



A-SMART HOLDINGS LTD.

JOURNEY TO A SUSTAINABLE FUTURE

ANNUAL REPORT 2023



**We have a VISION to lead the way
in building SMART solutions.**

**To create SMARTER businesses,
SMARTER cities.**



A-SMART HOLDINGS LTD.



A-Smart Life

(a subsidiary of A-Smart Holdings Limited)



A-Smart Media Pte Ltd

(a subsidiary of A-Smart Holdings Ltd)



TIMOR MARINA SQUARE S.A.



TIMOR CITY SQUARE S.A.



A-Smart Investments Pte Ltd

(a subsidiary of A-Smart Holdings Limited)



Xpress Print Pte Ltd

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CORPORATE PROFILE

Headquartered in Singapore, A-Smart Holdings Ltd. (“**A-Smart**” or the “**Group**”) is a multifaceted solution provider operating mainly in the areas of print manufacturing, smart technologies, real estate, and investment.

Listed on the SGX Mainboard since 28 June 1999, the Group was rebranded in 2016 under A-Smart following a restructuring of its management team and expansion of core businesses, to better reflect the change in corporate profile and business strategies.

Today, the Group’s printing arm continues to operate under the Singapore subsidiary, Xpress Print Pte Ltd (“**Xpress Print**”), offering a complete spectrum of integrated print solutions from pre-press processes to production systems as well as global distribution and delivery. Publishing services were added to the printing division to enhance its position within the economic value chain. In 2016, the Group also integrated a fresh media events enterprise, A-Smart Media Pte Ltd, which specialises in organising large-scale events and performances, into the current Print and Media segment.

The Group further expanded its core businesses to include Property Development and Property Investment in 2018 and has since acquired two parcels of land for property development in Timor-Leste, a potential emerging market that is situated close to Australia and Indonesia. Its maiden property development project, Timor Marina Square, a landmark mixed property development of two buildings comprising retail, residential, office and serviced apartments, is currently in progress in Dili, the capital city of Timor-Leste.

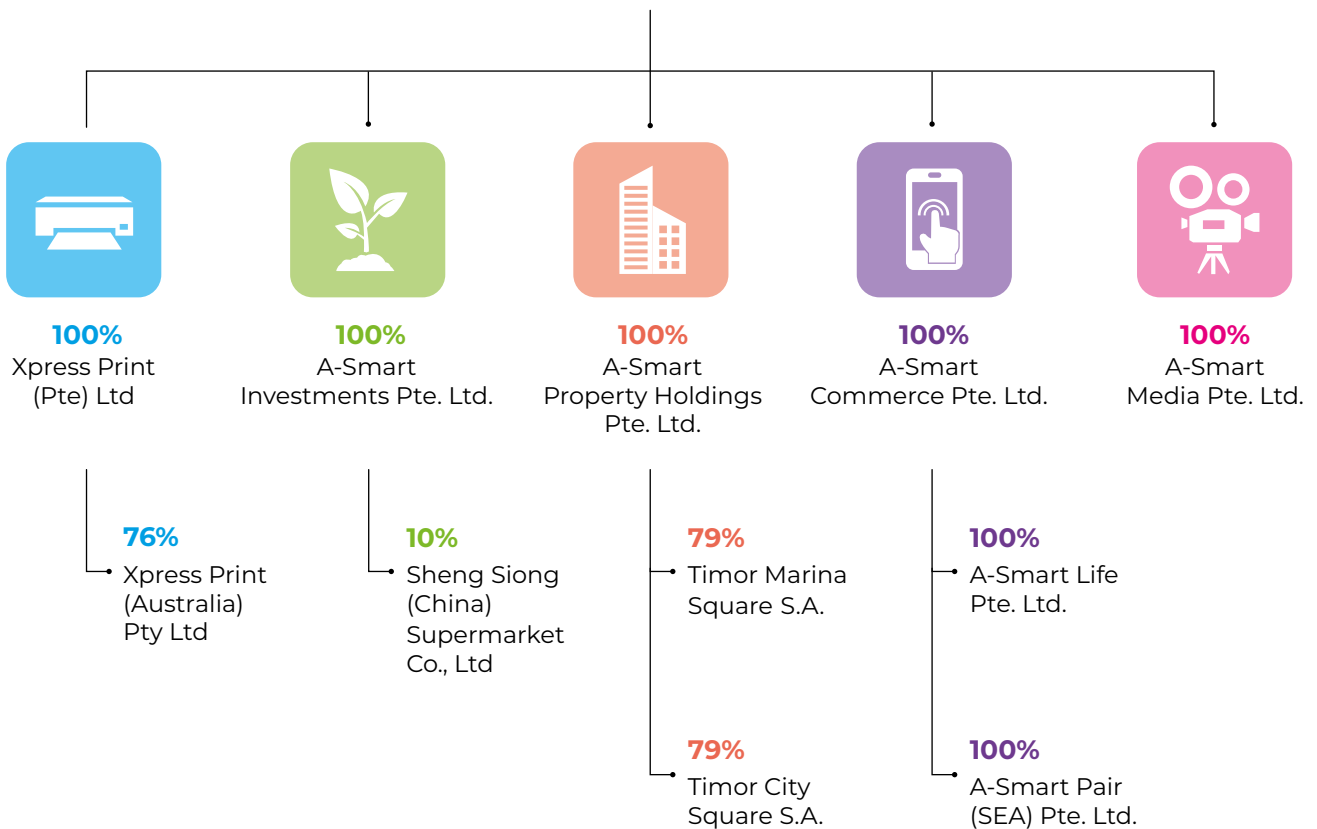
Other business segments include that of Smart Technologies and Investments. Smart Technologies segment include the subsidiary, A-Smart Life Pte. Ltd., which develops its own food waste digester systems, is listed as one of the few authorised agents (endorsed by the Singapore Government) for waste recycling.

The Group’s Investments segment holds a 10% stake in Sheng Siong (China) Supermarket Co Ltd, a supermarket chain stores start-up in 2018 and which now operates five stores in Kunming, Yunnan, China.

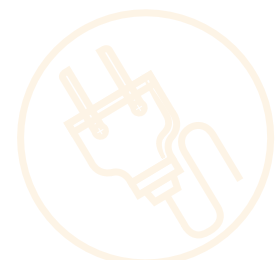




CORPORATE STRUCTURE



-  **Printing**
-  **Investment Holding**
-  **Smart Technologies**
-  **Publication and Event Management**
-  **Property**



CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr. Ma Weidong
Non-Executive Chairman

Mr. Lim Huan Chiang JP
Executive Director and Chief Executive Officer

Mr. Darlington Tseng Te-Lin
Non-Executive Director

Mr. Sam Chong Keen
Lead Independent Non-Executive Director

Ms. Chu Hongtao
Independent Non-Executive Director

Mr. Kenneth Loo
Non-Executive Director

AUDIT COMMITTEE

Ms. Chu Hongtao (*Chairman*)
Mr. Sam Chong Keen
Mr. Darlington Tseng Te-Lin

NOMINATING COMMITTEE

Ms. Chu Hongtao (*Chairman*)
Mr. Sam Chong Keen
Mr. Ma Weidong

REMUNERATION COMMITTEE

Ms. Chu Hongtao (*Chairman*)
Mr. Sam Chong Keen
Mr. Ma Weidong

COMPANY SECRETARIES

Ms. Sharon Lim Siew Choo
Mr. Chin Yee Seng

REGISTERED OFFICE

61 Tai Seng Avenue #03-03
Print Media Hub @ Paya Lebar iPark
Singapore 534167
Tel: (65) 6880 2828
Fax: (65) 6880 2998
Website: www.a-smart.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Ave,
#14-07 Keppel Bay Tower,
Singapore 098632



AUDITORS

CLA Global TS Public Accounting Corporation
80 Robinson Road, #25-00,
Singapore 068898

AUDIT DIRECTOR-IN-CHARGE

Mr. Lim Wei Chen, Samuel
(Appointment since financial year ended
31 July 2023)

OTHER INFORMATION

Principal Bankers

The Development Bank of Singapore Limited
Malayan Banking Berhad

Company Registration No.: 199902058Z



PORTFOLIO REVIEW

The Group operates 4 key business segments, namely Property Development and Real Estate Investment, Print and Media, Smart Technologies and Other Investments.

PROPERTY DEVELOPMENT AND REAL ESTATE INVESTMENT

ABOUT TIMOR-LESTE

The Group has identified Timor-Leste as the next promising emerging market following its acceptance as an in-principle member of ASEAN. The country, rich in oil and gas and highly reliant on oil as its export, has started looking into the development of its tourism industry to diversify the country's growth engine. Therein, thus, lies numerous untapped opportunities due to the country's shortage of quality residential and commercial properties. The Group intends to ride on the government's large scale development plans for Dili, which will allow home buyers and investors to enjoy a growth in valuation of the Group's upcoming developments, namely a mixed development project, hotel and conference centre, and a seafront resort. The Group believes by leveraging on its first-mover advantage, A-Smart will become a prominent investor in Timor-Leste's real estate sector.

PROPERTY UNDER DEVELOPMENT

TIMOR MARINA SQUARE Dili, Timor-Leste

Timor Marina Square ("TMS"), occupying a 3,204 square meter freehold land area, is located along the coastal stretch of Lecidere in Dili, directly facing the Port of Dili. Its strategic location places TMS in immediate vicinity of key establishments like the World Bank office, foreign embassies, and Timor government offices, all situated along the same coastal area.

The development will encompass two mixed-use property blocks of 23-storey and 19-storey comprising a combination of retail spaces, office areas, serviced apartments, and high-end residential apartments. TMS is currently at the initial stages of piling and foundation works.



Timor Marina Square, Dili, Timor-Leste

PORTFOLIO REVIEW

Upon completion, targeted in August 2026, the development will yield more than 25,000 square meters of saleable floor area and an estimated gross sales value of between US\$80 million to US\$85 million. With over 8,000 expatriates and 25,000 Chinese businessmen permanently based in Dili, the demand for rental in premium quality properties is expected to be high and the project is expected to bear attractive returns on investment for investors.

The Group increased its equity stake in TMS from 69% in FY2022 to 79% in FY2023.

LAND HELD FOR FUTURE DEVELOPMENT AND/ OR FOR SALE

TIMOR CITY SQUARE Dili, Timor-Leste

Strategically located adjacent to the bustling Central Business District and next to the automobile centre in Dili's city centre, the project site has a total area of 5,310 sqm.

Timor City Square S.A. ("TCSS") currently owns a 99-year leasehold Surface Rights over the project site. Under Timor-Leste laws, the Surface Rights allow companies holding such rights to establish a horizontal property regime for the land which in turn, allow for properties built on the land to be sold and owned by third party buyers.

TCSS is contractually committed to the landowner to commence development on the project site within nine years from 2019, giving it ample grace period to time such development plans to favourable market conditions. The Group has commenced the planning phase for Timor City Square, envisioning low-cost, low-rise apartment buildings to cater quality accommodation options to the middle-class workers community within the central business district of Dili. The attractiveness of the development will be enhanced by adding retail spaces at the ground level.

The Group increased its equity stake in TCSS from 60% in FY2022 to 79% in FY2023.



OTHER REAL ESTATE RELATED ACTIVITIES

URBAN PLANNING AND INFRASTRUCTURE PROJECTS Dili, Timor-Leste

The Group has a 15% stake in Vico Construction S.A. ("VCSA"), a company incorporated in Timor-Leste, and managed by an experienced Singapore building and construction company, Vico Construction Pte Ltd. VCSA is also the contractor awarded the construction contract for Timor Marina Square, which is 79% owned by the Group.

Going forward, VCSA will be actively seeking to participate in urban planning and infrastructure construction projects in Timor-Leste.

SEAFRONT RESORT Dili, Timor-Leste

The Group entered into a Memorandum of Understanding ("MOU") with Dili Development Co. LDA. with the aim of jointly developing a plot of seafront land plot into a resort.

Located at Fatumanu in Dili, five kilometres from the city centre, the land boasts an array of pristine beaches with crystal clear water home to an abundance of seas corals and marine life, making it one of the most scenic coastal views of Timor-Leste. The resort will be a pioneer concept in the country aspiring to be an opulent retreat for tourists, in particular, Australians and Chinese.

The feasibility study to determine the economic viability of the proposed collaboration, which includes ensuring firm commitments from various airlines, Chinese especially, to operate or increase the frequency of direct flights to Dili; securing MOU partnerships with overseas travel agencies to offer and market direct tour packages; as well as garnering support from environment officials to endorse and approve the local project. The concept has been well received by various airlines and travel agencies. The project will progress into the next phase of development planning when the necessary government approvals have been obtained.





PORTFOLIO REVIEW

PRINT AND MEDIA



Xpress Print, the Group's wholly-owned Singapore subsidiary, is a mid-sized printing company supported by a comprehensive network of printing partners in the region. With over 30 years of track record, Xpress Print offers a full range of print management and publishing services, including time-sensitive financial printing, conceptualisation, design, copywriting, translation, typesetting, colour proofing, printing, post-press packaging, global distribution and delivery. It also produces corporate brochures, year books, magazines and other commercial publications, collaterals and corporate gifts/premium for its wide global base of local and MNC financial and corporate organisations.

The Group recently published a book entitled, "Lee Kuan Yew – Will Singapore still exist in 100 years?" – to commemorate the 100th birthday of Singapore's founding prime minister. The book was launched by Deputy Prime Minister, Mr Lawrence Wong, in late July 2023.



A-Smart Media Pte Ltd, the Group's wholly-owned subsidiary, continues to front efforts in Corporate Social Responsibility. Since organizing its maiden event in January 2017 for the President's Challenge Charity Fund, A-Smart Media has since gone on to organize multiple events and functions, ranging from concerts to business and marketing conferences to even large-scale outdoor events, in Singapore.

A-Smart Media's reputation within the event management sector is on the rise, bolstered by the inclusion of an acrobatic ballet performance at the Esplanade Theatre, titled "Swan Lake". The performance has raised \$400,000 for the President's Challenge. The Group has successfully obtained tenders for organising the Lantern Festival at Chinatown for 2023 and another 3-year contract for Jurong Lake Gardens. Moving forward, more cultural performances are being planned.





PORTFOLIO REVIEW

SMART TECHNOLOGIES



As part of its vision to become a one-stop smart technology solutions provider for the F&B and retail industry in Singapore, the Group has developed a food waste digester system utilising advanced green technology for food waste composting and recycling. In line with Singapore's Zero Waste Masterplan, this system is designed to be deployed in locations that typically generate high amounts of food waste, to reduce the food waste significantly using environmentally friendly and sustainable methods.

A-Smart Life Pte Ltd is endorsed by the NEA as one of its few approved vendors and has witnessed a significant upsurge in tender invitations as the deadline for legislative actions in 2024 draws nearer. Clients from a wide spectrum of industries have been reaching out to enquire about the Group's comprehensive food waste digester systems.

The Group is constantly devising strategies to enhance the existing system and streamline its processes. Concurrently, the Group is conducting its own research and development to create other environmentally friendly and sustainable products, venturing into new business sectors.

OTHER INVESTMENTS

CHINA SUPERMARKET



The Group currently holds a 10% equity interest in Sheng Siong (China) Supermarket Co., Ltd ("SSC"). Additionally, the chairman of the Group's board holds the position of deputy chairman on the board of SSC.

