's expense, updates on relevant laws and regulations and to participate in conferences, seminars and/or any training programmes to equip themselves with the relevant knowledge to discharge their responsibilities in an effective and efficient manner.</p> <p>Newly-appointed Directors will receive orientation, briefing and training, if necessary, to familiarise themselves with the Group's business activities, strategic direction and the regulatory environment in which the Group operates in, as well as their statutory and other duties and responsibilities as Directors. Directors will also be briefed on the key audit matters in the auditor's report and receive quarterly updates on the strategic development of the Group.</p> <p>Directors who do not have prior experience as a director of a public listed company in Singapore will attend training courses organised by the Singapore Institute of Directors ("SID") or other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties and at the Company's expense.</p>

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>Directors are updated regularly on any new developments or changes in applicable regulatory, legal and accounting frameworks that are of relevance to the Group during Board meetings or via electronic mail, and through participation in training courses, seminars and workshops at the Company's expense.</p> <p>New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the Directors are circulated to the Board. Directors are also informed of upcoming conferences and seminars relevant to their roles as directors of the Company.</p> <p>The Board is briefed by the external auditor engaged by the Company (the "EA") on recent changes and amendments to the accounting standards, including amendments to the Singapore Financial Reporting Standards (International), and receives regulatory updates from time to time.</p>
Provision 1.3	The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.	<p>Matters that require the Board's approval, as decided by the Board, include, amongst others, the following:</p> <ul style="list-style-type: none"> (a) approval of the Group's strategic objectives; (b) changes relating to the Group's capital structure, including reduction of capital, share issues and share buy backs; (c) major changes to the Group's corporate structure, including, but not limited to, acquisitions and disposals; (d) approval of the interim and full year's results announcements and release of annual reports; (e) approval of the dividend policy, declaration of the interim dividend and recommendation of the final dividend; (f) approval of material investments, divestments or capital expenditure; (g) approval of resolutions and corresponding documentation to be put forward to Shareholders at a general meeting, including approval of all circulars, prospectuses, amongst others; and (h) any decision likely to have a material impact on the Group from any perspective, including, but not limited to, financial, operational, strategic or reputational matters.

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																
Provision 1.4	Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.	<p>The Board committees, namely the Audit and Risk Committee (the "ARC"), the Remuneration Committee (the "RC"), and the Nominating Committee (the "NC") (collectively, the "Board Committees") have been constituted to assist the Board in the discharge of its responsibilities and each report back to the Board. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference, which are reviewed on a regular basis to ensure their continued relevance. The current composition of each Board Committee is as follows:</p> <table border="1" data-bbox="695 949 1431 1308"> <caption data-bbox="703 958 1238 992">Table 1.4 – Composition of Board Committees⁽¹⁾</caption> <thead> <tr> <th data-bbox="695 999 852 1048"></th> <th data-bbox="852 999 1027 1048">ARC</th> <th data-bbox="1027 999 1203 1048">NC</th> <th data-bbox="1203 999 1431 1048">RC</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1048 852 1137">Chairman</td> <td data-bbox="852 1048 1027 1137">Mr Tay Boon Zhuan</td> <td data-bbox="1027 1048 1203 1137">Mr Lee Fang Wen</td> <td data-bbox="1203 1048 1431 1137">–</td> </tr> <tr> <td data-bbox="695 1137 852 1227">Member</td> <td data-bbox="852 1137 1027 1227">Mr Lee Fang Wen</td> <td data-bbox="1027 1137 1203 1227">Mr Tay Boon Zhuan</td> <td data-bbox="1203 1137 1431 1227">Mr Lee Fang Wen (Acting Chairman)</td> </tr> <tr> <td data-bbox="695 1227 852 1308">Member</td> <td data-bbox="852 1227 1027 1308">–</td> <td data-bbox="1027 1227 1203 1308">–</td> <td data-bbox="1203 1227 1431 1308">Mr Tay Boon Zhuan</td> </tr> </tbody> </table> <p data-bbox="695 1352 1437 1496">Information on the ARC, RC, and NC, their respective terms of reference, summaries of their activities and any delegation to them by the Board of its decision-making authority can be found in the subsequent sections of this annual report.</p> <p data-bbox="695 1518 743 1541">Note:</p> <p data-bbox="695 1541 1437 1818">(1) As announced by the Company on 18 October 2022, following the unexpected demise of Mr Ng Hoi-Gee, Kit on 16 October 2022, each of the ARC, NC and RC (respectively) has fallen below the minimum of 3 directors as required under the Code. The Board and the NC have endeavored to search for suitable Independent Director to be appointed to fill in the aforementioned vacancies and ensure compliance with applicable laws, the provisions of the Code and the Catalist Rules. Notwithstanding the above, the NC bears in mind that the Company should not hasten such an appointment of additional Independent Director to more effectively manage its existing limited resources while it is evaluating its potential reorganisation strategies as the suitable candidate of the Board member should carry the relevant skills and competencies.</p>		ARC	NC	RC	Chairman	Mr Tay Boon Zhuan	Mr Lee Fang Wen	–	Member	Mr Lee Fang Wen	Mr Tay Boon Zhuan	Mr Lee Fang Wen (Acting Chairman)	Member	–	–	Mr Tay Boon Zhuan
	ARC	NC	RC															
Chairman	Mr Tay Boon Zhuan	Mr Lee Fang Wen	–															
Member	Mr Lee Fang Wen	Mr Tay Boon Zhuan	Mr Lee Fang Wen (Acting Chairman)															
Member	–	–	Mr Tay Boon Zhuan															

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																								
Provision 1.5	Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.	<p>The Board meets regularly on a half-yearly basis and more often when required to address any specific significant matters which may arise. The Board also holds meetings when warranted by particular circumstances, as deemed appropriate by the Board members.</p> <p>The constitution of the Company (the "Constitution") allows for meetings to be held through audiovisual communication equipment. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through written resolutions, which are circulated to the Board together with all relevant information regarding the proposed transactions.</p> <p>The number of Board and Board Committees meetings held, and the attendance of each Director at the meetings in FY2023 are as follows:-</p> <table border="1"> <caption>Table 1.5 – Attendance of Directors at Company Meetings during FY2023</caption> <thead> <tr> <th rowspan="2">Name of Director</th> <th colspan="4">Number of meeting(s) attended/ Number of meeting(s) held</th> </tr> <tr> <th>Board</th> <th>ARC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td>Mr Chu Ming Kin</td> <td>1/2</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Mr Lee Fang Wen</td> <td>2/2</td> <td>1/1</td> <td>1/1</td> <td>1/1</td> </tr> <tr> <td>Mr Tay Boon Zhuan</td> <td>2/2</td> <td>1/1</td> <td>1/1</td> <td>1/1</td> </tr> </tbody> </table> <p>Notwithstanding that the Company's shares have been suspended since May 2021, there has been proactive engagement of the Board in FY2023. The Board, with the Professional Investor and project consultant, had discussions before the release of announcements on SGXNet. However, these informal discussions were not recorded as part of the meetings of the Board and each of the Board Committees and thus, are not included in the aforementioned attendance.</p>	Name of Director	Number of meeting(s) attended/ Number of meeting(s) held				Board	ARC	NC	RC	Mr Chu Ming Kin	1/2	–	–	–	Mr Lee Fang Wen	2/2	1/1	1/1	1/1	Mr Tay Boon Zhuan	2/2	1/1	1/1	1/1
Name of Director	Number of meeting(s) attended/ Number of meeting(s) held																									
	Board	ARC	NC	RC																						
Mr Chu Ming Kin	1/2	–	–	–																						
Mr Lee Fang Wen	2/2	1/1	1/1	1/1																						
Mr Tay Boon Zhuan	2/2	1/1	1/1	1/1																						

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 1.6	<p>Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</p>	<p><u>Provision of information on an on-going basis</u></p> <p>Management provides the Board with relevant, complete, adequate and accurate information in a timely manner relating to matters to be brought before the Board on an on-going basis. Management ensures that the company secretary is provided with the relevant board papers to be circulated to the Board from time to time or to be submitted at Board meetings. Board papers adhere to a standard format which includes background information, issues for deliberation, and risk mitigation measures.</p> <p><u>Provision of information prior to meetings</u></p> <p>To give Directors sufficient time to prepare for Board and Board Committees meetings, the agenda and board papers are circulated by the company secretary to the Board at least one week before the relevant meeting. Directors can access these materials via their personal computers, laptops, smartphones and other mobile devices prior to, during and after meetings. Hard copies of these materials are also available at the request of Directors. Members of the Management who prepared the Board papers and can provide additional insight into matters at hand would be present at the relevant meeting.</p> <p>At the Board meetings, the Management provides the Board with relevant reports on the Group's financial performance, and such explanation and information as the Board may require, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. The Board is also apprised of any significant developments on business initiatives, industry developments and regulatory updates.</p>
Provision 1.7	<p>Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.</p>	<p>The Directors have separate and independent access to the Management, company secretary and the external consultant; and full access to the Company's records and information, and may seek independent legal and other professional advice, if necessary, in the furtherance of their duties at the expense of the Company. The appointment and the removal of the company secretary is a decision subject to the approval of the Board as a whole.</p>

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
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.	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. Please refer to Provisions 2.1 to 2.5 of the Code below for more details and instances of the Company's compliance with such principle.
Provision 2.1	An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.	<p>As at 31 December 2023, the Board comprises three (3) Directors, two (2) of whom are Non-Executive and Independent Directors. To ensure compliance with the Catalist Rules and the relevant provisions of the Code, the Company will be sourcing for additional Independent Director(s) and will provide shareholders with updates on the foregoing in due course.</p> <p>As at the date of this report, there is no Independent Director who has served the Board for more than nine (9) years since the date of their appointment as Independent Director of the Company.</p> <p>Please refer to Provision 4.4 of the Code below for more information on the NC's determination of the independence of the Independent Directors.</p>
Provision 2.2	Independent directors make up a majority of the Board where the Chairman is not independent.	As Mr Chu Ming Kin, the Chairman of the Board, is not independent, the Company has complied and ensured that the majority of the Board comprises Independent Directors (two (2) Independent Directors out of the current three (3) Board members).
Provision 2.3	Non-executive directors make up a majority of the Board.	The majority of the Board comprise Non-Executive Directors (two (2) Non-Executive Directors out of the current three (3) Board members).

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 2.4	<p>The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.</p>	<p>The Board has adopted the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> (a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary to enhance the efficacy of the Board; and (b) annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. <p>The NC will consider the results of the above review and evaluation in its recommendation for the appointment of new directors and/or the re-appointment of incumbent Directors.</p> <p>For the financial year under review, taking into account the nature and scope of the Group's business and in concurrence with the NC, the Board believes that the size of the Board was appropriate, and that the composition of the Board (given that the independent directors made up a majority of the Board) and Board Committees provided sufficient diversity without interfering with efficient decision making. The NC is of the view that no individual, or small group of individuals, dominates the Board's decision-making process.</p> <p>During the financial year under review, the Board's policy in identifying Director candidates is to have an appropriate mix of members with core competencies such as accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management.</p>

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation																																				
		<p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1" data-bbox="694 651 1434 1429"> <thead> <tr> <th colspan="3" data-bbox="694 651 1434 696">Table 2.4 – Balance and Diversity of the Board</th> </tr> <tr> <th data-bbox="694 696 1082 824"></th> <th data-bbox="1082 696 1257 824">Number of Directors</th> <th data-bbox="1257 696 1434 824">Proportion of Board (%)</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="694 824 1434 875">Core Competencies</td> </tr> <tr> <td data-bbox="694 875 1082 920">– Accounting or finance</td> <td data-bbox="1082 875 1257 920">1</td> <td data-bbox="1257 875 1434 920">33</td> </tr> <tr> <td data-bbox="694 920 1082 972">– Business management</td> <td data-bbox="1082 920 1257 972">3</td> <td data-bbox="1257 920 1434 972">100</td> </tr> <tr> <td data-bbox="694 972 1082 1059">– Legal or corporate governance</td> <td data-bbox="1082 972 1257 1059">2</td> <td data-bbox="1257 972 1434 1059">67</td> </tr> <tr> <td data-bbox="694 1059 1082 1146">– Relevant industry knowledge or experience</td> <td data-bbox="1082 1059 1257 1146">3</td> <td data-bbox="1257 1059 1434 1146">100</td> </tr> <tr> <td data-bbox="694 1146 1082 1198">– Strategic planning experience</td> <td data-bbox="1082 1146 1257 1198">3</td> <td data-bbox="1257 1146 1434 1198">100</td> </tr> <tr> <td data-bbox="694 1198 1082 1285">– Customer based experience or knowledge</td> <td data-bbox="1082 1198 1257 1285">3</td> <td data-bbox="1257 1198 1434 1285">100</td> </tr> <tr> <td colspan="3" data-bbox="694 1285 1434 1337">Gender</td> </tr> <tr> <td data-bbox="694 1337 1082 1382">– Male</td> <td data-bbox="1082 1337 1257 1382">3</td> <td data-bbox="1257 1337 1434 1382">100</td> </tr> <tr> <td data-bbox="694 1382 1082 1429">– Female</td> <td data-bbox="1082 1382 1257 1429">0</td> <td data-bbox="1257 1382 1434 1429">0</td> </tr> </tbody> </table> <p data-bbox="694 1473 1442 1877">As announced by the Company on 16 October 2022, following the unexpected demise of the then-Lead Independent Director, Mr Ng Hoi-Gee, Kit, the Company currently does not have a lead independent director and each of the NC, RC and ARC has fallen below the minimum number of three (3) directors as required under the Code and/or Catalist Rules. The Board and the NC have endeavoured to search for a suitable Independent Director to be appointed to fill in the aforementioned vacancies and ensure compliance with applicable laws, the provisions of the Code and Catalist Rule 704(7) and will reconstitute the Board and Board Committee in due course, as appropriate.</p>	Table 2.4 – Balance and Diversity of the Board				Number of Directors	Proportion of Board (%)	Core Competencies			– Accounting or finance	1	33	– Business management	3	100	– Legal or corporate governance	2	67	– Relevant industry knowledge or experience	3	100	– Strategic planning experience	3	100	– Customer based experience or knowledge	3	100	Gender			– Male	3	100	– Female	0	0
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		<p>The Board has adopted a board diversity policy (the "Board Diversity Policy") in compliance with Catalist Rule 710A of the Catalist Rules which take into account the relevant measurable objectives such as gender, age, skills and management experience and other relevant aspects of diversity, with the NC responsible for reviewing and assessing the Board composition on behalf of the Board and recommending the appointment of new Directors.</p> <p>Under the Board Diversity Policy, the Board considers whether there is an appropriate mix of Directors of different age, gender, length of service, ethnicity and with different skills, professional experience, knowledge, cultural and educational background and other relevant qualities essential for the effective governance of the Company. In reviewing the appointments of new Directors, the Board together with the NC ensures that it sets relevant objectives to promote and achieve diversity on the Board, and appointments are based on merit and after due consideration of the collective skills needed to strengthen the overall board governance role.</p> <p>While the Board appreciates a diverse board, the Company has to prioritise its allocation of resources, focusing on implementation of its potential corporate turnaround strategies to enable the Company to make an application with a view to resume the trading of its shares on the Catalist of the SGX-ST.</p> <p>Whilst the Company navigates through this transitional period, the NC will continue to review the Board Diversity Policy, as appropriate, and will recommend appropriate revisions to the Board for consideration and approval. The NC will also continue its identification and evaluation of suitable candidates to ensure there is diversity (including gender diversity) on the Board. This assists the NC in identifying and nominating suitable candidates for appointment to the Board. The profiles of the respective Directors are set out in the section titled "Board of Directors" of this annual report.</p>