SSC is managed and majority owned by Sheng Siong Group Ltd, a leading supermarket chain operator in Singapore and it currently has five stores that are operational in Kunming, with a sixth store being prepared for opening. All five stores continue to record healthy revenue and are profitable. The associated company is adhering to a strategy of a gradual expansion of the supermarket chain while showcasing and endorsing the highly regarded "Singapore brand" widely perceived to be superior, locally.





FINANCIAL HIGHLIGHTS

GROUP FINANCIALS AT 31 JULY	2023 \$'000	2022 \$'000
INCOME STATEMENT		
Revenue	6,337	6,144
Share of profit of an associated company	145	71
Operating EBITDA ¹ excluding share of associate's results	784	(453)
Net profit/ (loss) for the year ²	115	(1,127)
BALANCE SHEET		
Total assets	28,215	19,801
Net tangible assets ³	20,107	15,019
Total liabilities	8,108	4,782
Cash and cash equivalents	7,053	6,003
PER SHARE DATA (SINGAPORE CENTS)		
Earnings/(loss) per share – basic ⁴	0.07	(0.74)
Earnings/(loss) per share – diluted ⁴	0.07	(0.74)
Net tangible assets ³	11.24	10.08

¹ EBITDA – earnings before interest, tax, depreciation, and amortisation.

² The Group recorded a net profit of S\$ 0.12 million for the financial year ended 31 July 2023 (“FY2023”) as revenue from print and media segment improved and staff costs and other operating expenses were also lower in FY2023 compared to FY2022. The Group also benefitted from an increase in interest income from its bank deposits as well as government subsidies for older employees in FY2023. The Group also benefited from an increase in the share of profit of an associated company in FY2023.

³ The increase in net tangible assets (“NTA”) in FY2023 was mainly due to the issuance of 29,812,473 new ordinary shares at S\$0.18 per share.

Net tangible assets per share is calculated based on issued share capital of 178,874,835 ordinary shares outstanding at 31 July 2023 (31 July 2022: 149,062,362).

⁴ Basic and diluted earnings per share for FY2023 are calculated based on the weighted average issued share capital of 159,027,079 ordinary shares and 160,692,017 ordinary shares respectively. As loss was recorded for FY2022, the dilutive potential shares from convertible securities were anti-dilutive and hence no changes were made to the dilutive loss per share.

CHAIRMAN'S MESSAGE



Dear shareholders,

On behalf of the Board of A-Smart Holdings Ltd (“A-Smart” or the “Group”), it is my pleasure to present our Annual Report for the financial year ended 31 July 2023 (“FY2023”).

Our restructuring endeavors are proceeding as planned and have begun to yield positive results. The construction of our inaugural property development project, Timor Marina Square, has started and it is progressing well. We are also delighted that we have successfully returned to the black in FY2023 after incurring a net loss of S\$1.1 million in FY2022. This turnaround was driven by a 3.1% increase in revenue, which rose from S\$6.1 million in FY2022 to S\$6.3 million in FY2023, primarily attributed to higher revenue contributions from both our smart eco-technologies as well as print and media business segments. Coupled with lower staff costs and other operating expenses, the Group recorded a net profit of S\$115,000 in FY2023.

Moving ahead, we are committed to our ongoing restructuring initiatives, firmly believing in their potential to deliver positive outcomes for the Group. Our dedication to these efforts is unwavering as we strive to enhance and expand our business operations. The Group will continue to harness the outcomes of our research and development efforts to bolster market share and fortify our revenue base, with a particular emphasis on environmental and eco-friendly operations. We are steadfast in our belief that resource sustainability will play a pivotal role in the global economy going forward. Therefore, the Group is determined to establish this sector

as one of its primary business verticals. We will remain resolute in our pursuit of these new revenue streams, with the goal of achieving sustained profitability.

Our listed company recently secured substantial funds through a share placement, with a prominent tycoon, Mr. Oei Hong Leong, becoming our second-largest shareholder, now holding 16.67% shares of the Group. This strategic move is a resounding testament to Mr. Oei's unwavering confidence in the Group's future prospects. His substantial investment not only bolsters our financial strength but also underscores the attractiveness of our business model and the growth potential he sees in our organization.

Print and Media

The tourism industry in Singapore has steadily regained its momentum as it was one of the first regions in Asia to open its borders amidst the global pandemic. This rapid reopening has positioned Singapore to capitalize on the robust pent-up demand for travel. Projections indicate that international visitor arrivals to Singapore are expected to range between 12 to 14 million in 2023, with a full recovery in tourism anticipated by 2024. With a strong pipeline of large-scale events, we have also witnessed a rebound in Meetings, Incentives, Conventions and Exhibitions (MICE). In tandem with the recovery in the tourism industry and MICE sector, the Group's printing business has registered notable growth.

The escalating demand for custom print products especially bespoke products in marketing materials requiring specialized technology has spurred the Group to invest in additional machinery in anticipation of this burgeoning demand. The rising demand for higher value-add services is evident, and there is only a limited number of market players specialize in this niche area of printing. Drawing upon our long-standing expertise in delivering end-to-end solutions, a capability we have honed since our initial public offering days, we are leveraging the Group's strengths to provide a comprehensive one-stop solution for high-end printing materials. Furthermore, the Group successfully published the book titled “Lee Kuan Yew – Will Singapore still exist in 100 years?” to commemorate the 100th birthday of Singapore's founding prime minister. The book was launched in late July 2023 and has since achieved very encouraging response from the public. A large number of these books have also been contributed to schools, unions, and



CHAIRMAN'S MESSAGE

“ On behalf of the Board, I want to express our heartfelt appreciation to the dedicated staff and management of the Group. Your unwavering commitment and hard work have been instrumental in propelling us toward brighter days ahead. I would also like to take this opportunity to convey my deep gratitude and appreciation to the Board of Directors for their invaluable contributions over the past year. ”

societies as well as being reference material in the library.

The Group has established a strong reputation in the field of event management, with a track record of organizing well-executed events. The Group's most recent addition to its portfolio is the successful organization of the event "Swan Lake," an acrobatic ballet performance held at the Esplanade Theatre in July 2023. As part of the Group's annual fundraising efforts, the performance has raised \$400,000 for the President's Challenge. Leveraging the Group's history of successful events and positive reviews, the Group has successfully obtained tenders for organizing the Lantern Festival at Chinatown in 2023 and another 3-year contract for Jurong Lake Gardens. Given the growing business opportunities within the event management industry, the Group remains dedicated to the ongoing integration of technology into our daily operations. This endeavor is aimed at further enhancing efficiency and improving profitability.

Smart Eco-Technologies

Food waste is one of the biggest waste streams in Singapore, making up over 10% of all waste produced. This has a huge impact on the food security of Singapore, which imports over 90% of its food supply. In addition, resources such as incinerators and landfills are used to process food waste, resulting in a higher carbon footprint. Thus, the government is currently placing a strong emphasis on initiatives aimed at enhancing resource sustainability and addressing climate conservation concerns. One of its initiatives is Zero Waste Masterplan which aims to achieve a 20% and 30% reduction in waste-to-landfill per capita per day by 2026 and 2030 respectively.

Singapore's food waste recycling market is projected to achieve a revenue of US\$33 million by the end of 2030, growing at a CAGR of 5.8% throughout the forecast period spanning from 2021 to 2030. In light of impending legislation

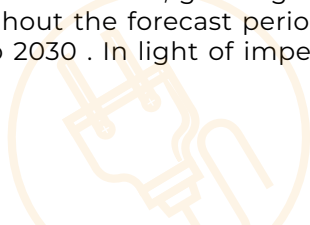
that will require owners and operators of commercial and industrial premises to segregate their food waste for treatment in 2024, the Group has witnessed a significant upsurge in tender invitations for our food waste digester systems.

The Group is also constantly formulating strategies to improve the existing system and streamline operational processes. Moreover, we are actively pursuing in-house research and development efforts to create other eco-friendly and sustainable products, paving the way into new business sectors. With a focus on leveraging economies of scale, the Group is planning to expand its manufacturing capacity. This expansion will facilitate central processing capabilities, specifically to cater to small F&B operators with relatively modest food waste volumes, making it economically feasible for them to access a food waste digester system.

Our status as one of the forerunners in the food waste digester system industry and NEA-approved vendors has put us in a favourable position to expand our market presence and capture greater market share in the industry. The Group is confident that this business segment will make a significant positive contribution to Singapore's conservation efforts towards a more sustainable future.

Property Development and Real Estate

Our maiden project, Timor Marina Square ("TMS"), has made significant progress following the challenges posed by the COVID-19 pandemic as we intensified our efforts to expedite the construction progress. Construction activities began in the second half of 2023, and the development of water well infrastructure is currently underway. We have successfully sourced and imported essential piling equipment and building materials from China for the foundation work. The next phase of construction, which involves piling and foundation work, is anticipated to commence in the final quarter of 2023.



CHAIRMAN'S MESSAGE



As an integral aspect of its state-of-art design, TMS places a strong emphasis on environmental sustainability. It seamlessly integrates architectural design with greenery and expansive landscaped areas to evoke a garden city ambiance. We are confident that this project will serve as a catalyst for attracting foreign investments into Timor-Leste, facilitating the development of modern and sustainable cities. Furthermore, we have been consistently receiving promising inquiries and expressions of interest from numerous potential investors, some of whom are interested in block purchases. This underscores the growing appeal and viability of the project within the investment community.

The Group has also initiated the planning phase for Project Timor City Square in Timor-Leste which the Group holds a substantial 79% ownership stake. This visionary project aims to introduce low-cost, low-rise apartment buildings strategically located within the central business district of Dili, providing high-quality accommodation options for the middle-class workforce community. To enhance the appeal of this development, we plan to incorporate retail spaces on the ground level, enriching the overall experience for residents and visitors alike.

Furthermore, the Group is actively engaged in exploring fresh opportunities within the realm of commercial real estate development in Dili. Our ongoing dialogues with the Timorese government involve identifying potential state-owned land parcels within the city that align with our development objectives. We are enthusiastic about expanding our presence and making substantial contributions to the growth and dynamism of the commercial real estate landscape in Dili.

Following the acceptance as an in-principle member, Timor-Leste participated in its inaugural Association of Southeast Asian Nations ("ASEAN") summit as an observer in May 2023 and expressed its commitment to follow a roadmap leading to full ASEAN membership, thereby potentially becoming the 11th member of the bloc. Thus, the outlook for Timor-Leste is quite promising. Leveraging our early entry into this region, we believe that our presence in Timor-Leste is well-timed and strategically positioned. This expansion aligns with our strategy to diversify our earnings base and establish new and sustainable revenue streams for the Group.

Supermarket Investment

China market is known for its unique challenges, yet the Group's associated company, Sheng Siong China Co. Ltd ("SSC"), has demonstrated promising performance in its supermarket operations in Kunming, China, consistently maintaining profitability. Building on the encouraging results from the existing supermarket stores, SSC has successfully opened another supermarket store in Kunming during the first half of 2023, bringing the total store count in China to 5. SSC entered into a lease agreement for the 6th store on 11 September 2023 and this store will be operational before the end of 2Q2024.

As China eases its COVID-19 restrictions and transitions away from its stringent zero-COVID-19 policy, the Group anticipates an uptick in consumer confidence and pent-up demand. This, in turn, is expected to lead to an upswing in SSC's sales performance, driven by a higher influx of customers. Moving ahead, SSC will be taking a cautious but calculated approach in expanding its market presence in China and building up "Sheng Siong" brand in Kunming.

Appreciation

On behalf of the Board, I want to express our heartfelt appreciation to the dedicated staff and management of the Group. Your unwavering commitment and hard work have been instrumental in propelling us toward brighter days ahead. I would also like to take this opportunity to convey my deep gratitude and appreciation to the Board of Directors for their invaluable contributions over the past year.

I would like to express my sincere appreciation to our business partners, associates, customers and suppliers who have been with us throughout our journey. Their support has been a crucial factor in our business success.

Lastly, a heartfelt thank you to our shareholders for their unwavering trust in us. The path we have travelled has been marked by challenges, and the road ahead may hold uncertainties. However, we firmly believe that with your continued support, we can overcome any obstacles that come our way and emerge even stronger. Together, we will persist in forging a more resilient and sustainable business that delivers increased value to our stakeholders.

MA WEIDONG

Non-Executive Chairman



BOARD OF DIRECTORS



MA WEIDONG

*Non-Executive Chairman
and Non-Independent Director*

Mr Ma Weidong was appointed the Executive Chairman of the Group on 9 July 2015 and redesignated as Non-Executive Chairman on 30 November 2016. Mr Ma is also the Company's single largest shareholder of approximately 42.1% shareholdings in the Company's shares.

Mr Ma is an experienced company director in the People's Republic of China ("PRC") having served as the Board Director and Chairman of several PRC companies. Currently, he is the Chairman of Kunming Luchen Group Co. Ltd and Kunming Tianlongrun Sugar, Tobacco and Wine Co., Ltd.

Mr Ma began his entrepreneurial career in 1998 and is currently the Executive Vice President of the Kunming Entrepreneurs Association in the PRC, as well as being recognised as the Kunming Outstanding Entrepreneur. He has led the takeover, and restructuring of several companies in China, with a clear emphasis on his principles and values of integrity, trust and social responsibility. With his strong and creative business acumen, he has expanded the scale and diversity of his businesses, including the logistics, food manufacturing, financial and real estate sectors.

With foresight, great business acumen and resourcefulness, Mr Ma employs his sharp analytical skills in highly challenging economic situations to seek out and develop business opportunities. Under his strong leadership, both local and international enterprises were able to accurately ride on trends and make timely strategic adaptations to the ever-changing economic landscape. His acute business sense guides enterprises to build a strong foundation, grow exponentially and fully reach their potential.

He has completed a course in Excellence and Innovation Management for CEO at the Tsinghua University in Beijing in 2012, and was part of a China delegation, alongside President Xi Jinping, at the 2013 APEC Summit in Bali, Indonesia.



LIM HUAN CHIANG JP

*Chief Executive Officer
and Non-Independent Director*

Mr Lim Huan Chiang joined as the Chief Executive Officer and Non-Independent Director on 26 October 2015. Prior to joining the A-Smart Group, he was with the Singapore Press Holdings for more than two decades and last held the position of Vice-President of the Chinese Media Group. Resultantly, he has not only developed expertise in the publication and printing industry but with 20 years in the media industry, he has also established deep relationships with governments, and cultural and educational circles locally and abroad.

Mr Lim has a plethora of organization and management experiences, acquired from both his full-time profession and community involvement. He was once the commander of the rescue battalion of the Civil Defence Force, the commander of the Civil Defence Volunteers Unit, and the Western Civil Defence Division. During his tenure, his most significant achievements were launching the Blood Grouping Test for the entire population and introducing various public education initiatives on emergency preparedness including schools, community groups, and workplaces. Over this period, he has established a wide and good connection with the public, thus enhancing his organizational and management capabilities.

In the area of social involvement, he is currently voluntarily serving in a number of government or community organisations, including the "President's Challenge" Charity Steering Committee, the IMDA Film Classification Appeals Committee, the Singapore Government Staff Credit Co-operative, the Town Council, Community Development Council, New Citizen Integration Council, Marriages' Solemniser, Singapore-China Business Association, Teochew Federation General Association, etc. In addition, he

BOARD OF DIRECTORS



also serves as the chairman of the Chinese Culture and Language Advisory Committee of the People's Association, the Radin Mas Citizens' Consultative Committee, the Chinese Journalists Association, and the Prison's Home Detention Advisory Committee.

Due to Mr Lim's enthusiasm for social welfare affairs, he was appointed as a "Justice of the Peace" by the President of Singapore in 2005. At the same time, due to his diverse contributions to society, he has been awarded many national medals and honors, including the Efficiency Medal, the Public Service Medal, the Public Service Star, the Public Service Medal (Bar), etc.

In terms of education, Mr Lim graduated from the Master's Program of the London College of Fire Engineering and the Master's Program of Advanced Public Administration and Management of the Lee Kuan Yew School of Policy at the National University of Singapore. Besides, he also has several professional qualifications such as business management, public relations, financial management, and Chinese law.



SAM CHONG KEEN

Lead Independent and Non-Executive Director

Mr Sam Chong Keen was first appointed Independent Non-Executive Director on 5 December 2001. Since then, he has served the Group as Chief Executive Officer from 2006 to 2008 and as Non-Executive Chairman from 2014 to 2015. Mr Sam was appointed the Lead Independent Director on 9 July 2015.



Mr Sam has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress, Intraco Ltd, Comfort Group Ltd, VICOM Ltd, Lion Asiapac Ltd, Lion Teck Chiang Ltd, Jade Technologies Holdings Ltd and Sino-Environment Technology Group Limited.

Mr Sam was the Political Secretary to the Minister for Education from 1988 to 1991. He has served on various government boards and committees, including the Central Provident Fund Board and the National Cooperative Federation.

Mr Sam holds a Bachelor of Arts (Honours) in Engineering Science & Economics and a Master of Arts from University of Oxford, as well as a Diploma from the Institute of Marketing, United Kingdom.



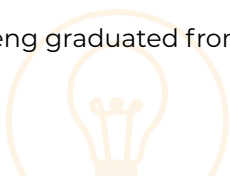
DARLINGTON TSENG TE-LIN

Non-Executive Director

Mr Darlington Tseng has been serving as Non-Independent and Non-Executive Director since 4 July 2014. Previously, he served as its Executive Director from 1 March 2008 to 1 June 2014. He joined the Company on 2 July 2007 as Director of Business Development for Greater China.

Before joining A-Smart, Mr Tseng held a senior sales executive position at BASF Taiwan Ltd, from 2005 to 2007. He also gained extensive knowledge of the region's business climate during his tenure with BASF's regional New Business Development Team. Between 1998 and 2002, Mr. Tseng worked in the chemical industry for AGI Corporation based in Taiwan where he was responsible for the company's overseas markets and successfully set up the company's Mexico manufacturing plant producing specialty varnish for the printing/ coating industry. Mr. Tseng is currently the Operation Director of a Taiwan-based company that specializes in repair solutions and services to computer, communication and consumer electronic products.

Mr Tseng graduated from Peking University, with a Masters of Business Administration.



BOARD OF DIRECTORS



CHU HONGTAO

Independent Non-Executive Director

Ms Chu Hongtao was appointed Independent Non- Executive Director on 9 July 2015. She chairs the Audit Committee, the Nominating and the Remuneration Committees.

Ms Chu has more than 20 years of accounting, investment and financial management experience – having previously served as the Financial Controller of Yunnan Province Kunming Bao Shan Hotel and currently the Chief Financial Officer of Yunnan De Yi

Hao Equity Management Co., Ltd.

Ms Chu possesses strong knowledge in finance, taxation and investment management and she is also well-versed in financial laws. She graduated from Dongbei University with a degree in Accountancy, and subsequently obtained an MBA from the Business and Tourism School of the Yunnan University in 2013.



KENNETH LOO

Non-Executive Director

Mr Kenneth Loo was appointed Non- Executive Director on 2 August 2017.

Mr Loo has more than 29 years of experience in the property development and construction industry. He is currently the Executive Director and Chief Operating Officer of Straits Construction Group Pte Ltd (“SC”) and holds several directorships under the SC group of companies.

Mr Loo is the Immediate Past President of The Singapore Contractors Association Ltd (SCAL). As an effective voice of contractors, SCAL has been instrumental in advocating business-friendly practices, promoting industry development, and fostering a safe and productive work environment.

He also sits as Member of the Singapore Business Federation, Small and Medium Enterprises Committee, Civil & Environmental Engineering Departmental Consultative Committee of NUS and serves as a council member of the National Crime Prevention Council.

Mr Loo graduated with a Bachelor of Engineering (Civil) from the University of New South Wales in 1990 and has an MBA in Technology Management from Deakin University Australia/APESMA.



KEY MANAGEMENT

RONNIE YO

Group Financial Controller, A-Smart Holdings Ltd

Mr. Yo has been Group Financial Controller of the A-Smart Group since April 2015, a position he previously held from 2008 to 2010. He has overall responsibility for the finance, accounting, treasury, taxation and other compliance matters of the group.

Mr. Yo has worked in the group finance functions of companies listed on the mainboard of the SGX-ST since 2003, after he left the public accounting profession.

He holds a professional qualification from the Association of Chartered Certified Accountants as well as bachelor and post-graduate degrees from UK Universities. Mr. Yo is a fellow member of the Institute of Singapore Chartered Accountants.

FOONG SOW PENG

Operations Director, Xpress Print Pte Ltd

Ms. Foong joined the Group in April 1995 and was appointed Operations Director of Xpress Print Pte Ltd. She is trained in factory management and holds a Diploma in Production Engineering from the Singapore Polytechnic. With over 30 years of experience in multinational corporations, Ms. Foong is responsible for the Group's printing operations and publishing activities.

RIDUWAN ZHANG

General Manager, Financial Research, Xpress Print Pte Ltd

Mr. Zhang is the General Manager (Financial Research), responsible for the sales and management of timesensitive financial research reports as well as promoting them in emerging, fast-growing markets such as the PRC, India and Vietnam. He joined the Group on 15 September 1997.

Riduwan is well-versed in the business of financial printing in the PRC, having been seconded to the Group's Hong Kong operations in 2004 to explore new markets and understand the financial services business. He has established strong professional relationships with PRC printers.

Riduwan holds a Masters of Science (Information Studies) degree from the Nanyang Technological University and a Bachelor of Business Systems (Honours) from Monash University.

BRANDON NG

Senior Manager, IT Infrastructure & Human Resource, Xpress Print Pte Ltd

Mr. Ng joined the Group in July 2000 and is responsible for the development and maintenance of the Group's IT infrastructure and systems security. In addition, he was further tasked to oversee the Group's HR function in 2016, and he went on to successfully digitalize the Group's HR processes.

Brandon is certified as Information Security Management Systems (ISMS) Lead Auditor with more than 20 years of experience in the IT industry.



REPORT OF CORPORATE GOVERNANCE

A-Smart Holdings Ltd. (“**Company**”) and its subsidiaries (collectively “**Group**”) are committed to setting in place corporate governance practices to provide the structure through which the objectives of protection of shareholders’ interests and enhancement of long-term shareholders’ value are met.

This report outlines the Group’s main corporate governance practices with specific reference made to the Code of Corporate Governance 2018 (“**Code**”) that were in place throughout the financial year or which will be implemented and where appropriate, we have provided explanations for deviation from the Code.

BOARD MATTERS

The Board’s Conduct of its 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 of Directors (“**Board**”) comprises six Directors of whom one is an Executive Director, three are Non-Executive Directors and two are Independent Directors. Their combined wealth and diversity of experience enable them to contribute effectively to the strategic growth and governance of the Group.

The principal functions of the Board, apart from its statutory responsibilities, include:

- Provides entrepreneurial leadership and sets the overall strategy and direction of the Group;
- Reviewing and overseeing the management of the Group’s business affairs, financial controls, performance and resource allocation;
- Approving the Group’s strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies;
- Oversee the processes of risk management, financial reporting and compliance and evaluate the adequacy of internal controls;
- Approving the release of the Group’s interim and full-year financial results, related party transactions of material nature and the submission of the relevant checklists to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”);
- Appointing Directors and key management staff, including the review of performance and remuneration packages; and
- Assumes the responsibilities for corporate governance.

REPORT OF CORPORATE GOVERNANCE

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and take objective decisions in the interests of the Company. To ensure that specific issues are subject to considerations and review before the Board makes its decisions, the Board has established three Board Committees, namely, the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively “**Board Committees**”), which would make recommendations to the Board. The Boards holds the Management of the Company (“**Management**”) accountable for performance. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict. The Directors would abstain from voting and decision involving the issues of conflict.

The Company's Constitution (“**Constitution**”) provides for meetings of the Directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or telegraphic means. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction.

The frequency of meetings and the attendance of each Director at every Board and Board Committees meetings and General Meetings (annual general meeting and extraordinary general meeting) for FY2023 are disclosed in the table reflected below:

Name of Director	Board		AC		RC		NC		AGM		EGM	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ma Weidong	2	2	2	2*	1	1	1	1	1	1	1	1
Lim Huan Chiang	2	2	2	2*	1	1*	1	1*	1	1	1	1
Darlington Tseng Te-Lin	2	2	2	2	1	1*	1	1*	1	1	1	1
Sam Chong Keen	2	2	2	2	1	1	1	1	1	1	1	1
Chu Hongtao	2	2	2	2	1	1	1	1	1	1	1	1
Loo Kenneth	2	2	2	2*	1	1*	1	1*	1	1	1	1

*By invitation

The Board has adopted a set of internal guidelines setting forth matters that requires the Board's approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisition, disposals and financing proposals, reviewing and approving the Group's corporate policies, monitoring the performance of the Group and transactions relating to investment, financing and legal and corporate secretarial. The Management understands that these matters require approval from the Board. The Board will review these internal guidelines on a periodic basis to ensure their relevance to the operations of the Company. Directors are required to always discharge their fiduciary duties and responsibilities in the interest of the Company and act in good faith.

The Directors are also updated regularly with changes to the SGX-ST listing rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.

REPORT OF CORPORATE GOVERNANCE

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. The Company Secretary would inform the Directors of upcoming conferences and seminars that are relevant to their roles as Directors of the Company. Annually, the external auditors (“**EA**”) update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

The Company conducts comprehensive orientation programs for new Directors to familiarise themselves with the Company’s structure and organisation, businesses, and governance policies. The aim of the orientation program is to give Directors a better understanding of the Company’s businesses and allow them to assimilate into their new roles. All Directors who have no prior experience as Director of a listed company will undergo Mandatory Training conducted by Singapore Institute of Directors (“**SID**”) in accordance to Rule 201(5) of the Listing Manual, at the expense of the Company, to enable him/her to discharge his/her duties effectively. No New Director was appointed in 2023.

New Directors are also informed about matters such as the Code of Dealing in the Company’s shares. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from SGX-ST that affect the Company and/or the Directors in discharging their duties.

All the Directors had attended and completed the mandated sustainability training course organised by SID and the Institute of Singapore Chartered Accountants (ISCA) as required by the enhanced SGX sustainability reporting rules announced in December 2021.

Directors always have access to visit the Group’s operational facilities and meet with the Management to gain a better understanding of the business operations.

A formal letter of appointment would be furnished to every newly appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as member of the Board.

To enable the Board to fulfil its responsibility, the Management strives to provide Board members with adequate and timely information for Board and Board Committees meetings on an on-going basis. The Board and Board Committees papers include financial, business, and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings and enabled to make informed decisions.

Directors are given separate and independent access to the Management and Company Secretary to address any enquiries. Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

REPORT OF CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

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

As of the date of this report, the Board comprises one (1) Executive Director, three (3) Non-Executive Directors and two (2) Independent Directors as follows:

Name of Director	Position held on the Board	AC	NC	RC
Ma Weidong	Non-Executive Chairman	-	Member	Member
Lim Huan Chiang	Executive Director and Chief Executive Officer (“CEO”)	-	-	-
Loo Kenneth	Non-Executive Director	-	-	-
Darlington Tseng Te-Lin	Non-Executive Director	Member	-	-
Sam Chong Keen	Lead Independent Director	Member	Member	Member
Chu Hongtao	Independent Director	Chairman	Chairman	Chairman

The NC and the Board has adopted the Code’s criteria of an Independent Director in their review and are of the view that all Independent Directors have satisfied the criteria of independence. There is a strong and independent element as the Independent Directors make up one-third of the Board. Matters requiring the Board’s approval are discussed and deliberated with participation from each member of the Board. The decisions are based on collective decision without any individual influencing or dominate the decision-making process.

The NC notes that Provision 2.2 of the Code states that the Independent Directors should make up a majority of the Board where the Chairman of the Board is not an Independent Director. Although Independent Directors do not make up a majority of the Board, the Board is of the opinion that there is sufficiently strong independent element for it to function effectively. In addition, non- executive directors also make up a majority of the Board. Therefore, the Board believes that the process of decision making has been independent and has been based on a collective decision without any individual dominating the Board’s decision-making.

At the end of the financial year ended 31 July 2023, Mr Sam Chong Keen has served the Board for more than nine (9) years from the date of his appointment. In view of this, the Board has subjected his independence to a rigorous review by all Directors, with Mr Sam Chong Keen abstaining from his own review, before deciding if he should continue with the appointment.

After due consideration and with the concurrence of the NC, the Board is of the view that Mr Sam Chong Keen has individually demonstrated strong independence character and judgement over the years in discharging his duties and responsibilities as an Independent Director of the Company with the utmost commitment in upholding the interests of the non-controlling shareholders. The Board believes that his continued contribution will provide stability and benefits to the Board and the Company as a whole, especially given his invaluable knowledge of the Group and its operations gained through the years.

REPORT OF CORPORATE GOVERNANCE

Taking into account of the above and also weighted the need for Board's renewal, the NC and the Board have affirmed his independence status and recommended that Mr Sam Chong Keen continues to be considered as an Independent Director, notwithstanding he has served on the Board beyond nine (9) years from the date of his first appointment. In view of the removal of the two-tier vote mechanism for Company to retain long-serving Independent Director who has served for more than nine (9) years as announced by the Singapore Exchange Regulation on 11 January 2023 and the Transitional Practice Note was published to allow the Company to have a transitional period for the Independent Director whose tenure exceeds the nine (9) years limit continue to be deemed independent until the Annual General Meeting for the financial year ending on or after 31 December 2023. The Board will comply with the new ruling, limiting the tenure of the independent directors to nine years. However, the Company will continue to retain Mr Sam Keen Chong as the Lead Independent Director until the conclusion of the AGM for the financial year ending 31 July 2024 to facilitate the Company to search for new Independent Non-Executive Director/s in compliance with the Listing Rules.

The Board regularly examines its size, with a view to determining the impact of its number upon effectiveness and decides on what it considers an appropriate size for itself including the scope and nature of the Company's operations. The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience and considering the balance and diversity of skills, experience, and gender to enable Management to benefit from a diverse perspective of issues that are brought before the Board. Together, the Directors as a group provide core competencies in business, investment, legal, audit, accounting, and tax matters.

It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its shareholders. No individual or small group of individuals dominates the Board's decision making.

Nevertheless, the Board may, from time to time, seek to improve the aspects of its diversity and measure progress accordingly and the "size and composition of the Board are reviewed from time to time by the NC which strives to ensure that the size of the Board is conducive to effective discussions and decision making and that the Board has an appropriate balance of Independent Directors.