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Provision 2.5	<p>Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.</p>	<p>The Non-Executive Directors discuss and/or meet as often as is needed, based on the Group's needs from time to time, without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Director(s), where applicable.</p> <p>The Independent Directors are scheduled to meet regularly without the presence of key management personnel to discuss concerns or matters. In FY2023, the Independent Directors held discussions in the absence of key management personnel as required.</p> <p>During meetings of the Board and Board Committees in FY2023, the Independent Directors actively participated and provided their inputs on matters including the Group's financial performance, corporate governance and the performance of the Management, which may have been discussed between the Independent Directors at the aforesaid meetings of the Independent Directors. The Independent Directors contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. When challenging the Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities.</p>
Chairman and Chief Executive Officer		
Principle 3	<p>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.</p>	<p>The Board is of the view that there is a clear division of responsibilities between the leadership of the Board and the Management during FY2023, and no one individual has unfettered powers of decision-making. Please refer to Provisions 3.1 to 3.3 of the Code below for more details and instances of the Company's compliance with such principle.</p>

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Provision 3.1	The Chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	<p>Mr Chu Ming Kin is the Executive Chairman and CEO of the Company.</p> <p>Although the roles of Chairman and the CEO are assumed by the same person, the Board has determined that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is independent and based on a collective decision, without any individual or group of individuals exercising any considerable concentration of power or influence. As set out in Provision 1.5 of the Code, transactions are approved by the Board and Board Committees (as the case may be) collectively by way of written resolutions, after the Board or Board Committees (as the case may be) has considered all relevant information regarding the proposed transactions, which are provided to the Board or Board Committees (as the case may be) together with the written resolutions.</p>
Provision 3.2	The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	<p>As mentioned in Provision 3.1 of the Code above, Mr Chu Ming Kin is the Executive Chairman and CEO of the Company. Notwithstanding the foregoing, the Board is of the view that there is an appropriate balance of power and authority as the Independent Directors have demonstrated high levels of commitment in their role as Independent Directors. The Chairman and CEO have defined responsibilities which, during his tenure so far, have not conflicted with each other. The responsibilities of Mr Chu Ming Kin, as the Executive Chairman include the following:</p> <ul style="list-style-type: none"> (a) leading the Board to ensure its effectiveness on all aspects of its role; (b) setting its agenda and ensuring that adequate time is available for discussion of all agenda items, in particular for those in relation to strategic issues; (c) promoting a culture of openness and debate at the Board; (d) ensuring that the Directors receive complete, adequate and timely information; (e) ensuring effective communication with Shareholders;

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		<p>(f) encouraging constructive relations within the Board and between the Board and Management;</p> <p>(g) facilitating the effective contribution of Non-Executive Directors in particular; and</p> <p>(h) ensuring practice of good corporate governance.</p> <p>In addition to the responsibilities set out above, Mr Chu Ming Kin is also responsible for devising business strategies and direction, and overseeing the Group's operations, specifically the coal trading and potential diversification of the Group's business. As the Company is presently deemed to be a cash company under Catalist Rule 1017, the Company will work with other experienced professionals in devising potential business diversification strategies as part of its corporate turnaround plans.</p>
Provision 3.3	The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.	The Company currently does not have a lead independent director following the unexpected demise of the then-Lead Independent Director, Mr Ng Hoi-Gee, Kit on 16 October 2022. Since then, the Board and the NC have endeavoured to search for a suitable Independent Director to be appointed to fill in the aforementioned vacancy and ensure compliance with applicable laws, the provisions of the Code and Catalist Rule 704(7), and will reconstitute the Board and Board Committees in due course, as appropriate.
Board Membership		
Principle 4	The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.	The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board. Please refer to Provisions 4.1 to 4.5 of the Code below for more details and instances of the Company's compliance with such principle.

CORPORATE GOVERNANCE REPORT

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Provision 4.1	<p>The Board establishes a NC to make recommendations to the Board on relevant matters relating to:</p> <ul style="list-style-type: none"> (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) the appointment and re-appointment of directors (including alternate directors, if any). 	<p>The Board has established the NC, which holds at least one (1) meeting in each financial year.</p> <p>The NC is guided by the key terms of reference as follows:</p> <ul style="list-style-type: none"> (a) to determine annually, and as and when circumstances require, if a Director is independent, bearing in mind the circumstances set forth in the Code and/or any other salient factors; (b) to recommend and review Board succession plans and, in particular, the appointment and reappointment of Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (c) to develop a process for evaluation of the performance of the Board, its Board committees and the Directors and the review of training and professional development programmes for the Board; (d) to ensure that new Directors are aware of their duties and obligations, and to decide if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company and make the appropriate recommendations to the Board; (e) in respect of a Director who has multiple board representations on various companies, if any, to provide the NC's and Board's reasoned assessment of whether such Director is able to and has been adequately carrying out his duties as Director, taking into consideration the Director's number of listed company board representations and other principal commitments;

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		<p>(f) recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards for the Board's disclosure in the annual report, of the maximum number of listed company board representations which any Director may hold and disclose the same in the Company's annual reports. For such purposes, the maximum number of listed company board representations which any Director may hold at any time shall be six (6). A Director who proposes to hold any additional appointment on the board of a listed company in excess of the foregoing cap shall submit an application in writing to the NC which shall make a recommendation to the Board for its approval. Any Director who makes such application shall not participate in deliberation of the NC and Board in considering such application;</p> <p>(g) to provide disclosure in the Company's annual report of the listed company board representations and principal commitments of each Director, and where a director holds a significant number of such board representations and commitments, to provide the Committee's and the Board's reasoned assessment of the ability of the Director to diligently discharge his or her duties to the Company;</p> <p>(h) where a person is proposed to be appointed as an alternate Director to an Independent Director of the Company, to review and conclude with the Board that the person would similarly qualify as an Independent Director before his appointment as an alternate Director;</p> <p>(i) to assess the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board;</p> <p>(j) to decide how the performance of the Board may be evaluated and to propose objective performance criteria;</p> <p>(k) to ensure that new Directors are aware of their duties and obligations, and to decide if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company and make the appropriate recommendations to the Board; and</p> <p>(l) to decide how the performance of the Board may be evaluated and to propose objective performance criteria.</p>

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Provision 4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	<p>During the financial year under review, the NC comprised two (2) Directors, all of whom are Independent Directors, namely:</p> <p>(a) Mr Lee Fang Wen (Chairman); and</p> <p>(b) Mr Tay Boon Zhuan (Member).</p> <p>In view of the unexpected demise of the then-NC member, Mr Ng Hoi-Gee, Kit in October 2022, the Board and the NC have endeavoured to search for a suitable Independent Director to fill in the vacancy of the NC and ensure compliance with applicable laws, the provisions of the Code and the Catalist Rules, as appropriate, and will provide Shareholders with updates on the foregoing in due course.</p>												
Provision 4.3	The company discloses the process for the selection, appointment and re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	<p>Table 4.3(a) – Process for the Selection and Appointment of New Directors</p> <table border="1" data-bbox="699 1171 1442 1930"> <tbody> <tr> <td data-bbox="699 1171 756 1406">1.</td> <td data-bbox="756 1171 963 1406">Determination of selection criteria</td> <td data-bbox="963 1171 1442 1406">The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</td> </tr> <tr> <td data-bbox="699 1406 756 1608">2.</td> <td data-bbox="756 1406 963 1608">Search for suitable candidates</td> <td data-bbox="963 1406 1442 1608">The NC would consider candidates proposed by the Directors, key management personnel or substantial Shareholders and may engage external search consultants where necessary or if resources permitted.</td> </tr> <tr> <td data-bbox="699 1608 756 1731">3.</td> <td data-bbox="756 1608 963 1731">Assessment of shortlisted candidates</td> <td data-bbox="963 1608 1442 1731">The NC would meet and interview the shortlisted candidates to assess their suitability.</td> </tr> <tr> <td data-bbox="699 1731 756 1930">4.</td> <td data-bbox="756 1731 963 1930">Appointment of director</td> <td data-bbox="963 1731 1442 1930">The NC would recommend the selected candidate to the Board for consideration and approval. The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d).</td> </tr> </tbody> </table>	1.	Determination of selection criteria	The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.	2.	Search for suitable candidates	The NC would consider candidates proposed by the Directors, key management personnel or substantial Shareholders and may engage external search consultants where necessary or if resources permitted.	3.	Assessment of shortlisted candidates	The NC would meet and interview the shortlisted candidates to assess their suitability.	4.	Appointment of director	The NC would recommend the selected candidate to the Board for consideration and approval. The Board is also advised by the Sponsor on the appointment of directors as required under Catalist Rule 226(2)(d).
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		<p data-bbox="703 562 1433 591">Table 4.3(b) – Process for the Re-election of Incumbent Directors</p> <table border="1" data-bbox="699 600 1433 1769"> <tbody> <tr> <td data-bbox="699 600 756 936">1.</td> <td data-bbox="756 600 963 936">Assessment of directors</td> <td data-bbox="963 600 1433 936"> <ul data-bbox="975 613 1433 927" style="list-style-type: none"> <li data-bbox="975 613 1433 748">• The NC would assess the contributions and performance of the Directors in accordance with the performance criteria set by the Board; and <li data-bbox="975 792 1433 927">• The NC would also review the range of expertise, skills and attributes of current Board members and consider the current needs of the Board. </td> </tr> <tr> <td data-bbox="699 936 756 1769">2.</td> <td data-bbox="756 936 963 1769">Re-appointment of directors</td> <td data-bbox="963 936 1433 1769"> <ul data-bbox="975 949 1433 1263" style="list-style-type: none"> <li data-bbox="975 949 1433 1084">• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and acceptance. <li data-bbox="975 1128 1433 1263">• All Directors are required to submit themselves for re-nomination and re-appointment at regular intervals of at least once every three (3) years. <p data-bbox="975 1308 1433 1765">Regulation 99 of the Constitution provides that one-third of the Board is to retire from office by rotation and be subject to re-election at the annual general meeting ("AGM") of the Company and that the Directors to retire in every year shall be those who have been longest in office since the last election, but as between persons who became Directors on the same day, those to retire shall be determined by lot. In this regard, Mr Chu Ming Kin will be retiring at the Company's forthcoming AGM in respect of FY2023, pursuant to Regulation 99 and shall be eligible for re-election.</p> </td> </tr> </tbody> </table>	1.	Assessment of directors	<ul data-bbox="975 613 1433 927" style="list-style-type: none"> <li data-bbox="975 613 1433 748">• The NC would assess the contributions and performance of the Directors in accordance with the performance criteria set by the Board; and <li data-bbox="975 792 1433 927">• The NC would also review the range of expertise, skills and attributes of current Board members and consider the current needs of the Board. 	2.	Re-appointment of directors	<ul data-bbox="975 949 1433 1263" style="list-style-type: none"> <li data-bbox="975 949 1433 1084">• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and acceptance. <li data-bbox="975 1128 1433 1263">• All Directors are required to submit themselves for re-nomination and re-appointment at regular intervals of at least once every three (3) years. <p data-bbox="975 1308 1433 1765">Regulation 99 of the Constitution provides that one-third of the Board is to retire from office by rotation and be subject to re-election at the annual general meeting ("AGM") of the Company and that the Directors to retire in every year shall be those who have been longest in office since the last election, but as between persons who became Directors on the same day, those to retire shall be determined by lot. In this regard, Mr Chu Ming Kin will be retiring at the Company's forthcoming AGM in respect of FY2023, pursuant to Regulation 99 and shall be eligible for re-election.</p>
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			<p>In making the recommendation below, the NC had considered the Director's overall contribution and performance, with reference to the results of the assessment of the performance of the Director. The NC has recommended the re-election of Mr Chu Ming Kin, who is retiring at the forthcoming AGM in respect of FY2023, pursuant to Regulation 99 of the Constitution (the "Retiring Director"). The Board has accepted the recommendation of the NC and the Retiring Director will be offering himself for re-election.</p> <p>The key information of the Retiring Director including his appointment date and directorships held in the past five (5) years are set out on pages 58 to 62 of this annual report. The shareholdings of the individual Director of the Company are set out on page 65 of this annual report. The Director who is seeking re-appointment at the forthcoming AGM in respect of FY2023, will be stated in the notice of the forthcoming AGM to be issued to Shareholders, upon determination of the date, time and place of the AGM, and in any event, no later than fourteen (14) clear days before the date of the AGM.</p>

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Provision 4.4	<p>The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.</p>	<p>The independence of each Director is assessed and reviewed annually by the NC in accordance with a criterion based on the guidelines stated in the Code. In particular, the NC notes that Independent Directors who have served for more than nine (9) years from the date of their first appointment will no longer be deemed to be independent following the AGM for the financial year ending on or after 31 December 2024. Currently, none of the Independent Directors on the Board has served for a period exceeding nine years from the date of his first appointment.</p> <p>The Board considers an "Independent" Director as one who has no relationship with the Company, its related corporations, its substantial Shareholders, or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement with a view to the best interests of the Company.</p> <p>The Independent Directors, Mr Tay Boon Zhuan and Mr Lee Fang Wen have confirmed, and the Board, confirm that the Independent Directors do not have any relationship as stated in the Code that would otherwise deem any of them not to be independent.</p> <p>For the reasons above, the Board, having taken into account and concurring with the views of the NC, has determined that the Independent Directors remained independent in character and judgement and that there were no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgement.</p>

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Provision 4.5	<p>The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</p>	<p>The NC ensures that incoming new Directors are provided with a formal letter of appointment setting out their duties and obligations. Upon their appointment, the new Directors are given guidance and orientation including onsite visits (as applicable) to get them familiarised with the Group's businesses, organisation structure, corporate strategies, policies and corporate governance practices to facilitate the effective discharge of their individual duties.</p> <p>The NC has adopted internal guidelines addressing competing time commitments that are faced when directors serve on multiple boards and/or have other principal commitments. Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director of the Company, taking into consideration the time and resources allocated to the affairs of the Company. The NC is of the view that all the Directors are able to devote themselves to the Company's affairs, notwithstanding their other commitments.</p> <p>The Board notes that as at the date of this report, none of the Directors holds more than three (3) board representations in listed companies. The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> (a) expected and/or competing time commitments of Directors; (b) geographical location of Directors; (c) size and composition of the Board; and (d) nature and scope of the Group's operations and size. <p>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors are able to and have discharged their duties adequately in FY2023.</p>

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		<p>The table below shows the disclosure of directorships and chairmanships held over the preceding three (3) years in other listed companies as well as other principal commitments (excluding the Group) of each respective Director:</p> <table border="1" data-bbox="695 725 1433 1570"> <thead> <tr> <th colspan="2" data-bbox="695 725 1433 813"><i>Table 4.5 – Directorships and principal commitments of each respective Director</i></th> </tr> <tr> <th data-bbox="695 813 970 900">Name of Director</th> <th data-bbox="970 813 1433 900">Present directorships in other listed companies and principal commitments</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 900 970 1099">Mr Chu Ming Kin</td> <td data-bbox="970 900 1433 1099"> <u>Directorships in other listed companies</u> – <u>Principal Commitment</u> – </td> </tr> <tr> <td data-bbox="695 1099 970 1373">Mr Tay Boon Zhuan</td> <td data-bbox="970 1099 1433 1373"> <u>Directorships in other listed companies</u> Sen Yue Holdings Limited Polaris Ltd. <u>Principal Commitment</u> Director, Elev8te Business Services Pte Ltd </td> </tr> <tr> <td data-bbox="695 1373 970 1570">Mr Lee Fang Wen</td> <td data-bbox="970 1373 1433 1570"> <u>Directorships in other listed companies</u> Tai Sin Electric Limited <u>Principal Commitment</u> – </td> </tr> </tbody> </table>	<i>Table 4.5 – Directorships and principal commitments of each respective Director</i>		Name of Director	Present directorships in other listed companies and principal commitments	Mr Chu Ming Kin	<u>Directorships in other listed companies</u> – <u>Principal Commitment</u> –	Mr Tay Boon Zhuan	<u>Directorships in other listed companies</u> Sen Yue Holdings Limited Polaris Ltd. <u>Principal Commitment</u> Director, Elev8te Business Services Pte Ltd	Mr Lee Fang Wen	<u>Directorships in other listed companies</u> Tai Sin Electric Limited <u>Principal Commitment</u> –
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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 Board has undertaken a formal annual assessment of its effectiveness as a whole, and each of its Board Committees members and individual Directors in FY2023. Please refer to Provisions 5.1 to 5.2 of the Code below for more details and instances of the Company's compliance with such principle.										