The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance and is accordingly committed to promoting diversity of the Board, in line with its diversity policy. The Company has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity or perspectives appropriate to its business so as to mitigate groupthink and foster constructive debate. The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective to issues that are brought before the Board. In reviewing the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including functional and domain skills, knowledge, experience, cultural and educational background, gender, age, tenure and other relevant aspects of diversity of perspectives appropriate to its business.

REPORT OF CORPORATE GOVERNANCE

Currently, the Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives of the Group's business and direction, and hence, meeting the objective of the Board Diversity Policy. Accordingly, the Board, with the concurrence of the NC, is of the opinion that the current size and composition of the Board and the Board Committees are appropriate, taking into account the nature and scope of the Group's operations and the requirements of the business of the Group.

The Board confirmed that the Company is in compliance with Rule 710(A) of the Listing Manual of the SGX-ST. Nonetheless, the NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

The profiles of the Board are set out in pages 13 to 15.

The Non-Executive Directors and Independent Directors participate actively during Board meetings. In addition to providing constructive advice to the Management on pertinent issues affecting the affairs and business of the Group, they also review the Management's performance in meeting goals and objectives of the Group's business segments. The Company has benefited from the Management's access to the Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Non-Executive Directors and Independent Directors communicate amongst themselves and with the Company's auditors and senior management. Where necessary, the Company co-ordinates informal meetings for Non-Executive Directors and Independent Directors to meet without the presence of the Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Non-Executive Chairman and CEO are not related to each other nor are they immediate family member.

The Company practices a clear division of responsibilities between the Chairman and CEO.

Mr. Ma Weidong is the Non-Executive Chairman while Mr. Lim Huan Chiang is the CEO. The CEO is responsible for the overall implementation and management of the Group's day-to-day operations, business strategies and direction and corporate plans and policies.

The Chairman ensures that Board members are provided with complete, adequate and timely information. The Chairman ensures that procedures are introduced to comply with the Code and ensures effective communications within the Board and with the shareholders.

REPORT OF CORPORATE GOVERNANCE

The responsibilities of the Chairman include:

- Scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- Ensuring that Directors receive accurate, timely and clear information, and ensuring effective communication with shareholders;
- Ensuring the Group's compliance with the Code; and
- Acting in the best interest of the Group and of the shareholders.

The Company Secretary may be called to assist the Chairman in any of the above.

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

The Board had appointed Mr. Sam Chong Keen as the Lead Independent Director with effect from 29 November 2013 to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on Board issues. He is available to shareholders when they have concerns which contact through the normal channels of the Non-Executive Chairman, CEO or the Group Financial Controller ("**GFC**") are inappropriate or inadequate.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary and feedback would be provided after such meetings.

Pursuant to Provision 3.3 of the Code, as the Chairman is non-independent, the Board has appointed Mr Sam Chong Keen as the Lead Independent Director and is of the view that there is sufficiently strong independent element on the Board to enable the independent exercise of objective judgement on corporate affairs of the Group by members of the Board, taking into account factors such as the number of Independent Non-Executive Directors on the Board, as well as the size and scope of the affairs and operations of the Group.

The Lead Independent Director is available to shareholders where they have concerns which contact through the normal channels of the Non-Executive Chairman, Chief Executive Officer or Group Financial Controller has failed to resolve or for which such contact is not appropriate.

REPORT OF CORPORATE GOVERNANCE

BOARD MEMBERSHIP

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

The NC comprises 3 members, two of whom (including NC Chairman) are independent directors. The Lead Independent Director is also a member of the NC. The Members of the NC are:-

Nominating Committee

Ms. Chu Hongtao (Chairman)
Mr. Sam Chong Keen
Mr. Ma Weidong

The Chairman of the NC is not directly associated with any substantial shareholder of the Company. The NC has adopted written terms of reference defining its membership, administration and duties. Some of the duties and responsibilities of the NC include:

- to make recommendations to the Board on all Board appointments having regard to the Director's contribution and performance;
- determining annually whether or not a Director is independent; and
- deciding whether a Director is able to and has adequately carried out his duties as a Director of the Company in particular where the Director concerned has multiple board representations.

The NC makes recommendations to the Board on the matters relating to:

- Appointment and re-appointment of Directors;
- Appointment of Chairman and CEO;
- The effectiveness of the Board as a whole; and
- The NC shall have the right to appoint such consultants as it deems necessary during a search for new Directors.

The NC meets at least once a year. Pursuant to the Company's Constitution, one-third of the Board is required to retire by rotation at every AGM. Directors who retire are eligible to offer themselves for re- election.

All Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's regulation requires one-third of the Board to retire and submit themselves for re-election by shareholders at each AGM. In addition, the Company's Constitution provides that every new Director must retire and submit themselves for re-election at the next AGM of the Company following his appointment during the year.

REPORT OF CORPORATE GOVERNANCE

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position held on the Board	Date of first to the Board appointment	Date of last re-election as Director
Ma Weidong	Non-Executive Chairman	9 July 2015	29 November 2022
Lim Huan Chiang	Executive Director and CEO	26 October 2015	29 November 2021
Kenneth Loo	Non-Executive Director	2 August 2017	27 November 2020
Darlington Tseng Te-Lin	Non-Executive Director	1 March 2008	29 November 2022
Sam Chong Keen ⁽¹⁾	Lead Independent Director	5 December 2001	29 November 2021
Chu Hongtao	Independent Director	9 July 2015	27 November 2020

Notes:

⁽¹⁾ Mr. Sam Chong Keen was first appointed as an Independent and Non-Executive Director on 5 December 2001 and re-designated as Executive Director and CEO on 16 February 2006. Mr. Sam Chong Keen was re-appointed as Non-Executive and Non-Independent Director on 2008 and re-designated as Independent and Non-Executive Director on 30 November 2012. He was appointed as the Lead Independent Director and Non-Executive Chairman on 29 November 2013 and 19 September 2014 respectively and relinquished his position as Non-Executive Chairman on 9 July 2015.

Mr. Sam Chong Keen, who has served on the Board more than nine (9) years, has obtained shareholders' approval for Two-Tier Voting resolutions for his continued appointment at the Company's Annual General Meeting ("AGM") held on 29 November 2021.

In considering whether an Independent Director who has served on the Board beyond 9 years is still independent, the Board has taken into consideration the following factors:

- The amount of experience and wealth of knowledge that the Independent Director brings to the Company;
- The attendance, active participation and ability to express his views independently at all times and present constructive challenges on issues, in the proceedings and decision-making process of the Board and Board Committee meetings;
- Provision of continuity and stability to the Management at the Board level as the independent Director has developed deep insight into the business of the Company and possesses experience and knowledge of the business;

REPORT OF CORPORATE GOVERNANCE

- The qualifications of the Independent Director and his expertise provide reasonable checks and balances for the Management;
- The Independent Director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. He is adequately prepared, responsive, and heavily involved in the discussions at the meeting; and
- The Independent Director provides overall guidance to Management and acts as a safeguard for the protection of Company's assets and shareholders' interests.

Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deemed fits.

The Company has in place, policies and procedures for the appointment of new Directors, including the description on the search and nomination procedures. Each member of the NC shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the NC in respect of his re-nomination as a Director.

The NC has recommended to the Board that Ms. Chu Hongtao, and Mr. Kenneth Loo, who are retiring at the forthcoming AGM be nominated for re-election at the forthcoming AGM. The Board had accepted the recommendation and the retiring Directors will be offering themselves for re-election.

There is no alternate director being appointed to the Board during the financial year under review.

For the financial year under review, the NC is of the view that the Independent Directors of the Company are independent (as defined in the Code) and are able to exercise judgement on the corporate affairs of the Group and independent of the Management.

The key information regarding Directors, such as academic and professional qualifications, Board Committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive are set out in pages 13 to 15 and 40 of the Annual Report.

REPORT OF CORPORATE GOVERNANCE

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 NC has established a review process to assess the performance and effectiveness of the Board as a whole and the Board Committees to assess each Director's contribution to the Board's effectiveness. During FY2023, all Directors are requested to complete the individual Director, Board and Board Committees evaluation questionnaires designed to seek their view on the various aspects of the Board's performance so as to assess the overall effectiveness of the Board. No external facilitator was used during the evaluation process in FY2023. However, if need arises, the NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

The responses are collated and reviewed by the NC which then makes recommendations to the Board aimed at helping the Board to discharge its duties more effectively. The appraisal process focuses on a set of performance criteria which include the evaluation of the size and composition of the Board, the Board's access to information, Board process and accountability, Board performance in relation to discharging its principal responsibilities and the Directors' standards of conduct. Following the review, the NC is of the view that the Board and Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board for FY2023.

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 Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate Directors and key management executives. There should be a formal and transparent procedure for developing policies on Director and executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.

The RC comprises 3 members, two of whom (including RC Chairman) are independent directors. The members of the RC are::

Remuneration Committee

Ms. Chu Hongtao (Chairman)
Mr. Sam Chong Keen
Mr. Ma Weidong

In discharging their duties, the members have access to advice from the internal human resources personnel, and if required, advice from external experts.

REPORT OF CORPORATE GOVERNANCE

The RC recommends to the Board a framework for the remuneration for the Board and key executives and to determine specific remuneration packages for each Executive Director which is based on transparency and accountability.

The RC has adopted written terms of reference defining its membership, administration and duties. The duties and responsibilities of the RC include:

- recommending to the Board of Directors, in consultation with the Chairman of the Board, for endorsement, a comprehensive framework of remuneration for the Board and key executives of the Group;
- recommending specific remuneration packages for each of the Directors and key executives which should cover all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;
- reviewing and recommending to the Board the terms of renewal of service contracts of Directors;
- administering the share incentive plans of the Company, if any;
- appointing or retaining such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties hereunder satisfactory; and
- considering the various disclosure requirements for Directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

The RC recommends, in consultation with the Chairman of the Board, a framework of remuneration policies for key executives and Directors serving on the Board and Board Committees and determines specifically the remuneration package for each Executive Director of the Company. The RC covers all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses and incentives.

The RC's recommendations are submitted to the entire Board. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package. No Director is involved in deciding his own remuneration.

The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company.

In reviewing the service agreements of the Executive Directors and key executives of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

REPORT OF CORPORATE GOVERNANCE

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.

In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry as well the Group's relative performance and the performance of its individual Directors.

The Independent Directors and Non-Executive Directors are paid Directors' fees taking into account factors such as the effort and time spent and the scope of responsibilities of the Directors. The Independent Directors and Non-Executive Directors shall not be over-compensated to the extent that their independence may be compromised. Directors' fees are endorsed by the RC and recommended by the Board for approval at the Company's AGM.

The Executive Directors do not receive Directors' fees. The remuneration packages of the Executive Directors and the key management personnel comprises primarily a basic salary component and a variable component which is the bonuses and other benefits.

The Company has adopted the A-Smart Employee Share Option Scheme 2018 ("**A-Smart ESOS**") to enable an opportunity for employees and Directors of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group. The employees of the Group (including Executive Directors), the Non-Executive Directors (including Independent Directors) of the Group and key management personnel are eligible to participate in the A-Smart ESOS. The performance conditions used to determine entitlements under the A-Smart ESOS taking into account criteria such as grantee's rank, responsibilities, performance, years of service and potential for future development, and the performance of the Group. The cumulative share options that were granted since the commencement of the A-Smart ESOS are shown in pages FS-04, FS-05, FS-06, FS-55 and FS-56.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

REPORT OF CORPORATE GOVERNANCE

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.

Breakdown of Directors' remuneration for FY2023:

Directors	Total remuneration	Base salary/ Directors' fee etc
	S\$'000	(%)
Ma Weidong	-	-
Lim Huan Chiang	356	100%
Chu Hongtao	31	100%
Sam Chong Keen	21	100%
Darlington Tseng Te-Lin	19	100%
Kenneth Loo	17	100%

For FY2023, the top four key executives (who are not directors) have been identified as follows:

1. Ronnie Yo Ngan Kia; and
2. Foong Sow Peng; and
3. Riduwan Zhang; and
4. Brandon Ng.

On the disclosure of remuneration of the Group's top key executives, the Company is of the view that it would not be in its best interest to make such disclosure on a named basis in bands of S\$250,000 with breakdowns of each key executive's remuneration earned through base salary, performance-related bonuses and benefits in kind. Accordingly, such details are not disclosed as the Company believes that in view of the competitive nature of the human resource environment, tight labour market and to support the Company's efforts in attracting and retaining executive talents, it should maintain confidentiality on all employees' remuneration matters. The aggregate total remuneration of the top four key executives (who are not directors or the Group CEO) for FY2023 was S\$576,175.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code. The profiles of the top four key management personnel are found on page 16.

The Company has not engaged any remuneration consultants in FY2023 and will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of external firm before engagement.

REPORT OF CORPORATE GOVERNANCE

Immediate Family Member of Directors or Substantial Shareholders

There were no employees who are immediate family members of directors or substantial shareholders whose remuneration exceeds S\$100,000 in the Company's employment during FY2023.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board is responsible for the overall internal control framework but acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The controls in place provide that the assets are safe, regardless of operational, information technology risks and business risks are suitably addressed and proper accounting records are maintained. The AC has reviewed the effectiveness of the internal control system put in place by the management and is satisfied that there are adequate internal controls in the Company.

As the Group does not have a risk management committee, the Board and Management assume the responsibility of the risk management function. The Management is responsible for designing, implementing and monitoring the risk management and internal control systems. Management reviews regularly the Group's business and operational activities to identify areas of significant policies and procedures and highlights significant matters to the Board and the AC.

In evaluating a new investment proposal or business opportunity, the Management and Board takes into consideration various factors before making a decision. These factors, which are essentially designed to ensure that the rate of returns commensurate with the risk exposure taken, including evaluating (i) return on investment; (ii) the pay-back period; (iii) cash flow generated from the operation; (iv) potential for growth; (v) investment climate; and (vi) political stability.

The Board has received the assurance from the CEO and Group Financial Controller and the Management of the business units in relation to the financial information for the year. Material associates and joint ventures which the Company does not control are not dealt with for the purposes of this statement. The Board has also obtained a written confirmation from the CEO and Group Financial Controller that:

- (a) The financial records have been properly maintained and the financial statements for the FY2023 give a true and fair view in all material respects, of the Company's operations and finances; and
- (b) The Group's internal control and risk management systems are adequate and operating effectively in all material aspects given its current business environment.

REPORT OF CORPORATE GOVERNANCE

Based on the internal controls established and maintained by the Group, work performed by the internal auditors, and the statutory audit conducted by the external auditors, and reviews performed by the Management, the Board with the concurrence of the AC, is of the opinion that there were no material weaknesses being identified and the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 July 2023.

Audit Committee

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

The AC comprises 3 members, two of whom (including AC Chairman) are independent directors. The members of AC are:

Audit Committee

Ms. Chu Hongtao (Chairman)
Mr. Sam Chong Keen
Mr. Darlington Tseng Te-Lin

The Board is of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experiences to discharge the AC's function.

The AC comprise of members who have sufficient experience in finance and business fields. The AC does not comprise any former partner or director 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.

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal control.

The AC has adopted written terms of reference defining its membership, administration and duties. Duties and responsibilities of the AC include:

- review with external auditors the audit plan, their evaluation of the Group's system of internal accounting controls, their letter to Management and Management's responses;
- review the interim and annual financial statements and statement of Financial Position and income statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;

REPORT OF CORPORATE GOVERNANCE

- review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the auditors also provide a substantial volume of non-audit services to the Company, the AC would keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- review the internal control procedures and ensure co-ordination between the external auditors and Management, and review the assistance given by our Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss in the absence of our Management at least annually;
- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our Management's response;
- consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
- review potential conflicts of interest, if any;
- undertake such other reviews and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- Generally undertake such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST, or by such amendments as may be made thereto from time to time.