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Provision 5.1	The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	<p>Table 5.1 below sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director and Chairman to the effectiveness of the Board for FY2023:</p> <table border="1" data-bbox="695 775 1433 1384"> <thead> <tr> <th colspan="3" data-bbox="695 775 1433 819"><i>Table 5.1 – Performance Criteria</i></th> </tr> <tr> <th data-bbox="695 819 855 898">Performance Criteria</th> <th data-bbox="855 819 1182 898">Board and Board Committees</th> <th data-bbox="1182 819 1433 898">Individual Directors</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 898 855 1240">Qualitative</td> <td data-bbox="855 898 1182 1240"> <ul style="list-style-type: none"> • Size and composition • Access to information • Board processes and accountability • Input to strategic planning • Risk management and internal control • Succession Planning </td> <td data-bbox="1182 898 1433 1240"> <ul style="list-style-type: none"> • Commitment of time • Candor • Participation • Knowledge and abilities • Teamwork • Independence • Overall effectiveness </td> </tr> <tr> <td data-bbox="695 1240 855 1384">Quantitative</td> <td data-bbox="855 1240 1182 1384"> <ul style="list-style-type: none"> • Measuring and monitoring performance • Financial Reporting </td> <td data-bbox="1182 1240 1433 1384"> <ul style="list-style-type: none"> • Attendance at Board and Board Committees meetings </td> </tr> </tbody> </table>	<i>Table 5.1 – Performance Criteria</i>			Performance Criteria	Board and Board Committees	Individual Directors	Qualitative	<ul style="list-style-type: none"> • Size and composition • Access to information • Board processes and accountability • Input to strategic planning • Risk management and internal control • Succession Planning 	<ul style="list-style-type: none"> • Commitment of time • Candor • Participation • Knowledge and abilities • Teamwork • Independence • Overall effectiveness 	Quantitative	<ul style="list-style-type: none"> • Measuring and monitoring performance • Financial Reporting 	<ul style="list-style-type: none"> • Attendance at Board and Board Committees meetings
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Quantitative	<ul style="list-style-type: none"> • Measuring and monitoring performance • Financial Reporting 	<ul style="list-style-type: none"> • Attendance at Board and Board Committees meetings 												
Provision 5.2	The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	<p>The NC conducts an annual assessment to evaluate the effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director to the effectiveness of the Board. In this regard, the Directors are required to complete evaluation questionnaires in respect of their individual performance, the effectiveness and performance of the Board as a whole and of each Board Committees (which such Director is a member of). The NC then reviews the results of the foregoing evaluation questionnaires and identifies any areas for improvement.</p> <p>The Chairman of the Board will act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.</p> <p>The Board has not engaged any external facilitator to conduct an assessment of the performance of the Board, the Board Committees and each individual Director in FY2023. Where relevant and when the need arises, the NC will consider such an engagement.</p>												

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REMUNERATION MATTERS		
Procedures for Developing Remuneration Policies		
Principle 6	The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.	The Board has a formal and transparent procedure for developing policies on the remuneration of Directors and executives and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his own remuneration. Please refer to Provisions 6.1 to 6.4 of the Code below for more details and instances of the Company's compliance with such principle.
Provision 6.1	<p>The Board establishes a Remuneration Committee to review and make recommendations to the Board on:</p> <p>(a) a framework of remuneration for the Board and key management personnel; and</p> <p>(b) the specific remuneration packages for each director as well as for the key management personnel.</p>	<p>The Board has established the RC, which is guided by key terms of reference as follows:</p> <p>(a) to review and recommend the general framework of remuneration for the Board and key management personnel;</p> <p>(b) to review and recommend to the Board the specific remuneration packages for each Director as well as for key management personnel and engaging in external remuneration consultants for such purposes where appropriate;</p> <p>(c) to review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service to ensure that such contracts of service, if any, contain fair and reasonable termination clauses which are not overly generous. The RC shall aim to be fair and avoid rewarding poor performance;</p> <p>(d) to review whether Executive Directors and key management personnel should be eligible for benefits under long-term incentive schemes, including share schemes, and where applicable, disclose in the Company's annual report the details of employee share schemes;</p>

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		<p>(e) to prepare a remuneration report annually providing clear disclosure of the Company's remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, for recommendation to the Board for inclusion in the Company's annual report, which shall include all forms of remuneration and other payments of benefits, such as:</p> <ul style="list-style-type: none"> (i) names, amounts and breakdown of remuneration of each individual director and the CEO; (ii) names, amounts, and breakdown of remuneration of at least the top five (5) key management personnel (who are not Directors or the CEO) in bands no wider than SGD250,000 and in aggregate the total remuneration paid to these key management personnel; and (iii) names and remuneration of employees (if any) who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds SGD100,000 during the year, in bands no wider than SGD100,000. This disclosure (if any) shall state clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder; <p>(f) to review working environments and succession planning for the Management;</p> <p>(g) to review the terms of employment arrangements with the Management so as to develop consistent group-wide employment practices subject to regional differences;</p> <p>(h) to report to the Board its findings from time to time on matters arising and requiring the attention of the RC; and</p> <p>(i) to undertake such other reviews, projects, functions, duties and responsibilities as may be requested by the Board.</p>

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Provision 6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	<p>During the financial year under review, the RC comprised two (2) Directors, all of whom are Independent Directors, namely:</p> <p>(a) Mr Lee Fang Wen (Acting Chairman); and</p> <p>(b) Mr Tay Boon Zhuan (Member).</p> <p>The RC comprises of all Independent Directors. In view of the unexpected demise of the then-RC member, Mr Ng Hoi-Gee, Kit in October 2022, the Board has taken into account the Group's existing limited resources in its search for a new Independent Director to fill in the vacancy of the RC and ensure compliance with the provisions of the Code and the Catalist Rules, as appropriate, and will provide Shareholders with updates on the foregoing in due course. The RC further recognises that the Company has not been able to attract and procure suitable replacement in part due to downturn in its coal trading business which led to trading suspension of its shares and the difficulties faced by the Company due to its operating cash-flow issues. In addition, the Company has taken into account its existing limited resources in its search for a replacement Independent Director. Meanwhile, as the Company is in the midst of evaluating a potential reverse takeover plan (the "Potential RTO"), the Company is of the view that the potential independent director should carry the relevant skills and competencies to provide constructive input to these corporate actions which are of paramount importance to the Company at this juncture. Whilst the Company navigates through this transitional period, Mr Lee Fang Wen has been the acting chairman of the RC during this interim period, pending the appointment of a new Independent Director and reconstitution of the RC.</p>

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Provision 6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	<p>All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. The RC will also review annually the remuneration of employees related to the Directors and substantial Shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees. Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package or that of employees related to him.</p> <p>The RC reviews the Company's obligations arising in the event of termination under the contracts of service of the Executive Directors and key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and if necessary, will seek expert advice from within the Company and/or external professional advice on the remuneration of all Directors and to ensure that existing relationships, if any, between the Company and its appointed consultants will not affect the independence and objectivity of the consultants.</p>
Provision 6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	No remuneration consultants were engaged by the Company in FY2023.
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 level and structure of remuneration of the Board and key management personnel is appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company. Please refer to Provisions 7.1 to 7.3 of the Code below for more details and instances of the Company's compliance with such principle.

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Provision 7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	<p>In determining the level of remuneration, the RC undertakes the following:</p> <ul style="list-style-type: none"> (a) give due consideration to the Code's principles and guidance notes on the level and mix of remuneration, to ensure that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully; (b) ensure that a proportion of the remuneration is linked to corporate and individual performance; and (c) design remuneration packages in such a manner as to align the interests of the Executive Directors and key management personnel with those of Shareholders. <p>An annual review is carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel is commensurate with the Company's and their respective performances, giving due regard to the financial and commercial health and business needs of the Group. The performance of the CEO is reviewed annually by the RC and the Board. The Company also has a remuneration policy in place. Please refer to Provision 8.1 of the Code for more details on the Group's remuneration policy.</p>
Provision 7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	<p>The Board recommends directors' fees for approval by the Shareholders at the AGM of the Company. The Board concurred with the RC that the proposed directors' fees, including that of the Non-Executive Directors, for FY2023 are appropriate and that all the Directors receive directors' fees in accordance with their level of contribution, taking into account factors such as effort and time spent for serving on the Board and Board Committees (if any), as well as the responsibilities and obligations of the Directors. Each of the Directors will receive his directors' fees in cash or in shares in the event that there is a completion of the Potential RTO.</p> <p>The Company recognises the need to pay competitive fees to attract, motivate and retain directors without being excessive to the extent that their independence might be compromised.</p>

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Provision 7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	<p>The Company currently does not have any long-term incentive scheme(s) including employee share schemes such as employee share option schemes or performance share plans, but will review the feasibility of having such scheme(s), when appropriate, to better align the interests of Directors and employees with the interests of the Company and Shareholders and/or incentivize or encourage Directors and employees to provide stronger stewardship of the Company and manage the Company for the long term.</p> <p>The Board is of the view that the current remuneration structure is appropriate taking into consideration of its state of affairs.</p>
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 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. Please refer to Provisions 8.1 to 8.3 of the Code below for more details and instances of the Company's compliance with such principle.

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Provision 8.1	<p>The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:</p> <p>(a) each individual director and the CEO; and</p> <p>(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than SGD250,000 and in aggregate the total remuneration paid to these key management personnel</p>	<p>The RC makes recommendations on an appropriate framework of remuneration taking into account employment conditions within the industry and the Group's performance to ensure that the remuneration package is competitive and sufficient to attract, retain and motivate the Directors and key management personnel. On the other hand, the Company avoids paying more than necessary for this purpose. Elements of the Group's relative performance and the performance of the individual Directors form part of the Executive Directors' remuneration packages so as to align their interests with those of Shareholders and promote long-term success of the Company.</p> <p>The breakdown of remuneration of the individual Directors for FY2023 are presented below:</p> <table border="1" data-bbox="695 1059 1433 1341"> <caption data-bbox="695 1059 1433 1093">Table 8.1 – Directors' remuneration (RMB'000)</caption> <thead> <tr> <th data-bbox="695 1104 900 1211">Name</th> <th data-bbox="900 1104 976 1211">Salary</th> <th data-bbox="976 1104 1053 1211">Bonus</th> <th data-bbox="1053 1104 1145 1211">Benefits-in-kind</th> <th data-bbox="1145 1104 1251 1211">Directors Fees</th> <th data-bbox="1251 1104 1327 1211">Share Incentives Scheme</th> <th data-bbox="1327 1104 1433 1211">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1211 900 1249">Mr Chu Ming Kin</td> <td data-bbox="900 1211 976 1249">–</td> <td data-bbox="976 1211 1053 1249">–</td> <td data-bbox="1053 1211 1145 1249">–</td> <td data-bbox="1145 1211 1251 1249">–</td> <td data-bbox="1251 1211 1327 1249">–</td> <td data-bbox="1327 1211 1433 1249">–</td> </tr> <tr> <td data-bbox="695 1249 900 1288">Mr Tay Boon Zhuan</td> <td data-bbox="900 1249 976 1288">–</td> <td data-bbox="976 1249 1053 1288">–</td> <td data-bbox="1053 1249 1145 1288">–</td> <td data-bbox="1145 1249 1251 1288">249</td> <td data-bbox="1251 1249 1327 1288">–</td> <td data-bbox="1327 1249 1433 1288">249</td> </tr> <tr> <td data-bbox="695 1288 900 1341">Mr Lee Fang Wen</td> <td data-bbox="900 1288 976 1341">–</td> <td data-bbox="976 1288 1053 1341">–</td> <td data-bbox="1053 1288 1145 1341">–</td> <td data-bbox="1145 1288 1251 1341">163</td> <td data-bbox="1251 1288 1327 1341">–</td> <td data-bbox="1327 1288 1433 1341">163</td> </tr> </tbody> </table> <p>During the financial year under review, the Company did not have any key management personnel, other than the Executive Chairman and CEO, whose remuneration has been disclosed as part of the directors' remuneration above.</p>	Name	Salary	Bonus	Benefits-in-kind	Directors Fees	Share Incentives Scheme	Total	Mr Chu Ming Kin	–	–	–	–	–	–	Mr Tay Boon Zhuan	–	–	–	249	–	249	Mr Lee Fang Wen	–	–	–	163	–	163
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Provision 8.2	<p>The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds SGD100,000 during the year, in bands no wider than SGD100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</p>	<p>During FY2023, there was no employee who is a substantial Shareholder of the Company, or are immediate family members of a Director, the CEO or a substantial Shareholder of the Company, and whose remuneration exceeded SGD100,000.</p>																												

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Provision 8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	Save as disclosed in Table 8.1 above, there are no other forms of remuneration and other payments and benefits, paid by the Group to Directors and/or key management personnel of the Company and its subsidiaries during the financial year under review.
ACCOUNTABILITY AND AUDIT		
<u>Risk Management and Internal Controls</u>		
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.	Please refer to Provisions 9.1 to 9.2 of the Code below for more details and instances of the Company's compliance with such principle.
Provision 9.1	The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.	<p>The Board has not set up a specific Board Risk Committee. Instead, the ARC assists the Board in the area of risk management and internal controls. The ARC oversees the Management in the area of risk management and internal control systems, and determines the Company's risk appetite and tolerance level. The Board and the ARC regularly reviews and improves the Company's business and operational activities by identifying areas of significant risks and the risk exposure and tolerance ratings thereto, as well as considering relevant mitigating control measures.</p> <p>In addition, the Management highlights and discusses salient risk management matters (if any) with the Board on a quarterly basis. The Company's risk management framework and internal control system cover financial, operational, compliance and information technology risks.</p>

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Provision 9.2	<p>The Board requires and discloses in the company's annual report that it has received assurance from:</p> <p>(a) the CEO and the CFO (or its equivalent) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and</p> <p>(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.</p>	<p>During FY2023, the Board has received assurance from the CEO that:</p> <p>(a) the Group's financial records have been properly maintained and the financial statements for the period under review give a true and fair view of the Group's operations and finances; and</p> <p>(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the risks which the Group considers relevant and material, having considered its current state of its operations.</p> <p>Based on the internal audit function carried out by the ARC as further elaborated under Provision 10.4 of the Code, work performed by the external auditor and assurance from the CEO referred to in the preceding paragraphs, the Board, with the concurrence of the ARC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 31 December 2023.</p>
General	<p>The Board's annual review of the internal controls and risk management systems</p>	<p>The Board recognises the importance of sound internal controls and risk management practices to ensure good corporate governance. The Board affirms its overall responsibility for the Company's systems of internal controls and risk management, and for reviewing the adequacy and effectiveness of those systems on an annual basis. The ARC and the Board have considered the current cash company status of the Company together with the existing internal controls and are of the opinion that the internal controls are adequate and effective to address the risks which comprise mainly financial, operational, compliance and information technology controls risks which the Company considers relevant and material to its current status and environment based on the following:</p> <ul style="list-style-type: none"> in the absence of a management function, assurance has been received from the CEO and supporting team that they are responsible for the adequacy and effectiveness of the Group's risk management and internal control system;

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		<ul style="list-style-type: none"> • the Company confirms that it has included Company's ARC Chairman as an authorised signatory for its main bank account; • the CEO with the support of external professionals, regularly evaluates, monitors and reports to the ARC and the Board on material risks; and • discussions were held between ARC and the Company's auditor to review and address any potential concerns. <p>It should be noted that, in the opinion of the Board, such internal controls and risk management systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that it can only provide reasonable, but not absolute, assurance against material misstatement of loss, safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risk. The Board notes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error losses, fraud or other irregularities.</p> <p>The Board understands its accountability to the Shareholders on the Company's performance, position and prospect. The Management provides all Board members with management reports and accounts, which reflect a balanced, understandable assessment of the Company's performance, position and prospect on a regular basis.</p>
Audit Committee		
Principle 10	The Board has an Audit Committee which discharges its duties objectively.	The Board has established the ARC in compliance with Principle 10 of the Code. Please refer to Provisions 10.1 to 10.5 of the Code below for more details and instances of the Company's compliance with such principle.

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Provision 10.1	<p>The duties of the AC include:</p> <p>(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;</p> <p>(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;</p> <p>(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;</p> <p>(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;</p> <p>(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and</p>	<p>The ARC was tasked by the Board to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies.</p> <p>The duties and roles of the ARC are guided by the following key terms of reference:</p> <p>(a) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;</p> <p>(b) to review and report to the Board, at least annually, the adequacy and effectiveness of the Company's internal controls and risk management systems;</p> <p>(c) to review and discuss with the EA and internal auditor, any suspected fraud, irregularity, infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the management's response;</p> <p>(d) to review the independence, adequacy, effectiveness, scope and results of the external audit and internal audit function, and the independence and objectivity of the EA and the internal auditor;</p> <p>(e) to make recommendations to the Board on the appointment, re-appointment and removal of the EA, and approves the remuneration and terms of engagement of the EA;</p> <p>(f) to review and approve transactions falling within the scope of Chapter 9 of the Catalist Rules (if any);</p> <p>(g) to review any potential conflicts of interest;</p>

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	<p>(f) reviewing 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. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.</p>	<p>(h) to review the assurance from the CEO and the CFO (or its equivalent) on the financial records and the financial statements (as applicable);</p> <p>(i) to review and establish procedures for receipt, retention and treatment of complaints received by the Group such as criminal offences involving our Group or its employees, questionable accounting, improprieties in financial reporting, auditing, business, safety or other matters that impact negatively on the Group;</p> <p>(j) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position; and</p> <p>(k) to generally undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.</p> <p>The Company has in place a whistleblowing policy (the "WB Policy") which encourages and provides a well-defined and accessible channel to employees of the Group to raise concerns about possible improprieties in financial reporting or other matters which has been extended previously in FY2019 to include external parties such as the Company's business associates. The ARC is responsible for oversight and monitoring of whistleblowing.</p> <p>The objective of the WB Policy is to encourage employees to report malpractices and misconduct in the workplace or other matters which includes external parties such as the Company's business associates.</p>

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>The Company will treat all (written) complaints in a confidential and sensitive manner. A report of a complaint will only be disclosed to persons on a need-to-know basis in order to properly carry out an investigation and the identity of the whistle-blower is kept confidential. The Company is committed to ensure protection of the whistle-blower against detrimental or unfair treatment arising from whistleblowing.</p> <p>The WB Policy and procedures for raising any concerns is communicated to all employees of the Company and the Group during the orientation for new employees and also via the staff handbook. There was no reported incident pertaining to whistle-blowing for FY2023.</p> <p>The ARC may request the Management to update and/or revise the WB Policy, as it deems necessary to ensure a robust and comprehensive whistle-blowing procedure, and may recommend the same for the Board's approval.</p>
Provision 10.2	The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	<p>During the financial year under review, the ARC comprised of two (2) Directors, both of whom were Independent Directors, namely:</p> <p>(a) Mr Tay Boon Zhuan (Chairman); and</p> <p>(b) Mr Lee Fang Wen (Member).</p> <p>The ARC Chairman has recent and relevant experience or expertise in accounting and financial management, and Mr Lee Fang Wen has prior experience as appointed audit committee member of other publicly listed companies. The Board is of the view that the members of the ARC are qualified to discharge the ARC's responsibilities.</p>

CORPORATE GOVERNANCE REPORT

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		<p>As at the date of this annual report, the Company has not been able to attract and procure a suitable replacement in part due to a downturn in its coal trading business which led to trading suspension of its shares, and the difficulties faced by the Company due to its operating cash-flow issues. In addition, the Company has taken into account its existing limited resources in its search of a replacement Independent Director. As the Company is in the midst of evaluating the Potential RTO, the Company is of the view that the potential independent director should carry the relevant skills and competencies to provide constructive input to these corporate actions which are of paramount importance to the Company at this juncture. Whilst the Company is aware of the availability of services provided by several external sources such as the Singapore Institute of Directors, among others, on which the Company could potentially tap on, the Company has identified and shortlisted potential candidates through its internal search process. The potential candidates have expressed their willingness to be appointed as independent director once the Company has firmed up and announced the target for the Potential RTO.</p> <p>The Company is cognisant of Catalist Rule 704(7) which states that in the event of any cessation which renders the audit committee unable to meet the minimum number (not less than three), the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months. The Company is also cognisant of Provision 10.2 of the Code which states that at least two members, including the audit committee chairman, should have recent and relevant accounting or related financial management expertise or experience. In view of the above, to ensure compliance with the Catalist Rules and the relevant provisions of the Code, the Company will be sourcing for a new Independent Director in order to fill in the vacancy of the ARC and will provide shareholders with updates on the foregoing in due course.</p>

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	None of the members of the ARC (a) is a former partner or director of the Company's existing auditing firm or auditing corporation within the previous two years, or (b) holds any financial interest in any auditing firm or auditing corporation.
Provision 10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	<p>During FY2023, the Group did not appoint an internal auditor or establish an in-house audit function, given that (a) the Group has limited funds and resources; (b) the Executive Chairman and CEO remains as the sole management representative; and (c) the Group does not currently have any revenue generating business and the Company had been deemed as a cash company as announced in FY2022.</p> <p>As there are currently minimal business and internal control risks arising to be dealt with, the ARC has assumed responsibility for overseeing the internal control function which primarily relates to the corporate-related matters based on the current control policy that is already in place. The internal audit function carried out by the ARC on all the entities under the Group uses a risk-based auditing approach that covers financial, operational and compliance controls and such internal audit function has unfettered access to all the Company's documents, records, properties and personnel, and has appropriate standing within the Company.</p>

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>In addition, the ARC has identified the controls over the bank accounts of the Company and payment process under the Company as an area of concern, and has since required all payments and any withdrawal from the Company will require approval of at least the chairman of the ARC. In this respect, Mr Tay Boon Zhuan, who is the chairman of the ARC has been included as one of the authorised signatories for the Company's main bank account. He has also been overseeing the internal audit function and has the relevant experience and qualifications to conduct the internal control assessment. Please refer to his experience and qualifications in the section headed "Board of Directors" in this annual report.</p> <p>The ARC is satisfied of the adequacy, independence and effectiveness of Company's internal audit function, is of the view that it is adequately resourced, and will continue to review the adequacy and effectiveness of the Company's internal audit function on an annual basis, where applicable.</p>
Provision 10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	<p>The ARC had met with the EA once without the presence of the Management in FY2023. The meeting was held physically.</p> <p>The Company has re-appointed Foo Kon Tan LLP ("FKT") as the EA for FY2023 and until the conclusion of the forthcoming AGM of the Company, at the annual general meeting of the Company held on 12 December 2023.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation									
General	ARC's annual review of the independence/re-appointment of the EA.	<p>The ARC reviews the independence of the EA annually. Additionally, as part of this evaluation, the ARC has reviewed any non-audit services provided by the EA during FY2023 and is of the opinion that FKT upholds its independence and objectivity.</p> <p>For the financial year under review, the EA have confirmed that they are in compliance with the independence requirements set out in the Code of Professional Conduct and Ethics under the Accountants (Public Accountants) Rules of the Singapore Accountants Act 2004 and have affirmed their independence in this respect.</p> <p>In reviewing FKT's re-nomination for the financial year ending 31 December 2024, the ARC has considered the adequacy of the resources, experience and competence of FKT, and has taken into account the Audit Quality Indicators relating to FKT at the firm level and on the audit engagement level. Consideration was also given to the experience of the engagement partner and key team members who shall be handling the audit matters of the Company. The Board also considered the audit team's expected ability to work in a cooperative manner with the Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines.</p> <p>On the foregoing basis, the ARC has recommended to the Board the re-appointment of FKT as the EA at the forthcoming AGM. The aggregate amount of audit fees paid/payable to FKT since their re-appointment at the previous AGM are as follows:</p> <table border="1" data-bbox="695 1543 1433 1727"> <caption>Table 10.5 – Fees paid/payable to FKT</caption> <thead> <tr> <th></th> <th>RMB</th> <th>% of total</th> </tr> </thead> <tbody> <tr> <td colspan="3">Audit fees</td> </tr> <tr> <td>In relation to FY2023</td> <td>180,000</td> <td>100</td> </tr> </tbody> </table> <p>There were no non-audit fees paid/payable to FKT during FY2023.</p>		RMB	% of total	Audit fees			In relation to FY2023	180,000	100
	RMB	% of total									
Audit fees											
In relation to FY2023	180,000	100									
General	What are the ARC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	The ARC keeps abreast of relevant changes to accounting standards and other issues through attendance at relevant seminars or talks, articles and news circulated by the Management and updates by the EA at the ARC meetings.									

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
STAKEHOLDER RIGHTS AND ENGAGEMENT		
Shareholders' Rights and Conduct of General Meetings		
Principle 11	The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.	The Company has complied with Principle 11 of the Code. Please refer to Provisions 11.1 to 11.6 of the Code below for more details and instances of the Company's compliance with such principle.
Provision 11.1	The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	<p><u>Effective participation at meetings</u></p> <p>The Company's corporate governance practices promote fair and equitable treatment to all Shareholders. To facilitate Shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and on-going basis via SGXNet, as well as through the AGM, especially information pertaining to the Company's business development and financial performance, which could have a material impact on the price or value of its shares, so as to enable Shareholders to make informed decisions in respect of their investments in the Company, particularly during general meetings.</p> <p>The Company will ensure that all Shareholders and their duly-appointed proxy or proxies have equal opportunity to participate effectively in and vote at general meetings. The Company's AGM for FY2021 and FY2022 held on 12 December 2023 was conducted by way of physical means and Shareholders were given the opportunity to submit any queries in relation to any meeting agenda items as set out in the notice of AGM to the Company prior to, and/or at such meeting.</p>

CORPORATE GOVERNANCE REPORT

Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p><u>Voting at meetings</u> All Shareholders are entitled to vote in accordance with the established voting rules and procedures. All resolutions are put to vote by poll, and the results of the poll voting on each resolution tabled at general meetings, including the number of votes cast for and against each resolution and the respective percentages, are also promptly disclosed on SGXNet on the same day after the general meeting. Shareholders and/or their duly-appointed proxy or proxies may cast their votes at the general meetings for each resolution tabled at the general meeting. Alternatively, Shareholders may appoint the Chairman of the general meeting (or any other person other than the Chairman) as proxy to vote on their behalf at the general meeting.</p> <p><u>Informing Shareholders of general meeting rules</u> The rules governing general meetings of Shareholders, including the voting process, were detailed in the notice for each respective general meeting and explained during the conduct of the said meetings.</p>
Provision 11.2	The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.	Resolutions submitted at the Shareholders' meetings are separate and not bundled or made inter-conditional on each other unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are bundled, the Company will explain the reasons and material implications. The tabling of separate resolutions gives Shareholders the right to express their views and exercise their voting rights on each resolution separately. Information is also provided on each resolution to enable Shareholders to exercise their vote on an informed basis.

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	All Directors, including the Chairman of each of the ARC, NC and RC, EA, and key management personnel, were present at the AGM in respect of FY2020 held on 12 January 2023; the extraordinary general meeting held on 30 June 2023; and the AGM in respect of FY2021 and FY2022 held on 12 December 2023 to address queries from the meeting attendees.
Provision 11.4	The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	<p>The Constitution allows for the Directors to approve and implement, subject to the Constitution and the Companies Act 1967 of Singapore (the "Companies Act"), voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, subject further to any such security measures as may be deemed necessary or expedient.</p> <p>Shareholders (including members who were relevant intermediaries) entitled to vote at such meetings and who wished to exercise their voting rights at the meetings are able to cast their votes at the general meetings for each resolution tabled or appoint the Chairman of the meeting (or any person other than the Chairman) as their proxy to vote on his/her/its behalf at the meeting according to their specific instructions.</p> <p>For the annual general meeting of the Company held in FY2023, the Company had put in place measures to allow for the submission of proxy forms by Shareholders either in hard copy form at the registered office of the Company, or electronically via email.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 11.5	<p>The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.</p>	<p>The proceedings of the general meetings are properly recorded, including all comments and/or queries from Shareholders relating to the agenda of the meeting and responses from the Board and Management to such comments and/or queries. All minutes of general meetings will be posted on the Company's website as soon as practicable, in any case not more than one month following the general meeting. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNet and is made available to the public, including Shareholders.</p>
Provision 11.6	<p>The company has a dividend policy and communicates it to shareholders.</p>	<p>The Company does not have a fixed dividend policy. Nonetheless, in considering dividend declaration, the Company will take into account the following factors:</p> <ul style="list-style-type: none"> (a) level of cash and retained earnings; (b) actual and projected financial performance; (c) projected levels of capital expenditure and other investment plans including working capital requirements; and (d) restrictions on payment of dividends imposed on the Company by its financing arrangements, if any. <p>Any final dividends paid by the Company shall be approved by an ordinary resolution of the Shareholders at a general meeting. The Board may, however, without the approval of Shareholders, declare an interim dividend.</p> <p>The Company had previously disclosed in the full yearly results announcements for FY2023 that no dividend will be declared or recommended for FY2023 due to uncertainty regarding the Company as a going concern.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Engagement with Shareholders		
Principle 12	The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.	The Company has communicated regularly with its Shareholders and facilitated the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company, in accordance with Principle 12 of the Code. Please refer to Provisions 12.1 to 12.3 of the Code below for more details and instances of the Company's compliance with such principle.
Provision 12.1	The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	<p>The Company makes announcements through the SGXNet from time to time to update investors and Shareholders on developments that are of interest to them. The Company strives to supply Shareholders with reliable and timely information so as to strengthen the relationship with its Shareholders based on trust and accessibility. The Board also encourages Shareholders' participation at the AGMs as explained in Provision 11.1 of the Code above.</p> <p>In compliance with continuous disclosure obligations under the Catalist Rules, the Company releases pertinent and other material information to Shareholders in a timely manner through announcements via the SGXNet, annual report and press releases. Notices of the AGMs and all extraordinary general meetings of the Company are published on SGXNet within the prescribed deadlines prior to the relevant meetings. Further, the Board ensures compliance with the continuous disclosure obligations under relevant rules by informing Shareholders promptly of all major developments that may have a material impact on the Group in a timely manner. Quarterly, half year and/or full year financial results and other major developments of the Company are announced on SGXNet, as required by the Catalist Rules. The Company ensures that price-sensitive information is publicly released and announced within the mandatory period. Apart from the SGXNet announcements and its annual report, the Company may release press releases or organise media/analyst briefings to keep Shareholders informed of corporate developments, as and when deemed appropriate.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
		<p>The Board welcomes Shareholders to attend all general meetings of the Company, which represent the principal forum for dialogue and interaction between the Board, Management and the Company, and for Shareholders to share their concerns and views. During and/or prior to these meetings, Shareholders are given opportunities to voice their views and seek clarification to the Board on matters relating to the Group's business and operations. Shareholders may also submit any queries or feedback via email to: ir@sincapgroup.com.</p>
Provision 12.2	<p>The company has in place an investor relations policy which allows for an on-going exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.</p>	<p>The Company does not presently have an investor relations policy in place. Nonetheless, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.</p>
Provision 12.3	<p>The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.</p>	<p>The Board views the AGM as the principal forum for dialogue with the Shareholders, being an opportunity for the Shareholders to raise issues pertaining to the resolutions tabled for approval and/or asking the Directors or the Management questions regarding the Company and its operations and strategic direction. The Company also provided corporate updates to Shareholders reiterating the existing operational background of the Company, potential corporate actions and efforts taken in addressing the issues relating to compliance of various listing rules and quarterly update on milestones in obtaining a new business, among others. In addition, Shareholders are encouraged to submit their questions or feedback via email to ir@sincapgroup.com.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
MANAGING STAKEHOLDER 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 Board has adopted an inclusive approach by considering and balancing the needs and interests of material stakeholders, so as to ensure that the best interests of the Company are served. Please refer to Provisions 13.1 to 13.3 of the Code below for more details and instances of the Company's compliance with such principle.
Provision 13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	The Company engages its material stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders. In light of the Company's status as a cash company, the Company does not maintain a corporate website and general information regarding the Company, such as annual reports, financial results and corporate updates are available on the SGXNet. Notwithstanding the absence of a corporate website, Shareholders may reach out to the Company via the Company's email address (ir@sincapgroup.com).
Provision 13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors, despite that the Company did not have any revenue-generating activities in FY2023.