The AC has the explicit authority to investigate any matter within its terms of reference and full access to and cooperation by the Group's Management. It has the discretion to invite any Director or member of the Group's Management to its meetings. The AC has been given reasonable resources to enable it to discharge its functions properly.

Where, by virtue of any vacancy in the membership of the AC for any reason, the number of members is reduced to less than 3, the Board shall, within 3 months thereafter, appoint such number of new members to the AC.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. Each member of the AC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the AC in respect of matters in which he is interested.

REPORT OF CORPORATE GOVERNANCE

The AC meets with the external auditors, CLA Global TS Public Accounting Corporation (“**CLA**”), separately without the presence of the Management and has reviewed all non-audit services provided by the external auditors to the Group. For the financial year under review, there were no fees paid/payable to the external auditors for non-audit services. Audit fees paid/ payable to the external auditors of the Company amounted to S\$100,000 for FY2023 (2022: S\$97,000).

In October 2015, the ACRA introduced the Audit Quality Indicators (“**AQIs**”) Disclosure Framework (“**Framework**”), which aims, to equip AC with information that allows AC to exercise their professional judgements on elements that contribute to or are indicative of audit quality. The AQIs were further enhanced in August 2016 which ACRA introduced six targets on selected AQIs to provide AC with a common yardstick for comparison and to facilitate meaningful audit quality conversations with the auditors. As part of ongoing efforts to raise audit quality, ACRA has on 7 February 2020 introduced the AQIs Disclosure Framework that was revised in January 2020 (“**Revised AQIs Framework**”). The Revised AQIs Framework comprises audit quality indicators to provide relevant and useful information to help AC in their evaluation of statutory auditors. Accordingly, the AC had evaluated the performance of the external auditors as well as the resolution for reappointment of the external auditors based on the AQIs set out in the Revised AQIs Framework.

The AC has also reviewed the independence of the external auditors annually. The AC confirmed that CLA is a suitable firm to meet the Company’s audit obligations having regard to the adequacy of resources and experience of the firm and the assigned audit engagement director, CLA’s other audit engagements, size and complexity of the A-Smart Group, member and experience of supervisory and professional staff assigned to the audit. Accordingly, the AC has recommended to the Board the re-appointment of CLA, as external auditors for the financial year ending 31 July 2024 at the forthcoming AGM of the Company. Therefore, the Company has complied with Rule 712 of the SGX-ST Listing Manual.

The Group has complied with Rule 715 of the Listing Manual of the SGX-ST in relation to its auditing firms. CLA has been engaged to audit the accounts of the Company, its Singapore incorporated and active foreign subsidiaries. The Group does not currently have any foreign-incorporated subsidiary that was not audited by CLA but was active and significant to the Group for the financial year ended 31 July 2023.

Whistle blowing policy

In accordance with the Code, the AC has in place a whistle-blowing policy to provide arrangements whereby concerns on financial improprieties or other matters raised by whistle-blowers may be investigated and appropriate follow up action taken. The whistle-blowing procedures are clearly communicated to employees. Under such whistle-blowing procedures, employees are free to submit complaints confidentially or anonymously to the Chairman of the AC who is well known to many employees and easily accessible. All complaints are to be treated as confidential and are to be brought to the attention of the AC. The AC is responsible for oversight and monitoring of whistleblowing. Assessment, investigation and evaluation of complaints are conducted by or at the direction of the AC. If it deems appropriate, independent advisors are engaged at the Group’s expense. Following investigation and evaluation of a complaint, the AC will then decide on the recommended disciplinary or remedial action, if any. The action so determined by the AC to be appropriate shall then be brought to the Board or to the appropriate senior executive staff for authorisation or implementation respectively.

REPORT OF CORPORATE GOVERNANCE

As of to-date, there were no reports received through the whistle-blowing mechanism.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors.

Internal Audit Function

The Company has outsourced the internal audit function of the Group to NLA Risk Consulting Pte Ltd ("**Internal Auditors**"). The Internal Auditors are to conduct regular audit of internal control systems of the Group's companies, recommend necessary improvements and enhancements, and report independently to the AC.

The AC examines the effectiveness of the Group's internal control systems. The assurance mechanisms operating are supplemented by the Internal Auditors' reviews of the effectiveness of the Group's material internal controls, including financial, operational and compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC reviews the effectiveness of the actions taken by the Management on the recommendations made by the Internal Auditors in this respect.

The Internal Auditors perform the annual internal audit planning in consultation with, but independent of the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The AC also reviews and approves the hiring, removal and evaluates its outsourced Internal Auditors. They are provided with unfettered access to the Group's properties, information and records and perform their reviews in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the effectiveness of the Internal Auditors and is satisfied that the Internal Auditors are adequately resourced and independent of the activities that they audit and the firm has appropriate standing within the industry. The AC is also satisfied that the internal audit function is effective and staffed by suitably qualified and experienced professionals with the relevant experience.

The AC also reviews, at least annually, the adequacy and effectiveness of the internal audit function.

REPORT OF CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Right and Conduct of General Meeting

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 does not practise selective disclosure. In line with the continuous obligations of the Company under the SGX-ST Listing Manual and the Companies Act 1967, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.

The Company's AGMs are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay apprised of the Group's strategies and growth plans. Shareholders are informed of general meetings through the announcement released to the SGX-ST via SGXNet.

All shareholders are entitled to attend the general meetings and are provided the opportunity to pose questions and participate in the general meetings to the Directors or the Management. The shareholders are also informed on the voting procedures at the general meetings. If any shareholder is unable to attend, he/she (who is not a relevant intermediary) is allowed to appoint up to two (2) proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's current Constitution does not include the nominee or custodial services to appoint more than two proxies. The instrument appointing a proxy must be deposited at the place specified in the notice of the general meetings not less than forty-eight (48) hours before the time appointed for holding the general meetings.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each separate and distinct issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution together with the respective percentages.

All Directors, including the Chairman of the Board and the respective Chairman of the AC, NC and RC, as well as the EA are intended to be physically present at the forthcoming AGM to address any relevant queries by Shareholders.

Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the Shareholder's identity is not compromised.

REPORT OF CORPORATE GOVERNANCE

The Company will publish the minutes of general meetings of shareholders on the SGX website via SGXNet within one month from the date of AGM. The minutes record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management.

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 believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected Group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is mainly made through:-

- Annual report that is prepared and made available at the Company's website and the SGXNet portal. The Board ensures that the annual report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the Singapore Companies Act and Singapore Financial Reporting Standards;
- Interim results announcements containing a summary of the financial information and affairs of the Group for that period;
- Notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("**EGMs**").

The Company's website at www.a-smart.sg at which our shareholders or investors can access financial information, corporate announcements, press releases, annual reports and profile of the Group.

Through providing reliable and timely information, the Company aims to strengthen the relationship with its shareholders based on trust and accessibility. The Company engages an external investor relations (IR) consultant to assist on facilitating the communications with all stakeholders – shareholders, analysts and media – attending to their queries or concerns, as well as keeping the investors and the public apprised of the Group's corporate developments and financial performance.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released through SGXNet, either before the Company meets with any investors or analysts. The annual report and notice of AGM will be uploaded on the Company's website and the SGXNet announcement portal within the mandatory period, ahead of the AGM which is held within four months after the close of the financial year.

The Group does not have a concrete dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Dividends were not declared for FY2023 as the Group needs to conserve cash to fund working capital for its property development projects in Timor-Leste.

REPORT OF CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS

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

The Company acknowledges the importance of establishing effective communication among its stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals. Ongoing communication with stakeholders is an integral part of the Company's day-to-day operations.

The Company has identified four stakeholders' groups, namely, investors and shareholders, employees, customers and guests and government and regulators, who are able to impact the Group's business and operations. The Company's approach to the engagement with key stakeholders and materiality assessment were disclosed in the Company's Sustainability Report for FY2023, where the Company would continue to monitor and improve to ensure the best interest of the Company.

The Company maintains their website at <http://www.a-smart.sg> to communicate and engage with stakeholders. On the website, stakeholders can find information about the Company Profile, key projects, career opportunities, Annual Reports and other information.

DEALINGS IN SECURITIES

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, the Company had adopted a Code of Best Practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price sensitive information and they are not to deal in the Company's securities on short-term considerations.

RISK MANAGEMENT

The Company is continually reviewing and improving the business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources, updating work flows, processes and procedures to meet the current and future market conditions.

REPORT OF CORPORATE GOVERNANCE

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving the interests of the CEO, the Director or controlling shareholder, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an interested person transaction policy which specifies that all interested person transactions (“IPT”) with an interested person, as defined in the policy, will be at arm’s length and on terms generally available to an unaffiliated third party under the same or similar circumstances.

There were no IPT between the Company and any of its interested persons (namely, Directors, executive officers or controlling shareholders of the Group or the associates of such Directors, executive officers or controlling shareholders) subsisting for FY2023.

USE OF PROCEEDS

- a) The Company raised total net proceeds of S\$8,201,000 from the issuance of i) 8,950,000 new shares pursuant to the exercise of 8,950,000 Share Warrants by the warrant holder on 15 February 2019; and ii) 20,336,000 new shares pursuant to the exercise of 20,336,000 Share Warrants by the warrant holder on 20 July 2020.
- b) The Company also raised total net proceeds of S\$5,284,000 from the issuance of 29,812,473 new ordinary shares via a share placement exercise on 28 March 2023.
- c) To-date the net proceeds have been utilised as follows:

	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last disclosed in the Company's results announcement for the second half and full year ending 31 July 2023 in relation to (a)	3,021
Proceeds from share placement exercise on 28 March 2023 as described in (b)	5,284
Total proceeds	8,305
Less utilisation:	
<ul style="list-style-type: none"> ● Working capital loan to Timor-Leste subsidiary for payment of construction costs 	5,293
<ul style="list-style-type: none"> ● Advances to Timorese local partner for the purpose of submitting bids for Timorese government land projects 	1,330
Total net proceeds balance from the issuance of shares	1,682

REPORT OF CORPORATE GOVERNANCE

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in Other Listed Companies and Other Major Appointments	Past Directorships in Other Listed Companies and Other Major Appointments Over the Preceding 3 Years
Mr. Sam Chong Keen	Lead Independent Director	Board Member, Member of Audit Committee, Member of Nominating Committee and Member of Remuneration Committee	5 December 2001	29 November 2021	Stamford Tyres Corporation Ltd Lion Asiapac Ltd Parkson Retail Asia Limited SMI Vantage Limited	-
Mr. Darlington Tseng Te-Lin	Non-Executive Director	Board Member and Member of Audit Committee	1 March 2008	29 November 2022	-	-
Mr. Ma Weidong	Non-Executive Chairman	Board Member, Member of Nominating Committee and Member of Remuneration Committee	9 July 2015	29 November 2022	Kunming Tianlongrun Sugar, Tobacco and Wine Co., Ltd Kunming Luchen Group Co., Ltd	-
Ms. Chu Hongtao	Independent Director	Board Member, Chairman of Audit Committee, Chairman of Nominating Committee and Chairman of Remuneration Committee	9 July 2015	27 November 2020	-	-
Mr. Lim Huan Chiang	Executive Director and Chief Executive Officer	Board Member	26 October 2015	29 November 2021	-	-

REPORT OF CORPORATE GOVERNANCE

Name of Director	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in Other Listed Companies and Other Major Appointments	Past Directorships in Other Listed Companies and Other Major Appointments Over the Preceding 3 Years
Mr. Kenneth Loo	Non-Executive Director	Board Member	2 August 2017	27 November 2020	<ul style="list-style-type: none"> • A-Smart Property Holdings Pte Ltd • Straits Construction Group Pte Ltd • Straits Construction Singapore Pte. Ltd. • Greyform Pte Ltd • Bathsystem Singapore Pte Ltd • Structure Focus Pte Ltd • SC Ferrrotech Pte Ltd • Investment Focus Pte Ltd • Sustainable Focus Pte Ltd • Climbsafe Pte Ltd • SCAL Dormitory Pte Ltd • Singapore Construction Mediation Centre Pte Ltd 	-

REPORT OF CORPORATE GOVERNANCE

Information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Listing Manual of the SGX-ST:

Details	Name of Director	
	Ms. Chu Hongtao	Mr. Loo Kenneth
Date of Appointment	9 July 2015	2 August 2017
Date of last re-appointment (if applicable)	27 November 2020	27 November 2020
Age	51	58
Country of principal residence	China	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The re-election of Ms. Chu Hongtao was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Ms. Chu's qualifications, experience, and overall contribution since she was appointed as a Director of the Company.</p> <p>The Board considers Ms. Chu Hongtao to be independent for the purpose of Rule 704(7) of the listing Rules.</p>	<p>The re-election of Mr. Loo Kenneth was recommended by the NC and the Board has accepted the recommendation, after taking into consideration, Mr. Loo's qualifications, experience, and overall contribution since he was appointed as a Director of the Company.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of Audit Committee, Chairman of Nominating Committee and Chairman of Remuneration Committee	Non-Executive Director
Professional qualifications	Bachelor degree in Accountancy from Dongbei University, and subsequently obtained an MBA from the Business and Tourism School of the Yunnan University in 2013.	Bachelor of Engineering (Civil) from the University of New South Wales in 1990 and has an MBA in Technology Management from Deakin University Australia/APESMA.

REPORT OF CORPORATE GOVERNANCE

Details	Name of Director	
	Ms. Chu Hongtao	Mr. Loo Kenneth
Working experience and occupation(s) during the past 10 years	August 2013 to present – Financial Controller of Yunnan De Yi Hao Equity Management Co., Ltd.	Mr. Loo Kenneth was appointed as the Director of Straits Construction Group Pte. Ltd. in Year 2008. He was subsequently appointed as the Executive Director (“ED”) and General Manager of SC Group in July 2011 and ED and Chief Operating Officer in September 2014.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	Nil	Director of the followings companies:- <ul style="list-style-type: none"> ● A-Smart Property Holdings Pte Ltd ● Straits Construction Group Pte Ltd ● Straits Construction Singapore Pte. Ltd. ● Greyform Pte Ltd ● Bathsystem Singapore Pte Ltd ● Structure Focus Pte Ltd ● SC Ferrotech Pte Ltd ● Investment Focus Pte Ltd

REPORT OF CORPORATE GOVERNANCE

Details	Name of Director		
	Ms. Chu Hongtao	Mr. Loo Kenneth	
		<ul style="list-style-type: none"> • Sustainable Focus Pte Ltd • Climbsafe Pte Ltd • SCAL Dormitory Pte Ltd • Singapore Construction Mediation Centre Pte Ltd 	
The general statutory disclosures of the Directors are as follows:			
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	No
b.	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

REPORT OF CORPORATE GOVERNANCE

Details		Name of Director	
		Ms. Chu Hongtao	Mr. Loo Kenneth
c.	Whether there is any unsatisfied judgment against him?	No	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	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	No

REPORT OF CORPORATE GOVERNANCE

Details		Name of Director	
		Ms. Chu Hongtao	Mr. Loo Kenneth
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	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	No

REPORT OF CORPORATE GOVERNANCE

Details		Name of Director	
		Ms. Chu Hongtao	Mr. Loo Kenneth
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	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

REPORT OF CORPORATE GOVERNANCE

Details		Name of Director	
		Ms. Chu Hongtao	Mr. Loo Kenneth
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
i.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Information required			
Disclosure applicable to the appointment of Director only.			
	Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
	If yes, please provide details of prior experience.	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
	If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.