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
Provision 13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	<p>The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long-term prospects of the Company. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, staff, regulators and shareholders. The Company does not practice selective disclosure. Price-sensitive information is released on SGXNet on a timely basis as required under the Catalist Rules. Financial results and annual reports are announced or issued within the prescribed period under the Catalist Rules. The release of such timely and relevant information is crucial to ensure good corporate governance and enables Shareholders to make informed decisions in respect of their investments in the Company. Taking into consideration that the Company is currently a cash company and cost factors, the Company has taken a pragmatic approach in not establishing a corporate website.</p> <p>While the Company does not maintain a corporate website, which is a deviation from Provision 13.3 of the Code, Shareholders may at any time contact the Company via the Company's email address (ir@sincapgroup.com), which is in line with the intent of Principle 13 of the Code.</p>
COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	Rule Description	Company's Compliance or Explanation
704(7)	Audit Committee	<p>The Company is cognisant of Catalist Rule 704(7) which states that in the event of any cessation which renders the audit committee unable to meet the minimum number (not less than three), the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months. The Company has been and will continue to source for a new Independent Director to fill in the vacancy of the ARC to ensure compliance with the provisions of the Code and the Catalist Rules. Notwithstanding the foregoing, the NC bears in mind that the Company should not hasten such an appointment of an additional Independent Director to more effectively manage its existing limited resources while it is evaluating the Potential RTO as the suitable candidate of the Board member should carry the relevant skills and competencies.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
707(1)	Holding of AGM	The Company has published its notice of AGM, proxy form and annual report to Shareholders via SGXNet at least 14 days before the date of its AGM. The AGM of the Company is scheduled to be held on 30 April 2024 which is within four months from the end of its financial year, i.e. 31 December 2023.
711A, and 711B	Sustainability Reporting	<p>The Company had on 12 September 2022 announced the non-issuance of the sustainability report under Catalist Rule 711A for FY2020 and FY2021. This continues to apply to the Company's non-issuance of a sustainability report for FY2022 and FY2023 for the same reasons, and will continue to apply for the financial year(s) until the Company has ceased to be a cash company under Catalist Rule 1017.</p> <p>The key rationale for sustainability reporting, as required under Catalist Rule 711A is to provide stakeholders with a comprehensive picture of the sustainability of the Group's business and operations, in the aspects of environment, social and governance factors. In view of the Company's cash company status, and pending the acquisition of a new business which is able to satisfy the SGX-ST's requirements for a new listing, a sustainability report prior to the acquisition of a new business which would be able to satisfy the SGX-ST's requirements for a new listing would not be relevant, meaningful or indicative of the sustainability of the Group's business and operations, in the aspects of environment, social and governance factors.</p>
712, 715 or 716	Appointment of auditor	The Company confirms its compliance to the Catalist Rules 712 and 715 in the appointment of the EA. For the avoidance of doubt, the EA for the significant subsidiaries of the Company is FKT.
720(6)	Directors' training on sustainability matters	All existing Directors of the Company have attended training on sustainability matters.
1017(1)	Escrow account requirement and quarterly reporting	<p>Further to the Company's status as a cash company, it had, on 5 August 2022, applied for a waiver from the SGX-ST in respect of, amongst others, compliance with the escrow accounts requirements under Catalist Rule 1017(1)(a). The waiver was granted based on the reasons and representations set out in the Company's announcement dated 26 August 2022.</p> <p>In relation to Catalist Rule 1017(1)(b), the Company has been making announcements on (i) its monthly valuation and utilisation of cash; and (ii) its quarterly milestones in obtaining a new business, since 12 September 2022.</p> <p>Please refer to the Company's announcements on SGXNet for further information on the waiver and the subsequent announcements in relation to items (i) and (ii) above.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
1017(2)	Obligation to meet requirements for a new listing within 12 months from the time it becomes a cash company	<p>The Company is aware of its obligations under Catalist Rule 1017(2) and thus it has been evaluating targets for the Potential RTO. As updated in the Company's announcements dated 6 March 2023, 13 September 2023 and 26 December 2023, the Company had disclosed the parameters and characteristics which the targets under the Potential RTO should preferably exhibit. The Professional Investor has further emphasised that there should be a reasonable certainty that the target could, financially and operationally, meet the new listing criteria required under the Potential RTO, before the Company signs any definitive agreements with a target. Despite its limited resources, the Company has, under the strategic guidance of the Professional Investor, initiated discussions and negotiations with certain specific targets on the commercial proposals and business structures in relation to the Potential RTO. The aforementioned discussions between the Company and the specific targets include presentations by the targets of their historical financial statements, operating models, business strategies, projects pipeline and industry outlook to the Company, and explanations by the Company of its background and financials to the management of the targets. As the Professional Investor and the Company have been extremely cautious in assessing the suitability of the target for the Potential RTO, the discussions with the Potential RTO targets have inevitably taken a significant amount of time. The Company further observed that there have been gaps to manage for expected business valuations and fund-raising capacity in connection with the Potential RTO amidst the existing external operating environment. As a result, it has taken longer-than-expected time to evaluate and negotiate.</p> <p>Despite these market limitations, the Company has completed preliminary due diligence on certain targets and the Professional Investor and the Company are still discussing the key findings with SAC Capital Private Limited and the management of the specific target, including ascertaining whether these potential targets could satisfy the SGX-ST's requirements for a new listing. The Company will submit an application to the SGX-ST for an extension of time pursuant to Catalist Rule 1017(2) should the above efforts and discussions potentially lead to execution of definitive agreements in relation to the Potential RTO and will make an announcement as and when there are material updates in this regard. For the avoidance of doubt, as at the date of this report, no definitive agreements (including term binding sheets) have been entered into with a target.</p>

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Provisions/ Principles/ Rules	Code Description	Company's Compliance or Explanation
1204(8)	Material contracts	Save as disclosed below in respect of Catalist Rule 1204(17), there were no material contracts of the Company or its subsidiaries involving the interest of the Chief Executive Officer and any Director or controlling Shareholder, either still subsisting at the end of FY2023 or if not then subsisting, which were entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	Please refer to disclosure under Provisions 9.2 and 10.4 of the Code as set out in pages 38 to 39 and 44 to 45 of this annual report.
1204(10C)	ARC's comment on Internal Audit Function	Please refer to disclosure under Provision 10.4 of the Code as set out in pages 44 to 45 of this annual report.
1204(16)	Information in respect of any employee share option (or share incentive) Scheme	The information required by Catalist Rules 1204(16) and 851 are set out in pages 35 and 65 of this annual report.
1204(17)	Interested persons transaction ("IPT")	<p>During FY2023, the Group does not have a general mandate for IPTs.</p> <p>There were no IPTs, as defined in Chapter 9 of the Catalist Rules, with value of more than SGD100,000 that was entered into by the Company or any of its subsidiaries during FY2023.</p>
1204(19)	Dealing in securities	<p>The Company has adopted an internal policy which prohibits the Company, its Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.</p> <p>The Company, its Directors and officers, are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's interim and full-year financial statements, respectively, and ending on the date of the announcement of the relevant results.</p> <p>The shares of the Company have been suspended from trading since 4 May 2021.</p>
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's Sponsor, Stamford Corporate Services Pte. Ltd., for FY2023.
1204(22)	Use of proceeds	There were no unutilised proceeds arising from initial public offering and/or any offerings pursuant to Chapter 8 of the Catalist Rules.

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Chu Ming Kin is the Director seeking re-election at the forthcoming AGM of the Company to be convened on Tuesday, 30 April 2024 (the “Retiring Director”).

Pursuant to Catalist Rule 720(5), the following is the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules:

	MR CHU MING KIN
Date of Appointment	6 April 2015
Date of last re-appointment	12 January 2023
Age	59
Country of principal residence	People’s Republic of China
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed Mr Chu Ming Kin’s (“ Mr Chu ”) operational knowledge, past industrial experiences, and business networks, is of the view that Mr Chu is suitable and has the requisite experience and capability to assume the responsibility of executive director and chief executive officer of the Company.
Whether appointment is executive, and if so, the area of responsibility	Mr Chu’s appointment is executive. Mr Chu will oversee the day-to-day operations of the Group, including liaising with consultants and related service providers.
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer
Working experience and occupation(s) during the past 10 years	2011 – 2015 PT. Aw Mineral Resources 2014 – 2015 Kingwell (Hong Kong) Investment Co., Limited 2015 – Current Sincap Group Limited
Shareholding interest in the listed issuer and its subsidiaries	Yes, Mr Chu is deemed to have an interest in the 35,394,200 ordinary shares of the Company, held through UOB Kay Hian Private Limited which represent approximately 2.08% of the Company’s entire issued and paid-up share capital.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	Nil

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

		MR CHU MING KIN
Conflict of Interest (including any competing business)		<p>As at the date of this annual report, there is no conflict of interest (including any competing business) between Mr Chu and the Company.</p> <p>However, Mr Chu highlighted that as disclosed in the Company's annual report for FY2021, FY2022 and FY2023, there were trade and other receivables owing by Artwell Minerals Resources Co., Ltd ("Artwell"), a company solely owned by the brother of Mr Chu, on which the Company had previously provided full accounting allowance in FY2021. For details of accounting assessment of expected credit loss in relation to the trade and other receivables owing by Artwell, please refer to pages 118 and 119 of the annual report for FY2021/FY2022 published by the Company via SGXNet on 24 November 2023.</p>
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		<p><u>Present directorship</u></p> <ul style="list-style-type: none"> • Kingwell (Hong Kong) Investment Co., Limited • PT. Aw Mineral Resources • Orion Energy Resources Pte. Ltd. • Sincap Properties Pte. Ltd. • Sincap Australia Pte. Ltd. • Sincap Land (AUS) Pty Ltd • SCL Murray Pty Ltd <p><u>Past (for the last 5 years) directorship</u></p> <p>Nil</p>
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

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

		MR CHU MING KIN
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, whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No
c)	Whether there is any unsatisfied judgement 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
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, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of 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

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

		MR CHU MING KIN
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)	<p>Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(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</p> <p>(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</p> <p>(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,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

		MR CHU MING KIN
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

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

We are pleased to submit this statement to the members together with the audited consolidated financial statements of Sincap Group Limited (the "Company") and its subsidiaries (collectively the "Group") and the statement of financial position and the statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors:

- (a) the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended, in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"); and
- (b) at the date of this statement, after considering the measures taken by the Group and the Company as described in Note 2(b)(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors (the "Board") has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Chu Ming Kin
Tay Boon Zhuan
Lee Fang Wen

Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects 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.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Directors' interest in shares or debentures

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

	Holdings in which a director is deemed to have interest	
	As at 1.1.2023	As at 31.12.2023
The Company – <u>Sincap Group Limited</u> Chu Ming Kin		
	Number of ordinary shares	
	35,394,200	35,394,200

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

Share options

The Company's employee share option scheme was terminated on 13 January 2023. The scheme was administered by the RC before the termination.

No options to subscribe for unissued shares of the Company or its subsidiary corporations were granted during the financial year.

No shares were issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations, whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit and Risk Committee

The members of the ARC during the year and at the date of this report are as follows:

Tay Boon Zhuan (Chairman)
Lee Fang Wen

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Audit and Risk Committee (Cont'd)

The ARC carried out its functions in accordance with Section 201B(5) of the Act. Their functions are detailed in the Corporate Governance Report. In performing its functions, the ARC met with the Company's independent and internal auditor (as applicable) to discuss the scope of their work, the result of their examination and evaluation of the Company's internal accounting system. The ARC also reviewed the following:

- (a) assistance provided by the Company's management to the internal and independent auditor;
- (b) half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- (c) interested person transactions (as defined in Chapter 9 of the Catalist Rules).

The ARC has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer, and the internal and external auditors, to attend its meetings.

The ARC is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that, Foo Kon Tan LLP, to be nominated for re-appointment as independent auditor of the Company at the forthcoming annual general meeting.

Independent auditor

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

.....
CHU MING KIN

.....
TAY BOON ZHUAN

Dated: 11 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINCAP GROUP LIMITED

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Sincap Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group, and the statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Use of going concern assumption

We draw attention to Note 2(b)(a) to the financial statements which indicates that the current liabilities of the Group and the Company exceeded their current assets by RMB5,469,000 and RMB5,460,000, and a deficit in equity of the Group and the Company of RMB9,990,000 and RMB9,981,000 respectively as at 31 December 2023. The Group also incurred a net loss for the year of RMB7,778,000; and net cash used in operating activities of RMB1,201,000 for the financial year ended 31 December 2023. These conditions together with other substantial challenges faced by the Group as disclosed in Note 2(b)(a) indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

As disclosed and defined in Note 2(b)(a) to the financial statements, the management has prepared the Group's and the Company's financial statements on the basis that the Group and the Company will be able to meet its obligations as and when they fall due, taking into consideration various measures undertaken by the Company as well as (i) obtained a temporary loan facility of up to SGD500,000; (ii) undertaking other reorganisation exercise, principally streamlining the Group's corporate structures to reduce operating costs; and (iii) identifying the target companies for the purpose of initiating the Proposed Reorganisation as planned with the Professional Investor.

We however noted that as at the date of this report, the Company had not fulfilled certain key conditions precedent to the Proposed Investments with the Professional Investor, there had not been significant updates to the Proposed Reorganisation, and the ability of the Company to (i) pay its debts as and when they fall due; and (ii) undertake and complete the Proposed Reorganisation depends heavily on the willingness of the Professional Investor to provide continuous support to the Company. We are thus unable to obtain sufficient appropriate evidence that the use of going concern assumption in preparation of the financial statements is appropriate. The financial statements do not include any adjustments or any reclassification of assets and liabilities that would result if the going concern assumption is not appropriate.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SINCAP GROUP LIMITED

Report on the Audit of the Financial Statements (Cont'd)

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 Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing ("SSAs") and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the significance of the matters referred to in the *Basis for Disclaimer of Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporation 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 Mr Chin Bo Wui.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 11 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	The Group		The Company	
		2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
ASSETS					
Non-Current Asset					
Investments in subsidiaries	3	-	-	-	-
		-	-	-	-
Current Assets					
Trade and other receivables	4	-	32	-	-
Cash and cash equivalents	5	71	917	71	707
		71	949	71	707
Total assets		71	949	71	707
EQUITY					
Capital and Reserves					
Share capital	6	203,930	203,930	203,930	203,930
Accumulated losses		(205,321)	(197,544)	(206,523)	(204,697)
Currency translation reserve	7	(8,576)	(14,155)	(7,388)	(7,225)
Equity attributable to owners of the Company		(9,967)	(7,769)	(9,981)	(7,992)
Non-controlling interests		(23)	(22)	-	-
Total equity		(9,990)	(7,791)	(9,981)	(7,992)
LIABILITIES					
Non-Current Liability					
Borrowings	8	4,521	4,655	4,521	4,655
		4,521	4,655	4,521	4,655
Current Liabilities					
Other payables	9	4,733	4,085	4,724	4,044
Borrowings	8	807	-	807	-
		5,540	4,085	5,531	4,044
Total liabilities		10,061	8,740	10,052	8,699
Total equity and liabilities		71	949	71	707

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	The Group	
		2023 RMB'000	2022 RMB'000
Other income	10	30	3,507
Administrative expenses		(1,788)	(4,602)
Other expenses	10	(5,881)	(218)
Finance costs	11	(181)	(13)
Loss before tax	12	(7,820)	(1,326)
Tax credit/(expense)	13	42	(38)
Loss for the year		(7,778)	(1,364)
Other comprehensive income/(loss):			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		(155)	(588)
Reclassification of foreign currency translation reserve to profit or loss on disposal of subsidiaries	3	5,734	–
Total comprehensive loss for the year		(2,199)	(1,952)
Loss attributable to:			
Equity holders of the Company		(7,777)	(1,364)
Non-controlling interests		(1)	*
Loss for the year		(7,778)	(1,364)
Total comprehensive loss attributable to:			
Equity holders of the Company		(2,198)	(1,950)
Non-controlling interests		(1)	(2)
Total comprehensive loss for the year		(2,199)	(1,952)
Loss per share (RMB cents)			
Basic and diluted	14	(0.46)	(0.08)

* Amount less than RMB1,000

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	Share capital	Accumulated losses	Currency translation reserve	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2022	203,930	(196,180)	(13,569)	(5,819)	(20)	(5,839)
Loss for the financial year Other comprehensive loss	–	(1,364)	–	(1,364)	*	(1,364)
Currency translation differences arising on consolidation	–	–	(586)	(586)	(2)	(588)
Total comprehensive loss for the financial year	–	(1,364)	(586)	(1,950)	(2)	(1,952)
Balance at 31 December 2022	<u>203,930</u>	<u>(197,544)</u>	<u>(14,155)</u>	<u>(7,769)</u>	<u>(22)</u>	<u>(7,791)</u>
Balance at 1 January 2023	203,930	(197,544)	(14,155)	(7,769)	(22)	(7,791)
Loss for the financial year Other comprehensive (loss)/income	–	(7,777)	–	(7,777)	(1)	(7,778)
Currency translation differences arising on consolidation	–	–	(155)	(155)	–	(155)
Reclassification of foreign currency translation reserve to profit or loss on disposal of subsidiaries (Note 3)	–	–	5,734	5,734	–	5,734
Total comprehensive (loss)/income for the financial year	–	(7,777)	5,579	(2,198)	(1)	(2,199)
Balance at 31 December 2023	<u>203,930</u>	<u>(205,321)</u>	<u>(8,576)</u>	<u>(9,967)</u>	<u>(23)</u>	<u>(9,990)</u>

* Amount less than RMB1,000

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital RMB'000	Accumulated losses RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
The Company				
Balance at 1 January 2022	203,930	(232,661)	(4,954)	(33,685)
Profit for the financial year	–	27,964	–	27,964
Other comprehensive loss				
Currency translation differences arising from translation into presentation currency	–	–	(2,271)	(2,271)
Total comprehensive income/(loss) for the financial year	–	27,964	(2,271)	25,693
Balance at 31 December 2022	203,930	(204,697)	(7,225)	(7,992)
Balance at 1 January 2023	203,930	(204,697)	(7,225)	(7,992)
Loss for the financial year	–	(1,826)	–	(1,826)
Other comprehensive loss				
Currency translation differences arising from translation into presentation currency	–	–	(163)	(163)
Total comprehensive loss for the financial year	–	(1,826)	(163)	(1,989)
Balance at 31 December 2023	203,930	(206,523)	(7,388)	(9,981)

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	The Group	
		2023 RMB'000	2022 RMB'000
Cash Flows from Operating Activities			
Loss before tax		(7,820)	(1,326)
Adjustments for:			
Collecting agent fee	A	–	2,338
Unrealised foreign exchange loss, net	10	143	218
Gain on settlement of bond	B	–	(3,248)
Interest expense	11	181	13
Loss on disposal of subsidiaries	3, 10	5,738	–
Payables written off	10	(30)	–
Waiver of loans from a director	10	–	(257)
Operating cash flow before working capital changes		(1,788)	(2,262)
Changes in receivables		32	–
Changes in payables		560	316
Changes in currency translation adjustments		(47)	245
Cash used in operations		(1,243)	(1,701)
Income tax refunded/(paid)		42	(38)
Net cash used in operating activities		(1,201)	(1,739)
Cash Flows from Investing Activities			
Net cash outflow arising from disposal of subsidiaries	3	(4)	–
Proceeds from Richardson Loan, net	A	–	2,080
Net cash (used in)/generated from investing activities		(4)	2,080
Cash Flows from Financing Activities			
Interest paid		(145)	–
Proceeds from borrowings		807	–
Repayment of bonds	B	–	(3,103)
(Repayment of)/Proceeds from loan obtained from a director	B	(323)	3,103
Net cash generated from financing activities		339	–
Net (decrease)/increase in cash and cash equivalents		(866)	341
Cash and cash equivalents at beginning of financial year		917	526
Effects of exchange rate changes on cash and cash equivalents		20	50
Cash and cash equivalents at end of financial year	5	71	917

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 A:

As announced on 29 April 2022, an amount of AUD1,000,000 (RMB4,676,000) was collected by a collecting agent on behalf of the Group in April 2022 as final settlement for the loan due from Richardson 1 Pty Ltd ("**Richardson Loan**") and the Group received net proceeds of approximately AUD445,000 (RMB2,080,000), after deducting agent fee for the debt collection of AUD500,000 (RMB2,338,000) and service fees of AUD55,000 (RMB258,000).

Note B:

On 19 December 2018, the Company issued bond with a principal amount of SGD12,000,000, as consideration for the acquisition of additional interest in Orion Energy Resources Pte. Ltd. ("**Orion**") (the "**Bond**"). The amounts outstanding in relation to the Bond, including interest payable, was approximately SGD1,246,000 as at 15 December 2022. The Bond was settled after payment of a final settlement amount of SGD600,000 (RMB3,103,000), which has first been paid on behalf of the Company to the lender by the Executive Chairman and Chief Executive Officer (the "**CEO**"), on 15 December 2022. Upon payment of the sum of SGD600,000, all amounts outstanding under the Bond had been deemed fully settled and resulting in a gain on settlement of Bond of SGD646,000 (RMB3,248,000) recorded in other income during the financial year ended 31 December 2022.

In accordance with the terms of agreements, the Company subsequently repaid SGD60,000 (RMB323,000), which constitutes 10% of the loan, before 31 March 2023.

Note C:

The table below details 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.

Note	Cash flows					Non-cash changes				At 31 December RMB'000
	At 1 January RMB'000	Proceeds RMB'000	Repayments RMB'000	Interest paid RMB'000	Interest expense RMB'000	Write-off RMB'000	Waiver RMB'000	Foreign exchange loss RMB'000	Currency translation differences RMB'000	
The Group 2023										
<i>Borrowings</i>										
Loan from a third party	8	-	807	-	(145)	145	-	-	-	807
Loans from a director	8	4,655	-	(323)	-	-	-	94	95	4,521
2022										
<i>Borrowings</i>										
Bond	8	5,875	-	(3,103)	-	-	(3,248)	33	443	-
Loans from a director	8	1,659	3,103	-	-	-	(257)	5	145	4,655

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1 GENERAL INFORMATION

The financial statements of the Sincap Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) for the financial 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 and domiciled in Singapore. The Company is listed on the Catalist of Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The registered office is located at 112 Robinson Road, #04-02, Singapore 068902.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 3.

2(a) BASIS OF PREPARATION

The financial statements are presented in Chinese Renminbi (“**RMB**”) and all financial information presented in RMB are rounded to the nearest thousand (RMB’000) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of 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 revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

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

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 2(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(b) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2(e), management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below):

(a) *Going concern assumption*

As at 31 December 2023, the current liabilities of the Group and the Company exceeded their current assets by RMB5,469,000 and RMB5,460,000, and a deficit in equity of the Group and the Company of RMB9,990,000 and RMB9,981,000 respectively. The Group also incurred a loss for the year of RMB7,778,000; and net cash used in operating activities of RMB1,201,000 for the financial year ended 31 December 2023.

The Group does not have any revenue-generating activities since 4 May 2021, despite continuing efforts from the Board and management. The Group had, on 22 May 2022, announced that it has been deemed a cash company since May 2021. On 26 August 2022, the Group announced that the bank balances held by the Company are insufficient to repay all the estimated outstanding liabilities, comprising costs incurred and accrued for its professional service providers.

The Company has been working with an investor, who possesses significant professional corporate experience (the "**Professional Investor**"), to assess and evaluate corporate turnaround plans which may involve certain commercial structures. The Group has de-consolidated dormant subsidiaries and is streamlining existing corporate structure (the "**Proposed Reorganisation**"), for the Group to proceed with preparation for the potential reverse takeover (the "**Potential RTO**") so as to inject new business and cash funding to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(b) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Critical judgements in applying the entity's accounting policies (Cont'd)

(a) *Going concern assumption (Cont'd)*

On 12 August 2022, the Company announced that it entered into a binding heads of agreement ("**HOA**") with the Professional Investor for a proposed investment of up to Singapore dollar ("**SGD**") 2,000,000 into the Company (the "**Proposed Investment**"), which comprise the following:

- (a) The Professional Investor will subscribe new ordinary shares of SGD750,000 in the share capital of the Company, which is subject to approval from SGX-ST;
- (b) The Professional Investor will provide short-term loans up to SGD750,000 at an interest rate of 10% per annum, which is at the sole discretion of the Professional Investor; and
- (c) The Professional Investor will provide investor guarantees up to SGD500,000, which is at the sole discretion of the Professional Investor.

Pursuant to the HOA, the Company's executive chairman and chief executive officer, Mr Chu Ming Kin (the "**CEO**"), has agreed to waive any and all rights to receive repayment of any amounts owing to him in excess of SGD300,000, and he shall not receive any repayment, on any outstanding debts owing by the Company until the shares of the Company have resumed trading on the Catalist of the SGX-ST that shall be repaid through an issuance of new shares at the same issue price as the issue price for new shares pursuant to the Potential RTO if there is a completion of the Potential RTO. As at the date of this Report, the Company had not fulfilled certain key conditions precedent to the Proposed Investment with the Professional Investor.

While the Company is still working towards fulfilling certain key conditions precedent to the Proposed Investment, it has since requested the Professional Investor to provide temporary loans for the working capital of the Group. The Company has thus entered into loan agreements with the Professional Investor for a temporary loan facility of up to SGD500,000 (equivalent to RMB2.7 million) (the "**Loan Agreement**"), and any loan disbursed under the Loan Agreement may form part of the Proposed Loans as specified under the HOA, which is secured by a personal guarantee extended by the CEO, in favor of the Professional Investor. The Company has further agreed that any loan provided by the Professional Investor to the Company prior to the completion of the Proposed Investment, shall bear interest of 18% per annum and shall be repayable within 12 months from the date of disbursement, unless otherwise extended by the Professional Investor. As at the date of these financial statements, the Professional Investor has disbursed a principal loan amount of SGD300,000 (equivalent to RMB1.6 million) to the Company while the Company is still working towards fulfilling the key conditions precedent to the Proposed Investment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(b) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Critical judgements in applying the entity's accounting policies (Cont'd)

(a) *Going concern assumption (Cont'd)*

The above matters represent a material uncertainty that may cast a significant doubt on the ability of the Group and the Company to continue as a going concern and therefore, the Group and the Company may not be able to realise their assets and discharge their liabilities in the normal course of business. However, taking into account the above measures undertaken by the Company in connection with (a) entering into a binding heads of agreement with the Professional Investor for a proposed investment of up to SGD2,000,000; and (b) obtained a temporary loan facility of up to SGD500,000 as well as the current progress and milestone in identifying the target companies for the purpose of completing the Proposed Reorganisation as planned with the Professional Investor, the Board reasonably believes that the Group and the Company will be able to meet its obligations as and when they fall due, and that the preparation of the financial statements on a going concern basis remains appropriate. The financial statements do not include any adjustments or any reclassification of assets and liabilities that would result if the going concern assumption is not appropriate.

(b) *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.

(c) *Income taxes*

The Group has exposure to income taxes in various jurisdictions. Significant judgement and estimates are involved in determining 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 affect the income tax and deferred tax provisions in the period in which such determination is made. The Group's income taxes for the year are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(b) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty

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

(a) *Allowance for expected credit loss of trade and other receivables*

Allowance for expected credit loss ("ECL") of trade and 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 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 horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions. The Group and the Company apply the 3-stage general approach to determine ECL for non-trade amounts due from external parties and related parties. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Note 4. Sensitivity analysis is not prepared as the Group's and the Company's trade and other receivables had been fully impaired since the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(b) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty

(b) Impairment of investments in subsidiaries

Management assesses impairment of investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable or indicate that the recoverable amount of the investments may be higher than the carrying amount. If any such indication exists, the recoverable amount (i.e. higher of the fair value less costs of disposal and value in use) of the investment is estimated to determine the impairment loss or write-back of impairment. The recoverable amount of investment in subsidiaries was determined based on fair value less costs of disposal.

The carrying amount of the Company's investments in subsidiaries at the end of the reporting period and impairment loss for the financial year are disclosed in Note 3. Sensitivity analysis is not prepared as these subsidiaries are dormant and do not generate any revenue and the carrying amount had been fully impaired since the financial year ended 31 December 2021.

2(c) 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)s, SFRS(I) interpretations ("**SFRS(I) INTs**") 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(d) NEW AND REVISED SFRS(I) ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I)s, SFRS(I) INTs 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) 1-7 and SFRS(I) 7	Supplier Finance Arrangements	1 January 2024
Amendments to SFRS (I) 16	Lease Liability in a Sale and Leaseback	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

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved when the Company:

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

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Basis of consolidation (Cont'd)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this result in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition date fair value or, when applicable, on the basis specified in another standard. 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.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amount of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to equity holders of the Company.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss. When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss 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), less liabilities of the subsidiary and any non-controlling interests. 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 required/permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the fair value reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Classification

The Group classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through other comprehensive income ("FVOCI"); and
- fair value through profit or loss ("FVTPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group reclassifies financial assets when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial assets (Cont'd)

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets mainly comprise trade and other receivables and cash and cash equivalents. The financial assets, depending on the Group's business model for managing the asset and cash flow characteristics of the asset, are subsequently measured at amortised cost.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional 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 a third party, if the trade receivables do not contain a significant financing component. Other receivables generally arise from transactions outside the normal operating activities of the Group. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. 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 amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

For trade receivables that do not have a significant financing component, the Group applies a debtor-specific assessment to recognise a loss allowance based on lifetime ECL at each reporting date. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Impairment of financial assets ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future economic and industry outlook, that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Significant increase in credit risk (Cont'd)

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

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

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

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

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the receivables which meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off policy

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

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Impairment of financial assets (Cont'd)

Measurement and recognition of expected credit losses (Cont'd)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities include other payables and borrowings. Financial liabilities are recognised on the statements of financial position when, and only when the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

Other payables

Other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Financial liabilities (Cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowings

Borrowings to be settled within the Company's and the Group's normal operating cycle are classified as current. Borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statements of financial position.

Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, 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 recognised in profit or loss using the effective interest method.

Share capital

Ordinary shares are classified as equity. 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.

Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise deposits with financial institutions which are subject to an insignificant risk of change in value.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Income taxes (Cont'd)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates ("**functional currency**").

The Company's functional currency is United States Dollar ("**USD**").

The consolidated financial statements of the Group and statement of financial position of the Company are presented in Chinese Renminbi ("**RMB**") because the Group had been involved in developing business operations in the People's Republic of China ("**PRC**").

Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations, borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Foreign currencies (Cont'd)

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 Group's presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the end of the reporting period;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the date of the transactions); and
- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

Earnings per share

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF 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 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 the 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 Company or to the parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2(e) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Company. Executive directors and certain senior managerial personnel are considered key management personnel.