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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

The directors present their statement to the members together with the audited financial statements of A-Smart Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 31 July 2023 and the statement of financial position of the Company as at 31 July 2023.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages FS-14 to FS-77 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 July 2023 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Ma Weidong
Lim Huan Chiang
Chu Hongtao
Sam Chong Keen
Darlington Tseng Te-Lin
Kenneth Loo

Arrangements to enable directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Directors' interests in shares or debentures

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Shareholdings registered in the name of the directors or their nominees		Shareholdings in which the directors are deemed to have an interest	
	At 31.7.2023	At 1.8.2022	At 31.7.2023	At 1.8.2022
<u>The Company</u>				
(No. of ordinary shares)				
Ma Weidong	75,000,000	75,000,000	353,000	353,000
Lim Huan Chiang	897,000	897,000	-	-
Darlington Tseng Te-Lin	278,825	278,825	-	-

- (b) By virtue of Section 7 of the Singapore Companies Act 1967, Ma Weidong with the above shareholdings is deemed to have an interest in the shares of all the subsidiary corporations of the Group.
- (c) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the A-Smart Employee Share Option Scheme as set out below and under "Share Options" below.

	No. of unissued ordinary shares under option	
	At 31.7.2023	At 1.8.2022
Ma Weidong	350,000	350,000
Lim Huan Chiang	350,000	350,000
Chu Hongtao	100,000	100,000
Sam Chong Keen	90,000	90,000
Darlington Tseng Te-Lin	80,000	80,000
Kenneth Loo	80,000	80,000

- (d) The directors' interests in the ordinary shares of the Company as at 21 August 2023 were the same as those as at 31 July 2023.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Share options

(a) A-Smart Employee Share Option Scheme

Pursuant to the approval by the members of the Company at the Extraordinary General Meeting held on 30 November 2018, the Company adopted the A-Smart Employee Share Option Scheme 2018 (the "ESOS" or "Scheme"), which shall be administered by the Remuneration Committee comprising the following Board members:

- (i) Chu Hongtao (Chairman)
- (ii) Ma Weidong
- (iii) Sam Chong Keen

Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to Directors, key management personnel and employees who are confirmed in his employment with the Group or an associated company of the Group, attained the age of 21 years on or before the date of grant and not be an undischarged bankrupt and must not have entered into a composition with his creditors. The Options may be granted at an exercise price equal to the market price of the Shares, determined by taking the average closing prices of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited (the "SGX-ST") for five market days immediately preceding the date of the grant (a "Market Price Option") or at a discount to such Market Price of up to 20% (a "Discounted Option"). A Market Price Option shall only be exercisable after one year from the date of grant of such Option while a Discounted Option shall only be exercisable after two years from the date of grant of such Discounted Option. The date of expiry of the Options shall be determined by the Remuneration Committee in its sole discretion but shall in any case, not exceed the fifth anniversary of the date of grant of the relevant Option. Options not exercised prior to their expiry date shall immediately lapse and become null and void and the relevant Grantee shall have no claim against the Company.

The number of options available under the ESOS shall not exceed 15% of the total issued shares of the Company on the day preceding the relevant date of grant.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Share options (cont'd)

(a) A-Smart Employee Share Option Scheme (cont'd)

The following table summarises the information on the options granted under the Scheme to Directors and Participants as required to be disclosed under the rules of the SGX-ST's Listing Manual:

Name of participants	Options granted/ (forfeited) – net, during the financial year	Aggregate options granted since commencement of ESOS to the beginning of the financial year	Aggregate options granted since commencement of ESOS to the end of the financial year	Aggregate options cancelled/ forfeited/ lapsed since commencement of ESOS to the end of the financial year	Aggregate options exercised since commencement of ESOS to the end of the financial year	Aggregate options outstanding at the end of the financial year
Directors						
Ma Weidong (Controlling shareholder)	-	350,000	350,000	-	-	350,000
Lim Huan Chiang	-	350,000	350,000	-	-	350,000
Chu Hongtao	-	100,000	100,000	-	-	100,000
Sam Chong Keen	-	90,000	90,000	-	-	90,000
Darlington Tseng Te-Lin	-	80,000	80,000	-	-	80,000
Kenneth Loo	-	80,000	80,000	-	-	80,000
	-	1,050,000	1,050,000	-	-	1,050,000
Participants other than Directors						
Foong Sow Peng	-	80,000	80,000	-	-	80,000
Yo Ngan Kia	-	80,000	80,000	-	-	80,000
Ng Hock Wei	-	55,000	55,000	-	-	55,000
Other employees	369,500	393,000	804,500	(191,000)	-	613,500
	369,500	608,000	1,019,500	(191,000)	-	828,500
	369,500	1,658,000	2,069,500	(191,000)	-	1,878,500

None of the Directors and/or other employees received 5% or more of the total number of shares under the share options available under the Scheme.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Share options (cont'd)

(b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the A-Smart Employee Share Option Scheme outstanding at the end of the financial year was as follows:

Date of grant	Beginning of the financial year	Granted during the financial year	Forfeited during the financial year	Exercised during the financial year	End of the financial year	Exercise price	Expiry date
17.02.2020	1,509,000	-	(24,000)	-	1,485,000	S\$0.356	16.02.2025
17.03.2023	-	411,500	(18,000)	-	393,500	S\$0.288	16.03.2028

Audit committee

The members of Audit Committee ("AC") at the end of the financial year were as follows:

Chu Hongtao (Chairman)
Sam Chong Keen
Darlington Tseng Te-Lin

All members of the Audit Committee were independent and non-executive directors.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual of the SGX-ST and the Code of Corporate Governance.

These members of the AC have had many years of experience in senior management positions in both the financial and industrial sectors. They have sufficient financial management expertise and experience to discharge the AC's functions.

The AC meets at least twice a year to perform the following key functions:

- Recommends to the Board of Directors the independent auditor to be nominated, approves the compensation of the independent auditor, and reviews the scope and results of the audit, and its cost-effectiveness;
- Reviews the terms and reference of other committees, the system of internal accounting and financial controls by management and the overall scope of independent auditor as well as the significant risk exposures that exist for the Group and assess the steps taken by management to minimise such risks to the Group;

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Audit committee (cont'd)

- Reviews with management annually:
 - Significant internal audit observations during the financial year and management's responses;
 - The effectiveness of the Group's internal controls over management, business and technology systems practices; and
 - Any changes required in the planned scope of the audit plan and any difficulties encountered in the course of the audits;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, policies for the SGX-ST listing rules, and programmes and reports received from regulators; and
- Reports activities and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate.

The AC is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation, be re-appointed as auditor at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

.....
Ma Weidong
Director

.....
Lim Huan Chiang
Director

11 November 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of A-Smart Holdings Ltd. (the "Company") and its subsidiary corporations (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 July 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS-14 to FS-77.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 July 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the area of focus
<p>Revenue recognition <i>(Refer to Notes 2.3 and 19 to the financial statements)</i></p> <p>During the financial year, the Group generated total revenue of S\$6.34 million through the provision of print and media services, events management, sale of smart technologies products and its maintenance service.</p> <p>We have identified revenue recognition as a key audit matter due to the presumed fraud risk associated with revenue recognition. Revenue is a key performance indicator of the Group. The potential for management to override controls and the large volume of transactions increases the inherent risk of material misstatement in the amount of revenue reported.</p>	<p>In obtaining sufficient audit evidence, we have performed the following procedures:</p> <ul style="list-style-type: none"> ● Evaluated management's assessment of the application of SFRS(I) 15 <i>Revenue from Contracts with Customers</i>. ● Assessed the appropriateness of the Group's revenue recognition accounting policies. ● Understood, evaluated and validated key controls over the sales and collection cycle. ● Performed test of details on samples of sales transactions to underlying supporting documents to validate their occurrence. ● Performed sales cut-off test on transactions occurring within proximity of the financial year end, including subsequent to the financial year end through obtaining evidence to support the appropriate timing of revenue recognition. ● Reviewed the journal vouchers for any indication of fraud which relates to the revenue recognition.
<p>Investment in an associated company <i>(Refer to Notes 2.2(c), 2.5 and 7 to the financial statements)</i></p> <p>The carrying amount of the Group's investment in an associated company is S\$889,000 (2022: S\$1,512,000) which accounted for approximately 3.2% (2022: 7.6%) of the Group's total assets as at 31 July 2023. The share of profit from the associated company had resulted in the Group recording a profit before taxation of S\$115,000 instead of a loss before taxation of S\$30,000.</p> <p>As a result, we have identified this as a key audit matter.</p>	<p>In obtaining sufficient audit evidence, we have performed the following procedures:</p> <ul style="list-style-type: none"> ● Obtained and reviewed the financial results of the associated company for the financial year from 1 August 2022 to 31 July 2023 to ensure the share of profit is not materially misstated. ● Reviewed the accounting policies of the associated company to ensure compliance with Group accounting policies. ● Performed a review of the design and implementation of controls. ● Performed substantive audit procedures over significant account balances and transactions. ● Performed substantive procedures to determine whether there are any instances of none compliance with the law and regulations.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the area of focus
<p>Recognition and measurement of cost of development properties <i>(Refer to Notes 2.8, 3 and 10 to the financial statements)</i></p> <p>The Group's development properties comprise of land under development and land held for future development, located in Timor-Leste. These development properties continue to be classified as current assets as they are intended to be realised within the Group's normal operating cycle.</p> <p>The Group's development properties are stated at the lower of cost and net realisable value in accordance with SFRS(I) 1-2 <i>Inventories</i>. The assessment of net realisable value is dependent on the following key judgements and estimates made by management:</p> <ul style="list-style-type: none"> • An assessment of eligibility of costs to be capitalised as part of development costs; • An estimation of costs to complete; • An assessment of management's on-going projection for the estimated selling prices based on prevailing market condition; and • The outcome of the applicable applications by the Timor-Leste's regulatory authorities in relation to the construction progress of the development properties. <p>In view of the magnitude and significant judgements and estimates involved with regards to the recognition and measurement of development properties, changes to these assumptions and estimates could result in a material misstatement that warrants audit focus in this area.</p>	<p>In obtaining sufficient audit evidence, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Understood the Group's processes and accounting policy over the recognition and accounting for the development properties in accordance with SFRS(I) 1-2. • Performed test of details on samples of expenses to underlying invoices and supporting documents to validate their occurrence and <i>vice versa</i> to validate the nature of expenses to ensure only eligible costs have been capitalised as development properties. • Reviewed management's assumptions used in the estimation of costs to complete and compared with actual costs incurred and committed costs to ascertain no costs overruns. • Reviewed management's on-going projection on the estimated selling prices based on prevailing market condition. • Performed sensitivity analysis on key assumptions and estimates relating to expected selling price and costs to complete in conjunction with management's development plans and progress which is dependent on the approval outcome by the local regulators. • Reviewed the classification of development properties in the financial statements in accordance with SFRS(I) 1-1 <i>Presentation of Financial Statements</i>.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Lim Wei Chen, Samuel.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
11 November 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2023

		Group		Company	
	Note	2023	2022	2023	2022
		S\$'000	S\$'000	S\$'000	S\$'000
Assets					
Non-current					
Property, plant and equipment	4	2,369	1,140	174	220
Long-term loans to subsidiary corporations	8	-	-	11,370	5,792
Investments in subsidiary corporations	6	-	-	6,028	6,228
Investment in an associated company	7	889	1,512	-	-
		3,258	2,652	17,572	12,240
Current					
Amounts due from subsidiary corporations	8	-	-	749	649
Inventories	9	283	265	-	-
Development properties	10	11,772	7,432	-	-
Trade receivables	11	2,011	1,231	-	-
Other receivables	11	3,793	2,173	2,465	597
Financial asset, at FVPL	13	45	45	45	45
Cash and cash equivalents	12	7,053	6,003	1,057	4,343
		24,957	17,149	4,316	5,634
Total assets		28,215	19,801	21,888	17,874
Equity					
Capital and reserves attributable to equity holders of the Company					
Share capital	14	152,644	147,360	152,644	147,360
Reserves	15	(182)	117	57	25
Accumulated losses		(132,497)	(132,610)	(135,037)	(133,773)
		19,965	14,867	17,664	13,612
Non-controlling interests	6	142	152	-	-
Total equity		20,107	15,019	17,664	13,612
Liabilities					
Non-current					
Lease liabilities	16	2,969	2,353	19	31
Provision for reinstatement costs	17	30	30	-	-
		2,999	2,383	19	31
Current					
Amounts due to subsidiary corporations	8	-	-	4,042	3,998
Lease liabilities	16	591	282	13	12
Trade and other payables	18	4,518	2,117	150	221
		5,109	2,399	4,205	4,231
Total liabilities		8,108	4,782	4,224	4,262
Total equity and liabilities		28,215	19,801	21,888	17,874

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

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	Note	2023	2022
		S\$'000	S\$'000
Revenue	19	6,337	6,144
Raw materials and consumables used	9	(2,578)	(3,035)
Depreciation of property, plant and equipment	4	(774)	(724)
Other income	19(a)	184	201
Staff costs	19(b)	(2,577)	(3,061)
Other expenses	19(c)	(720)	(774)
Foreign currency exchange gains/(losses) – net		11	-*
Interest income	20(a)	127	72
Finance costs	20(b)	(40)	(21)
Share of profit of an associated company	7	145	71
Profit/(loss) before taxation		115	(1,127)
Income tax expense	21	-	-
Net profit/(loss)		115	(1,127)
Net profit/(loss) attributable to:			
Equity holders of the Company		113	(1,098)
Non-controlling interests	6	2	(29)
		115	(1,127)
Earnings/(loss) per share attributable to equity holders of the Company (cents)			
Basic earnings/(loss) per share	22	0.071	(0.737)
Diluted earnings/(loss) per share	22	0.070	(0.737)

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	Note	2023 S\$'000	2022 S\$'000
Net profit/(loss)		115	(1,127)
Other comprehensive (loss)/income net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences arising from consolidation – (losses)/gains	15(i)	(331)	130
Items that will not be reclassified subsequently to profit or loss:			
Translation differences arising from consolidation – (losses)/gains	15(i)	-*	-*
Other comprehensive (loss)/income		(331)	130
Total comprehensive loss		(216)	(997)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(218)	(968)
Non-controlling interests		2	(29)
		(216)	(997)

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	Attributable to equity holders of the Company						
	Share capital S\$'000	Currency translation reserve S\$'000	Share option reserve S\$'000	Accumulated losses ⁽ⁱ⁾ S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 August 2022	147,360	92	25	(132,610)	14,867	152	15,019
Total comprehensive (loss)/income for the financial year	-	-	-	113	113	2	115
<i>Profit for the financial year</i>	-	-	-	113	113	2	115
<i>Other comprehensive loss</i>	-	(331)	-	-	(331)	.*	(331)
<i>Translation differences arising from consolidation – losses</i>	-	(331)	-	-	(331)	.*	(331)
<i>Total other comprehensive loss</i>	-	(331)	-	-	(331)	2	(216)
Total comprehensive (loss)/income for the financial year	-	(331)	-	113	(218)	2	(216)
Transactions with owners of the Company, recognised directly in equity	-	-	-	-	-	(12)	(12)
<i>Acquisition of additional interest in the subsidiary corporations (Note 6)</i>	-	-	-	-	-	(12)	(12)
<i>Employee share option scheme – value of employee services</i>	-	-	32	-	32	-	32
<i>Issue of new ordinary shares</i>	5,366	-	-	-	5,366	-	5,366
<i>Share issue expenses</i>	(82)	-	-	-	(82)	-	(82)
<i>Total transactions with owners, recognised directly in equity</i>	5,284	-	32	-	5,316	(12)	5,304
At 31 July 2023	152,644	(239)	57	(132,497)	19,965	142	20,107

(i) Included in the accumulated losses is retained profits of an associated company amounting to S\$291,860 (2022: S\$146,300) which is non-distributable.

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	Attributable to equity holders of the Company						
	Share capital S\$'000	Currency translation reserve S\$'000	Share option reserve S\$'000	Accumulated losses (I) S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 August 2021	Note 14 147,360	Note 15 (38)	Note 15 25	Note 6 (131,512)	15,835	191	16,026
Total comprehensive income/(loss) for the financial year							
<i>Loss for the financial year</i>	-	-	-	(1,098)	(1,098)	(29)	(1,127)
<i>Other comprehensive income</i>							
Translation differences arising from consolidation – gains	-	130	-	-	130	-*	130
<i>Total other comprehensive income</i>	-	130	-	-	130	-*	130
Total comprehensive income/(loss) for the financial year	-	130	-	(1,098)	(968)	(29)	(997)
Transactions with owners of the Company, recognised directly in equity							
Acquisition of additional interest in a subsidiary corporation (Note 6)	-	-	-	-	-	(10)	(10)
<i>Total transactions with owners, recognised directly in equity</i>	-	-	-	-	-	(10)	(10)
At 31 July 2022	147,360	92	25	(132,610)	14,867	152	15,019

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	Note	2023 S\$'000	2022 S\$'000
Profit/(loss) before taxation		115	(1,127)
Adjustments for:			
- Depreciation of property, plant and equipment	4	774	724
- Employee share option expense	19(b)	32	-
- Fair value gain on financial asset, at FVPL	19(a)	-	(4)
- Interest income	20(a)	(127)	(72)
- Dividend income	19(a)	(13)	-
- Interest expense	20(b)	40	21
- Property, plant and equipment written off	19(c)	2	48
- Reversal of provision for reinstatement costs	17, 19(a)	(30)	-
- Gain on liquidation of a subsidiary corporation	6, 19(a)	-	(154)
- Unrealised currency translation (gains)/losses		(315)	176
- Share of profit of an associated company	7	(145)	(71)
		333	(459)
Change in working capital:			
- Inventories		(18)	64
- Development properties		(4,367)	(216)
- Trade and other receivables		(2,370)	(667)
- Trade and other payables		3,086	590
Cash used in operations		(3,336)	(688)
Income tax paid		-	-
Net cash used in operating activities		(3,336)	(688)
Cash flows from investing activities			
Dividend received	19(a)	13	-
Interest received		85	12
Purchase of property, plant and equipment	4	(219)	(42)
Net cash used in investing activities		(121)	(30)
Cash flows from financing activities			
Interest paid		(40)	(21)
Principal payment of lease liabilities		(720)	(785)
Proceeds from shares issuance		5,366	-
Share issue expenses		(82)	-
Net cash provided by/(used) in financing activities		4,524	(806)
Net increase/(decrease) in cash and cash equivalents		1,067	(1,524)
Cash and cash equivalents at beginning of financial year		6,003	7,511
Effects of currency translation on cash and cash equivalents		(17)	16
Cash and cash equivalents at end of financial year	12	7,053	6,003

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

Reconciliation of liabilities arising from financing activities

	1 August 2022	Principal and interest payments	Non-cash changes				31 July 2023
			Discount received	Addition	Interest expense	Foreign exchange movement	
			S\$'000	S\$'000	S\$'000	S\$'000	
Lease liabilities	2,635	(760)	(27)	1,756	40	(84)	3,560

	1 August 2021	Principal and interest payments	Non-cash changes			31 July 2022
			Addition	Interest expense	Foreign exchange movement	
			S\$'000	S\$'000	S\$'000	
Lease liabilities	3,374	(806)	-	21	46	2,635

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 Corporate information

A-Smart Holdings Ltd. (the “Company”) is incorporated and domiciled in Singapore. The address of its registered office is No. 61 Tai Seng Avenue #03-03, Print Media Hub @ Paya Lebar iPark, Singapore 534167. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those relating to investment holding. The principal activities of its subsidiary corporations are set out in Note 6 to the financial statements.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

Interpretations and amendments to published standards effective for the financial year beginning on or after 1 August 2022

On 1 August 2022, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I)s (“INT SFRS(I)s”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.2 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. 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. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence on an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of 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 corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(a) *Subsidiary corporations* (cont'd)

(ii) *Acquisitions* (cont'd)

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation, including any goodwill, are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.5 to the financial statements for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(c) Associated company

Associated company is entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. The Group is able to exercise significant influence over the associated company, as disclosed in Note 7, notwithstanding that the Group has less than 20% interests in the investee. The Group has the ability to exercise significant influence by virtue of its representation on the board.

Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investment in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated company represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in the associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated company are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(c) Associated company (cont'd)

(iii) Disposals

Investment in an associated company is derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.5 to the financial statements for the accounting policy on investment in an associated company in the separate financial statements of the Company.

2.3 Revenue recognition

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

- (a) Revenue from print and media services and smart technologies product is recognised at point in time when the Group has delivered its product to its customers and customers have obtained control of the product.
- (b) Maintenance service income is recognised over time when the Group satisfies its performance obligation by rendering maintenance service to its customer.
- (c) Events management income is recognised at point in time when the performances are completed. After the payment of taxes and other charges, the respective share of the net proceeds are remitted to the Group.
- (d) Interest income is recognised using the effective interest method.
- (e) Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.
- (f) Rental income from operating leases is recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Investments in subsidiary corporations and associated company

Investments in subsidiary corporations and associated company are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Currency translation

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 the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company, and all values in the tables are rounded to the nearest thousand (S\$'000) as indicated.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.6 Currency translation (cont'd)

Transactions and balances (cont'd)

All foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Foreign currency exchange gains/(losses) – net".

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.

Translation of Group entities' financial statements

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

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (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 of the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.7 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2. Significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold premises	3 years
Machineries	10 years
Motor vehicles	6 to 10 years
Office equipment	3 to 10 years
Furniture and fittings	3 to 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

2.8 Development properties

Development properties comprise properties in the course of development and leasehold land held for future development in the ordinary course of business. Development properties are measured at lower of cost and net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project.

When it is probable that cost of development properties will exceed sale proceed of the development properties, the expected loss is recognised as an expense immediately.

The development properties in progress have operating cycle longer than one year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the applicable variable selling expenses.

2.10 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

2.11 Impairment of non-financial assets

Property, plant and equipment

Right-of-use assets

Investments in subsidiary corporations and associated company

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.12 Financial assets

(a) Classification and measurement

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

- Amortised cost; and
- Fair value through profit or loss (FVPL)

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 debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of trade and other receivables (including amounts due from subsidiary corporations) and cash and cash equivalents.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flows characteristics of the assets.

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised costs and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which changes arise and presented in "Other income". Dividends from equity investments are recognised in profit or loss as "Dividend income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets at amortised cost, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) 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.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.13 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement 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.

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They 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.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Leases

(a) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets (other than those classified as development properties) are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.16 Leases (cont'd)

(a) *When the Group is the lessee: (cont'd)*

- Right-of-use assets (cont'd)

Right-of-use assets are presented within "Property, plant and equipment" and "Development properties" respectively.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.16 Leases (cont'd)

(a) *When the Group is the lessee: (cont'd)*

- Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(b) *When the Group is the lessor:*

The Group leases warehouse facilities under operating leases to non-related parties.

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

- Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.17 Employee benefits

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(c) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to the share capital account, when new ordinary shares are issued, or to the "Treasury shares" account, when treasury shares are re-issued to the employees.

2.18 Provision

(a) *General*

A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.18 Provision (cont'd)

(b) *Asset dismantlement, removal and restoration*

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

2 Significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequences that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board who makes strategic resources allocation decisions.

2.21 Cash and cash equivalents

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

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimation of net realisable value for development properties

Management determines the net realisable value of development properties by using prevailing market data such as most recent sale transactions and cost to completion from gross development value assuming satisfactory completion.

These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the expected costs to completion of properties, the legal and regulatory framework and general market conditions.

The carrying amount of development properties is disclosed in Note 10 to the financial statements.

Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units ("CGU"), have been determined based on higher of the fair value less costs to sell or value-in-use. If the carrying amounts exceed the recoverable amounts, an impairment loss is recognised in profit or loss for the differences.

In determining whether property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company are impaired requires an estimation of the value-in-use of these investments. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

No impairment losses were recognised for the financial years ended 31 July 2023 and 31 July 2022 respectively as management assessed that there was no indication that the carrying amount of property, plant and equipment, right-of-use assets and investment in an associated company may not be recoverable. An impairment loss on the investments in subsidiary corporations was recognised in the current financial year and impairment loss recognised are disclosed in Note 6 to the financial statements.

The carrying amounts of property, plant and equipment (including right-of-use assets), and investments in subsidiary corporations and an associated company are disclosed in Notes 4, 6 and 7 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

3 Critical accounting estimates, assumptions and judgements (cont'd)

Impairment of trade and other receivables

Expected credit losses ("ECL") on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group measured the loss allowance of trade receivables at an amount equal to lifetime ECL using a provision matrix. In determining the ECL for other receivables, loss allowance is generally measured at an amount equal to 12-month ECL. When the credit quality deteriorates and the resulting credit risk of other receivables increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

A considerable amount of judgement is required in assessing the ECL which are determined by referencing to the Group's historical observed default rate, customers' and other receivables' ability to pay and adjusted with forward-looking information. At every reporting date the historical observed default rate will be updated and changes in the forward-looking estimates will be analysed.

Notwithstanding the above, the Group evaluates the ECL on customers and other receivables in financial difficulties separately.

No loss allowance is recognised as at 31 July 2023 and 31 July 2022 respectively as the management believes that the amounts that are past due are collectable, based on historical payment behaviour and credit-worthiness of the customers.

The carrying amounts of trade and other receivables are disclosed in Note 11 to the financial statements.

Uncertain tax positions

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has unabsorbed tax losses, unutilised capital allowances and unutilised investment allowances as disclosed in Note 21 to the financial statements. The losses relate to subsidiary corporations that have a history of losses, with no expiry date and are unable to be offsetted with other taxable income elsewhere in the Group. The subsidiary corporations have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

4 Property, plant and equipment

Group	Leasehold	Machineries	Motor	Office	Furniture	Total
	premises		vehicles	equipment	and fittings	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cost						
At 31 July 2021	1,310	4,477	476	2,341	159	8,763
Currency translation differences	-	-	-	(2)	-	(2)
Additions	-	36	-	6	-	42
Written off	-	(184)	-	(120)	-	(304)
At 31 July 2022	1,310	4,329	476	2,225	159	8,499
Currency translation differences	-	-	-	.*	-	.*
Additions (Note 5(f))	1,786	2	-	213	4	2,005
Written off	(1,310)	(255)	-	(94)	-	(1,659)
At 31 July 2023	1,786	4,076	476	2,344	163	8,845
Accumulated depreciation						
At 31 July 2021	645	3,653	221	2,234	140	6,893
Currency translation differences	-	-	-	(2)	-	(2)
Depreciation	447	168	51	53	5	724
Written off	-	(136)	-	(120)	-	(256)
At 31 July 2022	1,092	3,685	272	2,165	145	7,359
Currency translation differences	-	-	-	.*	-	.*
Depreciation	510	147	53	58	6	774
Written off	(1,310)	(253)	-	(94)	-	(1,657)
At 31 July 2023	292	3,579	325	2,129	151	6,476
Carrying amount						
At 31 July 2022	218	644	204	60	14	1,140
At 31 July 2023	1,494	497	151	215	12	2,369

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

4 Property, plant and equipment (cont'd)

Company	Machineries S\$'000	Motor vehicles S\$'000	Office equipment S\$'000	Total S\$'000
Cost				
At 31 July 2023, 31 July 2022 and 31 July 2021	62	304	46	412
Accumulated depreciation				
At 31 July 2021	28	76	42	146
Depreciation	6	38	2	46
At 31 July 2022	34	114	44	192
Depreciation	6	38	2	46
At 31 July 2023	40	152	46	238
Carrying amount				
At 31 July 2022	28	190	2	220
At 31 July 2023	22	152	-	174

Right-of-use assets acquired under leasing agreement are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 5(i) to the financial statements.

5 Leases

(i) The Group as a lessee

Nature of the Group's leasing activities

Property

The Group leases office premises, factory and warehouse facilities for the purpose of back office operations and printing operations.

Leasehold land

The Group has made annual lease payments for a leasehold land parcel. The right-of-use of the land is classified as development properties – land held for future development (Note 10).

There are no externally imposed covenants on these lease agreements.

Office equipment, machineries and motor vehicles

The Group leases motor vehicles to render logistic services, leases office equipment for general office printing use and leases machineries for the printing division to manufacture and produce printing products.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

5 Leases (cont'd)

(i) The Group as a lessee (cont'd)

(a) Carrying amount

Right- of-use assets ("ROU assets") classified within Property, plant and equipment

	2023	2022
	S\$'000	S\$'000
Leasehold premises	1,494	218
Motor vehicles	33	70
Office equipment	6	16
	<u>1,533</u>	<u>304</u>

(b) Depreciation charge during the financial year

	2023	2022
	S\$'000	S\$'000
Leasehold premises	510	447
Motor vehicles	37	37
Office equipment	10	10
	<u>557</u>	<u>494</u>

(c) Interest expense

	2023	2022
	S\$'000	S\$'000
Interest expense on lease liabilities (Note 20(b))	<u>40</u>	<u>21</u>

(d) Lease liabilities not capitalised in lease liabilities

	2023	2022
	S\$'000	S\$'000
Lease expense – short-term leases (Note 19(c))	<u>10</u>	<u>1</u>

(e) Total cash outflow during the financial year for all the leases was S\$770,000 (2022: S\$807,000).

(f) There was addition of ROU assets of S\$1,786,000 (2022: Nil) were classified within property, plant and equipment (Note 4) during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

5 Leases (cont'd)

(ii) The Group as a lessor

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as intermediate lessor under arrangement in which it sub-leases out warehouse facilities to third parties for monthly lease payments. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Income from subleasing the warehouse facilities recognised during the financial year was S\$55,000 (2022: S\$31,000) (Note 19(a)).