Current and non-current classification

The Group presents assets and liabilities in the statements of financial position based on current or non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3 INVESTMENTS IN SUBSIDIARIES

The Company	2023	2022
	RMB'000	RMB'000
<u>Unquoted equity shares at cost</u>		
At 1 January	179,355	164,381
Disposals	(63,863)	–
Currency translation differences	5,051	14,974
At 31 December	120,543	179,355
<u>Accumulated impairment</u>		
At 1 January	179,355	164,381
Disposals	(63,863)	–
Currency translation differences	5,051	14,974
At 31 December	120,543	179,355
<u>Carrying amount</u>		
At 1 January	–	–
At 31 December	–	–

Details of the Group's subsidiaries at the reporting date are as follows:

Name of subsidiary	Country of incorporation	Proportion of ownership interest		Principal activities
		2023	2022	
		%	%	
<u>Held by the Company</u>				
Sincap Australia Pte. Ltd. (" Sincap AU ") ^{1 & 4}	Singapore	–	100.0	Dormant
Sincap Properties Pte. Ltd. ^{1 & 4}	Singapore	–	100.0	Dormant
Orion Energy Resources Pte. Ltd. (" Orion ") ¹	Singapore	99.97	99.97	Dormant
<u>Held by Sincap AU</u>				
Sincap Land (Aus) Pty Ltd ^{2 & 4}	Australia	–	100.0	Dormant
<u>Held by Sincap Land (Aus) Pty Ltd</u>				
SCL Murray Pty Ltd ^{2 & 4}	Australia	–	100.0	Dormant
<u>Held by Sincap Properties Pte. Ltd.</u>				
Chengdu Weili Technology Co., Ltd ^{2 & 3}	People's Republic of China	–	100.0	Dormant

1 Audited by Foo Kon Tan LLP for the purpose of preparation of the consolidated financial statements

2 Not required to be audited under the law of incorporation. Audited by Foo Kon Tan LLP for the purpose of preparation of the consolidated financial statements

3 Deregistered on 27 February 2023

4 Disposed to the executive chairman and chief executive officer of the Company; disposals were completed on 30 June 2023

The summarised financial information of the non-controlling interests in respect of Orion is not disclosed because it is not considered significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Disposal of subsidiaries

As disclosed in the Company's announcement dated 28 June 2023, the Group had, on 28 June 2023, entered into an agreement with Mr Chu Ming Kin, the executive chairman and chief executive officer of the Company (the "CEO"), whereby the Company disposed the entire issued and paid-up share capital of Sincap AU (together with its subsidiaries, the "Sincap AU Group") and Sincap Properties Pte. Ltd. for a cash consideration of SGD1. Please refer to the announcements dated 28 June 2023 and 30 June 2023 for further details on the disposal (including the rationale and salient terms of the transaction). The disposal was completed on 30 June 2023 and the effects of the disposal of the Group were:

	The Group RMB'000
As at 30 June 2023	
Net asset of the subsidiaries disposed, comprised cash and cash equivalents	4
Reclassification of foreign currency translation reserve to profit and loss on disposal of subsidiaries	5,734
	<u>5,738</u>
Cash proceeds received from disposal of subsidiaries	*
Loss on disposal of subsidiaries	<u>5,738</u>
<u>Effect of cash flows</u>	
Cash proceeds received	*
Less: Cash and cash equivalents in subsidiaries disposed of	(4)
Net cash outflows arising from disposal of subsidiaries	<u>(4)</u>

*: less than RMB1,000

4 TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Trade receivable – third party		30,243	29,633	–	–
Trade receivable – related party	(a)	181,765	178,100	–	–
		<u>212,008</u>	207,733	–	–
Other receivables – third party		–	32	–	–
Other receivables – related party	(a)	1,117	1,095	–	–
Amounts due from a subsidiary	(b)	–	–	63,908	62,307
Total trade and other receivables		<u>213,125</u>	208,860	<u>63,908</u>	62,307
Less: Allowance for expected credit loss		<u>(213,125)</u>	(208,828)	<u>(63,908)</u>	(62,307)
		<u>–</u>	32	<u>–</u>	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4 TRADE AND OTHER RECEIVABLES (CONT'D)

Movements in allowance for expected credit loss during the financial year are as follows:

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
At 1 January	208,828	197,420	62,307	56,424
Impairment loss	-	-	-	499
Write-off	-	(6,099)	-	-
Reversal	-	-	(457)	-
Currency translation differences	4,297	17,507	2,058	5,384
At 31 December	213,125	208,828	63,908	62,307

Trade and other receivables are denominated in the following currency:

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Australian Dollar (AUD)	-	32	-	-

- (a) Trade receivables due from a related party comprised USD25,611,000 (RMB181,765,000) (2022: USD25,611,000 (RMB178,100,000)) due from Artwell, a company solely owned by the brother of the CEO.

Other receivables due from a related party comprised USD157,000 (RMB1,117,000) (2022: USD157,000 (RMB1,095,000)) interest receivable from Artwell.

- (b) Amounts due from a subsidiary are non-trade, unsecured, interest-free and repayable on demand, except for an amount of SGD7,465,000 (RMB40,178,000) (2022: SGD7,489,000 (RMB38,743,000)), which bears interest at 7% (2022: 7%) per annum. The Company has waived the interest income from the subsidiary since 2020. Consequently, no interest income was recognised in 2023 and 2022.

Further details on credit risks are described in Note 16 under "Credit risk" section.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Cash at bank	<u>71</u>	<u>917</u>	<u>71</u>	<u>707</u>

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
AUD	-	4	-	-
SGD	71	856	71	707
USD	-	57	-	-
	<u>71</u>	<u>917</u>	<u>71</u>	<u>707</u>

6 SHARE CAPITAL

The Group and the Company	2023	2022	2023	2022
	No. of ordinary shares '000	'000	Issued share capital RMB'000	RMB'000
Issued and paid up:				
At 1 January and at 31 December	<u>1,701,000</u>	<u>1,701,000</u>	<u>203,930</u>	<u>203,930</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

7 CURRENCY TRANSLATION RESERVE

Currency translation reserve arises from the translation of the financial statements of entities within the Group whose functional currencies are different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8 BORROWINGS

	Note	The Group		The Company	
		2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Non-current					
Unsecured					
Loans from a director	(a)	4,521	4,655	4,521	4,655
Current					
Unsecured					
Loan from a third party	(b)	807	–	807	–
		5,328	4,655	5,328	4,655

Borrowings are denominated in the following currency:

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
SGD	5,328	4,655	5,328	4,655

(a) The loans from a director are interest-free and are not repayable within 12 months after the reporting period.

(b) The loan from a third party, representing loan obtained from the Professional Investor, bears an interest of 18% per annum and is repayable within 12 months from the date of disbursement.

9 OTHER PAYABLES

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Other payables	2,895	1,826	2,886	1,784
Accrued operating expenses	1,838	2,259	1,838	1,947
Amounts due to a subsidiary	–	–	–	313
	4,733	4,085	4,724	4,044

Amounts due to a subsidiary are non-trade in nature, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9 OTHER PAYABLES (CONT'D)

Other payables are denominated in the following currencies:

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
AUD	-	59	-	-
SGD	4,733	4,026	4,724	4,044
	4,733	4,085	4,724	4,044

10 OTHER INCOME/(EXPENSES)

	The Group	
	2023 RMB'000	2022 RMB'000
<u>Other income</u>		
Gain on settlement of bond	-	3,248
Payables written off	30	-
Waiver of loans from a director	-	257
Others	-	2
	30	3,507
<u>Other expenses</u>		
Foreign exchange loss, net	(143)	(218)
Loss on disposal of subsidiaries	(5,738)	-
	(5,881)	(218)

11 FINANCE COSTS

	The Group	
	2023 RMB'000	2022 RMB'000
Interest expense – loan from a third party	145	-
Interest expense – guarantee fees	36	13
	181	13

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12 LOSS BEFORE TAX

Other than disclosed elsewhere in these financial statements, loss before tax has been arrived after charging/(crediting):

	Note	The Group	
		2023 RMB'000	2022 RMB'000
Audit fees paid/payable to:			
– auditor of the Company		180	176
Collecting agent fee		–	2,338
Directors' fees		412	379
Foreign exchange loss, net		143	218
Gain on settlement of bond		–	(3,248)
Loss on disposal of subsidiaries	3	5,738	–
Payables written off		(30)	–
Waiver of loans from a director		–	(257)

13 TAX CREDIT/(EXPENSES)

	The Group	
	2023 RMB'000	2022 RMB'000
Current tax credit/(expenses)		
– Overprovision/(underprovision) in prior years	42	(38)

Reconciliation of effective tax rate

	The Group	
	2023 RMB'000	2022 RMB'000
Loss before tax	(7,820)	(1,326)
Tax using the Singapore tax rate of 17% (2022 – 17%)	(1,329)	(225)
Effect of tax rates in foreign jurisdictions	4	(603)
Non-deductible expenses	1,066	1,225
Income not subject to tax	(5)	(597)
(Overprovision)/underprovision of income tax in respect of prior years	(42)	38
Deferred tax assets not recognised	264	200
	(42)	38

The non-deductible expenses mainly related to the loss on disposal of subsidiaries (2022: collecting agent fee, professional fees and corporate expenses which are not allowable for tax purpose). The income not subject to tax in 2022 comprised mainly gain on bond settlement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13 TAX CREDIT/(EXPENSES) (CONT'D)

Reconciliation of effective tax rate (Cont'd)

At the end of the reporting period, the statutory income tax rate applicable for companies incorporated in the following countries are as follows:

Country of incorporation	Statutory income tax rate	
	2023	2022
Singapore	17%	17%
Australia	30%	30%

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2023 RMB'000	2022 RMB'000
Unutilised tax losses	12,575	10,801
Trade and other receivables	213,125	208,828
	225,700	219,629

The unutilised tax losses are available for carry-forward to offset against future taxable income, subject to agreement of the tax authority and compliance with the certain provisions of the tax legislation of the respective countries in which the companies operate. Deferred tax assets in respect of tax losses carried forward and other deductible temporary differences have not been recognised in the financial statements as it is not probable that future taxable profits will be sufficient to allow the unutilised tax losses to be realised in the foreseeable future.

14 LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following:

	The Group	
	2023	2022
Net loss attributable to equity holders of the Company (RMB'000)	(7,777)	(1,364)
Weighted average number of ordinary shares outstanding ('000)	1,701,000	1,701,000
Basic and diluted loss per share (RMB cents)	(0.46)	(0.08)

Basic and diluted loss per share are the same for financial years ended 31 December 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15 SIGNIFICANT RELATED PARTY TRANSACTION

- (a) Other than disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned.

	The Group	
	2023 RMB'000	2022 RMB'000
Cash proceeds received from disposal of subsidiaries to a director	*	–
Waiver of loans from a director	–	257
(Repayment of)/Proceeds from loan obtained from a director	(323)	3,103

*: less than RMB1,000

- (b) Key management personnel compensation is analysed as follows:

For the financial year ended 31 December 2023 and 2022, the key management personnel is not entitled to remuneration nor short-term employee benefits.

- (c) Directors' fees for the year are analysed as follows:

The Group	2023 RMB'000	2022 RMB'000
	Independent directors of the Company	412

16 FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, and liquidity risk. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from these financial risks on the Group's and the Company's financial performance. The policies for managing each of these risks are summarised below. The directors review and agree on the policies and procedures for the management of these risks.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which the Group and the Company manage and measure financial risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classification of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category at the reporting date are as follows:

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Financial assets at amortised cost				
Trade and other receivables	-	32	-	-
Cash and cash equivalents	71	917	71	707
	71	949	71	707

	The Group		The Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Financial liabilities at amortised cost				
Other payables	4,733	4,085	4,724	4,044
Borrowings	5,328	4,655	5,328	4,655
	10,061	8,740	10,052	8,699

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 dominated in foreign currencies.

The Group and the Company have currency exposure arising from transactions, assets and liabilities that are denominated in currencies other than respective functional currencies of entities in the Group and the Company. The foreign currencies in which the Group's and the Company's currency risk arises are mainly SGD and USD.

At the end of the reporting period, the Group and the Company have the following financial assets and liabilities denominated in foreign currencies based on information provided to key management.

Denominated in:	2023	2023	2023
	AUD RMB'000	SGD RMB'000	USD RMB'000
The Group			
Cash and cash equivalents	-	71	-
Borrowings	-	(5,328)	-
Other payables	-	(4,733)	-
Net financial liabilities denominated in foreign currencies, represents net exposure	-	(9,990)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk (Cont'd)

Denominated in:	2022 AUD RMB'000	2022 SGD RMB'000	2022 USD RMB'000
The Group			
Cash and cash equivalents	4	856	57
Trade and other receivables	32	–	–
Borrowings	–	(4,655)	–
Other payables	(59)	(4,026)	–
Net financial assets/(liabilities) denominated in foreign currencies	(23)	(7,825)	57
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currency	23	32	(57)
Net exposure	–	(7,793)	–
Denominated in:			
The Company			
Cash and cash equivalents		71	707
Borrowings		(5,328)	(4,655)
Other payables		(4,724)	(4,044)
Net financial liabilities denominated in foreign currencies, represents net exposure		(9,981)	(7,992)

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant, of the Group and the Company's loss after tax:

	The Group Increase/(decrease) in loss after tax		The Company Increase/(decrease) in (loss)/profit after tax	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Strengthened 10% (2022 – 10%)				
– SGD	829	647	828	(663)
Weakened 10% (2022 – 10%)				
– SGD	(829)	(647)	(828)	663

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL RISK MANAGEMENT (CONT'D)

Interest rate risk

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

The Group's and the Company's business are not exposed to significant interest rate risk because the Group and the Company do not have any variable rate financial instruments as at the reporting date.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. As the Group and Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

The Group's gross trade receivables comprise 1 (2022 – 1) debtor that individually represented 86% (2022 – 86%) of the gross trade receivables.

The Company has significant concentration of credit risk exposure arising on amounts due from a subsidiary (Note 4).

The Group and the Company have cash and cash equivalents that are held with banks of good credit ratings.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of ECL:

Category	Definition of category	Basis for recognition ECL
Performing	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

Trade receivables

The Group has two customers and applied debtor-specific assessment to measure the lifetime expected credit loss allowance for trade receivables. The Group estimates the expected credit loss rates based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor. The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions with consideration on the ability of the customers to settle the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Other financial assets at amortised cost

Other financial assets at amortised cost include amounts due from a subsidiary, other receivables and cash and cash equivalents.

The table below details the credit quality of the Group's and the Company's financial assets:

At 31 December 2023	12-month/Lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
The Group				
Trade receivables	Lifetime ECL	212,008	(212,008)	-
Other receivables	Lifetime ECL	1,117	(1,117)	-
Cash and cash equivalents	N.A. – Limited exposure	71	-	71
The Company				
Amounts due from a subsidiary	Lifetime ECL	63,908	(63,908)	-
Cash and cash equivalents	N.A. – Limited exposure	71	-	71

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

At 31 December 2022	12-month/Lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
The Group				
Trade receivables	Lifetime ECL	207,733	(207,733)	–
Other receivables	Lifetime ECL	1,095	(1,095)	–
Other receivables (Others)	12-month ECL	32	–	32
Cash and cash equivalents	N.A. – Limited exposure	917	–	917
The Company				
Amounts due from a subsidiary	Lifetime ECL	62,307	(62,307)	–
Cash and cash equivalents	N.A. – Limited exposure	707	–	707

Other receivables (Others)

As at 31 December 2022, the credit loss for other receivables was immaterial.

Amounts due from a subsidiary

The assessment of the impairment loss allowance for these amounts due from a subsidiary was conducted by applying the lifetime ECL model. The Company evaluated that there was a significant increase in credit risk and determined that it was appropriate to measure the impairment loss allowance using the lifetime ECL model. Consequently, an accumulated impairment loss of RMB63,908,000 (2022: RMB62,307,000) was recognised as at 31 December 2023.

Cash and cash equivalents

The credit loss for cash and cash equivalents is immaterial as at 31 December 2023 and 2022.

Liquidity risk

As at 31 December 2023, the current liabilities of the Group and the Company exceeded their current assets by RMB5,469,000 and RMB5,460,000, and a deficit in equity of the Group and the Company of RMB9,990,000 and RMB9,981,000 respectively. The Group also incurred a loss for the year of RMB7,778,000; and net cash used in operating activities of RMB1,201,000 for the financial year ended 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (Cont'd)

The factors above, along with the other matters disclosed in Note 2(b)(a), represent a material uncertainty that may cast a significant doubt on the ability of the Group and the Company to continue as a going concern and therefore, the Group and the Company may not be able to realise their assets and discharge their liabilities in the normal course of business. However, taking into account the measures undertaken by the Company as disclosed in Note 2(b)(a), the Board reasonably believes that the Group and the Company will be able to meet its obligations as and when they fall due, and that the preparation of the financial statements on a going concern basis remains appropriate.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments:

	Note	Carrying amount RMB'000	< -- Contractual undiscounted cash flows -- >		
			Total RMB'000	Less than 1 year RMB'000	Within 1 to 5 years RMB'000
The Group					
At 31 December 2023					
Borrowings	8	5,328	5,328	807	4,521
Other payables	9	4,733	4,733	4,733	-
		10,061	10,061	5,540	4,521
At 31 December 2022					
Borrowings	8	4,655	4,655	-	4,655
Other payables	9	4,085	4,085	4,085	-
		8,740	8,740	4,085	4,655
The Company					
At 31 December 2023					
Borrowings	8	5,328	5,328	807	4,521
Other payables	9	4,724	4,724	4,724	-
		10,052	10,052	5,531	4,521
At 31 December 2022					
Borrowings	8	4,655	4,655	-	4,655
Other payables	9	4,044	4,044	4,044	-
		8,699	8,699	4,044	4,655

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17 FAIR VALUE MEASUREMENT

The carrying amounts of financial assets and financial liabilities (except non-current borrowings) recorded in the financial statements of the Group and the Company approximate their fair values, due to their short-term nature and where the effect of discounting is immaterial.

Based on the discounted cash flow analysis using a discounted rate based upon market lending rate for similar borrowings which the management expects would be available to the Group and the Company at the end of the reporting period, the carrying amounts of non-current borrowings approximate their fair values at the end of the reporting period as the market lending rates at the end of the reporting period were not significantly different from either their respective coupon rates of the agreements or market lending rates at the initial measurement date. This fair value measurement for disclosure purposes is categorised in Level 3 of the fair value hierarchy.

Fair value hierarchy

The different levels of fair value hierarchy have been defined 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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

18 OPERATING SEGMENTS

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 *Operating Segments*. This disclosure standard has no impact on the reported results or financial position of the reporting entity.

There is no segment reporting for 2023 and 2022 following the circumstances in which the Company has been deemed as a cash company since May 2021 and has not generated any revenue for 2021. As a result, there is no segment information and geographical segment information being presented for both financial years ended 31 December 2023 and 2022.

19 CAPITAL MANAGEMENT

Ever since the Company has been deemed as a cash company since May 2021, the Company manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the returns to stakeholders through optimisation of debt and equity balance.

The Company manages its capital structure, which consist of issued share capital and accumulated losses, and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares.

The Group and the Company are not subjected to any externally imposed capital requirements during the financial years ended 31 December 2023 and 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 27 MARCH 2024

SHARE CAPITAL

Issued and fully paid	:	SGD42,949,712.10
Number of shares	:	1,701,000,410
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote for each ordinary share
Treasury shares	:	Nil

The Company does not hold any subsidiary holdings.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	52	6.03	21,935	0.00
1,001 – 10,000	38	4.40	285,100	0.02
10,001 – 1,000,000	647	74.97	191,315,200	11.25
1,000,001 AND ABOVE	126	14.60	1,509,378,175	88.73
TOTAL	863	100.00	1,701,000,410	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	459,625,700	27.02
2	KGI SECURITIES (SINGAPORE) PTE. LTD.	420,130,500	24.70
3	UOB KAY HIAN PRIVATE LIMITED	53,818,075	3.16
4	FU HAO	28,563,900	1.68
5	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	24,030,000	1.41
6	WEE CHEW YIN	20,267,700	1.19
7	WONG SZE PONG	18,333,000	1.08
8	XU JINJI	18,333,000	1.08
9	LIM CHOU LEONG	18,000,000	1.06
10	OCBC SECURITIES PRIVATE LIMITED	17,600,000	1.03
11	IP MIU HING	17,500,000	1.03
12	JERRY TAN SIANG HUP	17,000,000	1.00
13	WEI FANGYANG	15,960,000	0.94
14	LIM ENG CHONG (LIN RONGCANG)	13,000,000	0.76
15	CHUA CHIONG BOON	12,500,000	0.73
16	CHUA EE WEE (CAI YIWEI)	12,500,000	0.73
17	TAN YEW LIANG	10,928,000	0.64
18	PHILLIP SECURITIES PTE LTD	10,924,400	0.64
19	RAFFLES NOMINEES (PTE.) LIMITED	10,720,000	0.63
20	ZHU SHIYAN	10,500,000	0.62
	TOTAL	1,210,234,275	71.13

STATISTICS OF SHAREHOLDINGS

AS AT 27 MARCH 2024

SUBSTANTIAL SHAREHOLDERS

(As shown in the register of substantial shareholders)

Substantial shareholders	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Wang Xiaoling ⁽¹⁾	–	–	157,373,000	9.25
Sze Wai Bun Raymond ⁽²⁾	–	–	87,562,500	5.15
Huang Qingquan ⁽³⁾	–	–	87,562,500	5.15
Chen Jianming ⁽⁴⁾	–	–	87,562,500	5.15

The percentage of shareholding above is computed based on the total issued shares of 1,701,000,410 excluding treasury shares of the Company.

Notes:

- (1) Wang Xiaoling has deemed interest of 157,373,000 shares held through KGI Securities (Singapore) Pte. Ltd.
- (2) Sze Wai Bun Raymond has deemed interest of 87,562,500 shares held through KGI Securities (Singapore) Pte. Ltd.
- (3) Huang Qingquan has deemed interest of 87,562,500 shares held through KGI Securities (Singapore) Pte. Ltd.
- (4) Chen Jianming has deemed interest of 87,562,500 shares held through KGI Securities (Singapore) Pte. Ltd.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

The percentage of shareholdings of the Company (excluding preference shares, convertible equity securities and treasury shares) held in the hands of the public is approximately 75.31%. Accordingly, the Company has complied with Catalyst Rule 723.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of the Company will be convened and held at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542 on Tuesday, 30 April 2024 at 1:30 p.m. (Singapore time) to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the directors' statement and the audited financial statements for the financial year ended 31 December 2023 together with the auditor's report thereon. **[Resolution 1]**
2. To re-elect Mr Chu Ming Kin as Director who is retiring pursuant to Regulation 99 of the Company's Constitution. **[Resolution 2]**
[See Explanatory Note (i)]
3. To approve the payment of directors' fees of up to S\$75,000 for the financial year ended 31 December 2023 (FY2022: S\$75,000). **[Resolution 3]**
4. To re-appoint Foo Kon Tan LLP as auditor of the Company for the ensuing year 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.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as an Ordinary Resolution, with or without modifications:-

6. **AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES** **[Resolution 5]**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Section B: Rules of Catalist (the "**Catalist Rules**") and Constitution of the Company, authority be and is hereby given to the Directors of the Company 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, the "**Instruments**") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase shares, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable 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

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue:
- (i) additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this resolution was in force; and
 - (ii) Shares in pursuance of any Instruments made or granted by the directors while this resolution was in force or such additional Instruments in (b)(i) above,

provided that:

- (1) 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) shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date of this resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date of this resolution is passed;
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this resolution, after adjusting for:-
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from the exercising of share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares,

NOTICE OF ANNUAL GENERAL MEETING

and adjustments in accordance with sub-paragraphs 2(a) and 2(b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards (as the case may be) which were issued and outstanding or subsisting at the time of the passing of this resolution;

- (3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and
- (4) (unless previously revoked or varied by the Company in general meeting) such 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.”

[See Explanatory Note (ii)]

By Order of the Board

Chu Ming Kin
Executive Chairman and Chief Executive Officer

15 April 2024

Explanatory Notes:

- (i) Mr Chu Ming Kin, will upon re-election as Director of the Company, remain as an Executive Chairman and Chief Executive Officer of the Company. Detailed information on Mr Chu Ming Kin is found under the section entitled “*Disclosure of Information on Director Seeking Re-election*” in the Company’s Annual Report 2023.
- (ii) **Resolution 5**, if passed, will empower the Directors from the date of this AGM until the date of the next AGM or the date by which the next AGM of the Company is required by law to be held or until such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company, of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) of the Company.

Important Notes:

Participation in the AGM

- The members of the Company are invited to attend physically at the Annual General Meeting (“AGM”). There will not be an option for shareholders to participate virtually.
- Shareholders who wish to attend the physical AGM are encouraged to pre-register online at the URL <https://forms.gle/nBcCosFHPxyoFqZN7>. The pre-registration must be completed by Saturday, 27 April 2024 at 1:30 p.m. (Singapore time) for authentication and verification purposes.
- The Annual Report 2023, Notice of AGM and Proxy Form will be published on SGXNet at URL <https://www.sgx.com/securities/company-announcements>. Printed copies of this Notice of AGM, the accompanying Proxy Form and the Request Form will be circulated to Shareholders by post. There will be no despatch of printed copies of the Annual Report 2023 to Shareholders. A Shareholder who wishes to request a printed copy of the Annual Report 2023 may do so by completing and returning the request form to the Company by Tuesday, 23 April 2024 at 6:00 p.m. (Singapore time).

NOTICE OF ANNUAL GENERAL MEETING

4. 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 Proxy Form 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 Proxy Form. 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 the Proxy Form as invalid.
5. 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 Proxy Form 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 Proxy Form.
6. 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 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 Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Submission of questions prior to the AGM

7. 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 endeavour 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.
8. Alternatively, Shareholders may submit questions related to the resolution to be tabled for approval at the AGM, in advance of the AGM either via:-
 - (a) electronic mail to: ir@sincapgroup.com; or
 - (b) the questions portal at the URL: <https://forms.gle/5WCZurrAp3EaEg8i7>Shareholders who submit questions in advance of the AGM should identify themselves by stating (i) his/her/its full name as it appears on his/her/its CDP/SRS share records, (ii) contact number, (iii) NRIC/Passport/UEN number and (iv) state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP or SRS) for verification purposes.
9. 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. To ensure that the Company will have sufficient time to address and respond to these questions at least 48 hours prior to the closing date and time for the lodgement of the Proxy Forms, it is requested that Shareholders submit their questions on or before Tuesday, 23 April 2024 at 1.30 p.m. (Singapore time).
10. The Company will endeavour to respond to substantial and relevant questions received from the shareholders in advance of the AGM by Thursday, 25 April 2024 via the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters.

Appointment of Proxies

11. There will be no option for Shareholders to participate virtually at the AGM. A Shareholder (whether individual or corporate) may vote in person at the AGM or appoint proxy(ies) (including the Chairman of the Meeting) to attend, speak and vote on his/her/its behalf at the AGM in accordance with the instructions on the Proxy Form if such Shareholder wishes to exercise his/her/its voting rights at the AGM. The Proxy Form will be sent to Shareholders by post and may also be accessed on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
12. Duly completed Proxy Forms must be submitted in the following manner:
 - (i) if submitted by post, to be deposited at the registered office of the Company at 112 Robinson Road, #04-02, Singapore 068902; or
 - (ii) if submitted electronically, via email to the Company at ir@sincapgroup.com,in each case, not less than 72 hours before the time appointed for holding the AGM, i.e. no later than Saturday, 27 April 2024 at 1:30 p.m. (Singapore time).

NOTICE OF ANNUAL GENERAL MEETING

13. 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 before scanning and sending it by email to the email address provided above. Shareholders are encouraged to submit a completed Proxy Form electronically via email.
14. Investors holding shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) may vote at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators and should contact their respective CPF agent bank or SRS operator if they have any queries regarding their appointment as proxies. CPF or SRS Investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF agent bank or SRS operator at least seven (7) working days before the AGM (i.e. by Thursday, 18 April 2024 at 1:30 p.m. (Singapore time)), in order to allow sufficient time for their respective CPF agent bank or SRS operator to submit the Proxy Form.
15. 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.
16. 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 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.

PERSONAL DATA PRIVACY

“**Personal data**” in this Notice of AGM has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore. By submitting (a) details for the registration to observe or participate in the proceeding of the AGM, or (b) an instrument appointing the Chairman of the AGM (or any person other than the Chairman) as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (c) any questions prior to the AGM in accordance with this Notice of AGM, 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, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman (or any person other than the Chairman) as proxy for the AGM, processing the registration for purpose of granting access to members (or their appointed proxies) to observe and participate in the proceedings of the AGM, addressing relevant and substantial questions from members received before the AGM and if necessary, following-up with the relevant member(s) in relation to such questions, and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Use of Data 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 Use of Data 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.

Photographic, sound and/or video recordings at the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

SINCAP GROUP LIMITED

(the "Company")
(Incorporated in the Republic of Singapore)
Company Registration No. 201005161G

ANNUAL GENERAL MEETING

PROXY FORM

IMPORTANT

- The annual general meeting of the Company (the "AGM") is being convened and will be held physically at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542 on Tuesday, 30 April 2024 at 1:30 p.m. (Singapore time). Shareholders may request for a printed copy of the Annual Report 2023 by submitting the request form which has been enclosed together with the Notice of AGM and this Proxy Form, sent by post to shareholders.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).
- This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors. CPF and SRS investors (i) may vote at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; and (ii) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by Thursday, 18 April 2024 at 1:30 p.m. (Singapore time).

*I/We, _____ (name), *NRIC/Passport number/Company registration number _____ of _____ (address)

being *a member/members of SINCAP GROUP LIMITED (the "Company"), hereby appoint:

Name	Email Address	NRIC/Passport No.	Proportion of Shareholdings (%)

*and/or (delete as appropriate)

Name	Email Address	NRIC/Passport No.	Proportion of Shareholdings (%)

or failing whom, the Chairman of the AGM, as my/our* proxy to attend and vote for me/us and on my/our* behalf, by poll, at the AGM of the Company to be held physically at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542 on Tuesday, 30 April 2024 at 1:30 p.m. (Singapore time) and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for, against or to abstain from voting in respect of the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and/or at any adjournment thereof, the proxy/proxies* may vote or abstain from voting at his/her discretion.

Please indicate your vote "For", "Against" or "Abstain" with an "X" within the boxes provided below. Alternatively, please indicate the number of votes as appropriate. If you indicate an "X" within the "Abstain" box for a particular resolution, you are directing your proxy not to vote on that resolution.

No.	Resolutions Relating To:	For	Against	Abstain
Ordinary Business				
1.	Adoption of the directors' statement and the audited financial statements for the financial year ended 31 December 2023 together with the auditor's report thereon.			
2.	Re-election of Mr Chu Ming Kin as a Director of the Company.			
3.	Approval of the payment of the directors' fees of up to S\$75,000 in respect of the financial year ended 31 December 2023.			
4.	Re-appointment of Foo Kon Tan LLP as auditor of the Company for the ensuing year and to authorise the Directors to fix their remuneration.			
Special Business				
5.	Authority to allot and issue shares and convertible securities pursuant to Section 161 of the Companies Act 1967 of Singapore.			

Dated this _____ day of _____ 2024.

Signature(s) of Member(s) or
Common Seal of Corporate Member

Total number of shares in:	Number of shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF.

*Delete whichever not applicable



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 of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares 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 to all the Shares held by you.
2. Persons who holds shares through Relevant Intermediaries (as defined below) and who wish to participate in the AGM by (a) attending the AGM in person, (b) submitting questions in advance or at the AGM, and/or (c) appointing the Chairman of the AGM (or any other person other than the Chairman of the AGM) as proxy to attend, speak and vote on their behalf at the AGM, should contact the Relevant Intermediary through which they hold such shares as soon as possible to make the necessary arrangements.
3. The duly executed Proxy Form appointing the Chairman of the AGM (or any other person other than the Chairman of the AGM) as proxy to vote on their behalf at the AGM must be submitted in hard copy form or electronically via email:
 - (i) if submitted by post, to be deposited at the registered office of the Company at 112 Robinson Road, #04-02, Singapore 068902; or
 - (ii) if submitted electronically, via email in Portable Document Format (PDF) to the Company at ir@sincapgroup.com,in either case, not less than seventy-two (72) hours before the time appointed for the holding of the AGM and/or any adjournment thereof.
4. 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 before scanning and sending it by email to the email address provided above. Shareholders are encouraged to submit a completed Proxy Form electronically via email.
5. 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 appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.**
6. 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.

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 Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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GENERAL

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM (or any other person other than the Chairman of the AGM) as proxy lodged if the shareholder being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.



SINCAP GROUP LIMITED

112 Robinson Road | #04-02 | Singapore 068902