6 Investments in subsidiary corporations

	<u>Company</u>	
	2023	2022
	S\$'000	S\$'000
<i>Unquoted equity shares, at cost</i>		
Beginning of financial year	18,879	18,879
Less: Impairment losses	(12,851)	(12,651)
End of financial year	<u>6,028</u>	<u>6,228</u>

Movement in impairment losses is as follows:

	2023	2022
	S\$'000	S\$'000
Beginning of financial year	12,651	12,651
Add: Impairment losses	200	-
End of financial year	<u>12,851</u>	<u>12,651</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

6 Investments in subsidiary corporations (cont'd)

Name	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by the non-controlling interests		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
<u>Held by the Company</u>						
Xpress Print (Pte) Ltd ⁽¹⁾	Singapore	100	100	-	-	Provision of general printing, multimedia and pre-press work
A-Smart Property Holdings Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Real estate developers and property investment activities
A-Smart Commerce Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Investment holding
A-Smart Investments Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Investment holding
A-Smart Media Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Publishing and event management
<u>Held by Xpress Print (Pte) Ltd</u>						
Xpress Print (Australia) Pty Ltd ⁽²⁾	Australia	76	76	24	24	Inactive
<u>Held by A-Smart Commerce Pte. Ltd.</u>						
A-Smart Life Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Development, resale and distribution of smart IT solutions and applications
A-Smart Pair (SEA) Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Selling, leasing, servicing and maintaining green technology systems as part of smart city solutions

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

6 Investments in subsidiary corporations (cont'd)

Name	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by the non-controlling interests		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
<u>Held by A-Smart Property Holdings Pte. Ltd.</u>						
Timor Marina Square S.A. ⁽³⁾	Timor-Leste	79	69	21	31	Property development in Timor-Leste
Timor City Square S.A. ⁽⁴⁾	Timor-Leste	79	60	21	40	Property development in Timor-Leste

(1) Audited by CLA Global TS Public Accounting Corporation.

(2) Subsidiary corporation undergoing voluntary liquidation.

(3) Audited by CLA Global TS Public Accounting Corporation for the purpose of consolidated financial statements. Subsidiary corporation in the early stages of property development. At the date of this report, piling and ground foundation works are still ongoing.

(4) Audited by CLA Global TS Public Accounting Corporation for the purpose of consolidated financial statements. Subsidiary corporation yet to commence operations.

Liquidation of a subsidiary corporation

During the financial year ended 31 July 2022, the Group has completed the liquidation process of its 100% equity interest in the subsidiary corporation, Xpress Print (Vietnam) Co. Ltd..

The effects of the liquidation on the cash flows of the Group were:

	Xpress Print (Vietnam) Co. Ltd.
	2022
	S\$'000
Carrying amounts of liabilities as at the date of liquidation:	
Trade and other payables	(133)
Current income tax liabilities	(21)
Total liabilities	(154)
Net liabilities	(154)
Gain on liquidation of a subsidiary corporation (Note 19(a))	(154)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

6 Investments in subsidiary corporations (cont'd)

Effects of transactions with non-controlling interests

- (i) During the financial year, the Group has acquired additional 10% and 19% equity interests of the issued share capital of Timor Marina Square S.A. and Timor City Square S.A. by offsetting with the amounts due from non-controlling interests respectively. The carrying amounts of the non-controlling interests in Timor Marina Square S.A. and Timor City Square S.A. on the date of acquisition were S\$4,000 and S\$8,000 respectively. The Group derecognised non-controlling interests of S\$12,000 and there was no impact in equity attributable to the owners of the parent.

	2023 S\$'000
Carrying amounts of non-controlling interests acquired	12
Offset with amounts due from non-controlling interests	(12)
Impact in the parent's equity	-

- (ii) During the financial year ended 31 July 2022, the Group has acquired the remaining 20% of the issued shares of A-Smart Pair (SEA) Pte. Ltd. by offsetting with the amount due from non-controlling interest. The Group now holds 100% of the equity share capital of A-Smart Pair (SEA) Pte. Ltd.. The carrying amount of the non-controlling interest in A-Smart Pair (SEA) Pte. Ltd. on the date of acquisition was S\$10,000. The Group derecognised non-controlling interest of S\$10,000 and no impact in equity attributable to the owners of the parent.

	2022 S\$'000
Carrying amount of non-controlling interests acquired	10
Offset with amount due from non-controlling interests	(10)
Impact in the parent's equity	-

Carrying value of non-controlling interests

	Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Xpress Print (Australia) Pty Ltd	-*	-*	108	108
Other subsidiary corporations with immaterial non-controlling interests	2	(29)	34	44
	2	(29)	142	152

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

6 Investments in subsidiary corporations (cont'd)

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	Xpress Print (Australia) Pty Ltd	
	2023	2022
	S\$'000	S\$'000
<u>Current</u>		
Assets	1,114	1,104
Liabilities	(532)	(524)
Total net current assets represent net assets	582	580

Summarised income statements

	Xpress Print (Australia) Pty Ltd	
	2023	2022
	S\$'000	S\$'000
Revenue	-	-
Profit/(loss) before income tax	2	(3)
Income tax expense	-	-
Profit/(loss) for the financial year	2	(3)
Other comprehensive income	-	3
Total comprehensive income	2	-

Summarised cash flows

Net cash provided by/(used in) operating activities	11	(11)
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
	11	(11)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

7 Investment in an associated company

	Group	
	2023	2022
	S\$'000	S\$'000
Equity investment		
Beginning of financial year	1,512	1,457
Currency translation differences	(83)	(16)
Share of profit of an associated company	145	71
Derecognition of investment *	(685)	-
End of financial year	889	1,512

* The original cost of the investment was stated at approximately S\$1.38 million (US\$1 million), in accordance with the committed capital contribution as outlined in the shareholders' agreement. Up to the reporting date, the associated company issued shares amounting to S\$685,000 (US\$0.5 million) or 50% of the committed capital contribution. The associated company currently funds itself through its operations and as at the reporting date, it has not decided if it is necessary to call for the remaining committed capital contribution. Consequently, the Group has derecognised S\$685,000 from the investment in an associated company and the corresponding payables as disclosed as "Committed capital contribution due to an associated company" in Note 18 to the financial statements respectively. The committed capital contribution is disclosed in Note 23 to the financial statements.

Details of the Group's associated company are as follows. The associated company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership interest
Sheng Siong (China) Supermarket Co., Ltd	People's Republic of China	10

The principal activity of Sheng Siong (China) Supermarket Co., Ltd is supermarket operations in China.

Management has assessed the level of influence that the Group has on Sheng Siong (China) Supermarket Co., Ltd and determined that it has significant influence of the investment through its representation on the board of directors. Consequently, this investment has been classified as an associated company.

There was no contingent liability relating to the Group's interest in the associated company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

7 Investment in an associated company (cont'd)

Summarised financial information for associated company

Set out below are the summarised financial information for Sheng Siong (China) Supermarket Co., Ltd.

<u>Summarised statement of financial position</u>	2023 S\$'000	2022 S\$'000
Current assets	9,482	8,234
Current liabilities	(4,216)	(4,344)
Non-current assets	3,627	4,385
Net assets	8,893	8,275
<u>Summarised statement of comprehensive income</u>	2023 S\$'000	2022 S\$'000
Net profit for the financial year	1,450	710
Other comprehensive income	-	-
Total comprehensive income	1,450	710

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in an associated company, is as follows:

	2023 S\$'000	2022 S\$'000
Net assets at date of acquisition	6,932	6,932
Currency translation differences	(952)	(120)
Retained profits	2,913	1,463
At 31 July	8,893	8,275
Interest in associated company (10%)	889	827
Capital contribution due to the associated company (Note 18)	-	685
Carrying value	889	1,512

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

8 Amounts due from/(to) subsidiary corporations

	<u>Company</u>	
	2023	2022
	S\$'000	S\$'000
<u>Non-current</u>		
Long-term loans to subsidiary corporations		
- Non-trade	<u>11,370</u>	<u>5,792</u>
<u>Current</u>		
Amounts due from subsidiary corporations		
- Trade	201	201
- Non-trade	<u>548</u>	<u>448</u>
	<u>749</u>	<u>649</u>
Amounts due to subsidiary corporations		
- Trade	(5)	(5)
- Non-trade	<u>(4,037)</u>	<u>(3,993)</u>
	<u>(4,042)</u>	<u>(3,998)</u>

The non-current non-trade loans to subsidiary corporations are quasi-equity in nature and provides the subsidiary corporations with the long-term capital to carry out the property development projects in Timor-Leste. These loans are unsecured, interest-free and will be repaid when the property development projects are completed and sold.

The current non-trade amounts due from/(to) subsidiary corporations are unsecured, interest-free and repayable on demand.

9 Inventories

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
<u>At cost</u>		
Finished goods	175	175
Raw materials and consumables	<u>108</u>	<u>90</u>
	<u>283</u>	<u>265</u>

Costs of inventories recognised as expense was included in "Raw materials and consumables used" in the consolidated income statement and amount to S\$2,578,000 (2022: S\$3,035,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

10 Development properties

	<u>Group</u>	
	2023	2022
	S\$'000	S\$'000
Land under development in Timor-Leste	8,079	4,147
Land held for future development in Timor-Leste	3,693	3,285
	<u>11,772</u>	<u>7,432</u>

Development properties comprise land under development and land held for future development. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle.

ROU assets classified within Development properties

The right-of-use assets relating to the leasehold land held for future development (Note 5), presented under development properties, is stated at cost and has a carrying amount at reporting date of S\$2,045,000 (2022: S\$2,306,000).

Location	Tenure	Site area (sq m)	Description of proposed development	Existing use	Group's effective interest in the property	
					2023	2022
					%	%
Lecidere, Dili, Timor-Leste ^(a)	Freehold	3,204	Mixed development of 2 blocks of 20 storey building comprising retail, office and residential apartment units.	Vacant	79	69
CBD, Dili, Timor-Leste ^(b)	99 years	5,310	Not applicable.	Vacant	79	60

^(a) At the date of this report, piling and ground foundation works are ongoing.

^(b) Plans not finalised for this project site.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

11 Trade and other receivables

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade receivables – Non-related parties	2,011	1,231	-	-
Other receivables – Non-related parties ^(a)	1,519	433	1,426	63
Bank interest receivable	-	6	-	6
Interest receivables – Related party ^(b)	217	169	-	-
Advances to staff	-	4	-	-
Amount due from a director ^(c)	688	-	688	-
Receivable from disposal of subsidiary corporations ^(d)	350	500	350	500
Deposits ^(e)	756	761	-	-
	3,530	1,873	2,464	569
Advance payment to suppliers	126	176	-	-
Prepayments	137	124	1	28
Total other receivables	3,793	2,173	2,465	597

(a) The other receivables include advances of S\$1,330,000 (2022: S\$ Nil) to a local partner in Timor-Leste for the purpose of exploring and bidding for Timorese government land projects. The advances are refundable to the Group by the local partner in the event no successful bids are obtained within the twelve months from April 2023.

(b) The interest receivable from a local partner cum minority shareholder of the Group's subsidiary corporation, Timor Marina Square S.A., were accrued from working capital contribution due from the local partner but advanced by the Company on behalf. The local partner originally held a 60 years lease on the land for project Timor Marina Square, and in relinquishing the lease on the land in order for the consortium (which the Group owns 79%) to purchase the land, the consortium had agreed to compensate the local partner 10% and 12% of the completed properties of Timor Marina Square and Timor City Square in Timor-Leste, respectively upon completion of the property developments. The interest receivable from the local partner will be deducted from the compensation amount when settlement takes place on completion of the Timor Marina Square project estimated in year 2025.

(c) The amount due from a director relates to monies advanced to a director for the purpose of meeting the balance capital contribution committed for the Group's investment in an associated company, Sheng Siong (China) Supermarket Co. Ltd. The amount is unsecured, interest-free and is repayable on demand by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

11 Trade and other receivables (cont'd)

- (d) The receivable from disposal of subsidiary corporations pertaining to the balance of proceeds from the disposal of the former subsidiary corporations. Management has assessed that no ECL is required as the party is continually making repayments to the Group.
- (e) Included in deposits are:
- (i) Performance guarantee deposits of S\$465,500 (2022: S\$484,000) paid to the local partner for the Group's development properties in Timor-Leste to guarantee the performance obligations under the Contract granting Superficie Rights (the "Contract") entered by the Group in June 2019. These deposits will be refunded by the local partner upon completion of the development properties. Similar to the repayment arrangements in Note 11(b), these amounts will be deducted from the compensation payable to the local partner upon completion of the Timor Marina Square and Timor City Square development projects, estimated in years 2025 and 2026 respectively.
- (ii) Deposits of S\$243,400 (2022: S\$243,400) held with the landlord of its Singapore leasehold office and factory premises.

12 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	7,053	3,477	1,057	1,817
Short-term bank deposits	-	2,526	-	2,526
	7,053	6,003	1,057	4,343

13 Financial asset, at FVPL

	Group and Company	
	2023	2022
	S\$'000	S\$'000
Beginning of financial year	45	41
Fair value gains (Note 19(a))	-	4
End of financial year	45	45
<u>Current</u>		
Non-listed equity security - Singapore	45	45

The instrument is all mandatorily measured at fair value through profit or loss. The fair value is within level 3 of the fair value hierarchy as management has used the net assets of the investee as basis of measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

14 Share capital

	No. of shares		Amount	
	2023 '000	2022 '000	2023 S\$'000	2022 S\$'000
Group and Company				
Issued and fully paid:				
<i>Ordinary Shares</i>				
Beginning of financial year	149,062	149,062	147,360	147,360
Issuance of new ordinary shares ⁽ⁱ⁾	29,812	-	5,366	-
Share issue expenses	-	-	(82)	-
End of financial year	178,874	149,062	152,644	147,360

(i) The Company issued 29,812,473 new ordinary shares via a share placement exercise in FY2023. Out of the net proceeds of S\$5.28 million received from the share placement, S\$3.6 million has been utilised as at the date of this report.

(ii) All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

(a) Share options

The Company adopted the A-Smart Employee Share Option Scheme 2018 (the "ESOS" or "Scheme") on 30 November 2018. Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to Directors, key management personnel and employees who are confirmed in his employment with the Group or an associated company of the Group, attained the age of 21 years on or before the date of grant and not be an undischarged bankrupt and must not have entered into a composition with his creditors. The Options may be granted at an exercise price equal to the market price of the Shares, determined by taking the average closing prices of the Company's ordinary shares as quoted on the SGX-ST for five market days immediately preceding the date of the grant (a "Market Price Option") or at a discount to such Market Price of up to 20% (a "Discounted Option"). A Market Price Option shall only be exercisable after one year from the date of grant of such Option while a Discounted Option shall only be exercisable after two years from the date of grant of such Discounted Option. The date of expiry of the Options shall be determined by the Remuneration Committee in its sole discretion but shall in any case, not exceed the fifth anniversary of the date of grant of the relevant Option. Options not exercised prior to their expiry date shall immediately lapse and become null and void and the relevant Grantee shall have no claim against the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

14 Share capital (cont'd)

(a) Share options (cont'd)

The number of options available under the ESOS shall not exceed 15% of the total issued shares of the Company on the day preceding the relevant date of grant. The Company granted 411,500 (2022: Nil) share options during the financial year ended 31 July 2023.

The following table summarises the information on the options granted under the Scheme to Directors and Participants as required to be disclosed under the rules of the SGX-ST Listing Manual:

Name of participants	Options granted/ (forfeited) during the financial year	Aggregate options granted since commencement of ESOS to the beginning of the financial year	Aggregate options granted since commencement of ESOS to the end of the financial year	Aggregate options cancelled/ forfeited/ lapsed since commencement of ESOS to the end of the financial year	Aggregate options exercised since commencement of ESOS to the end of the financial year	Aggregate options outstanding at end of financial year
2023						
Directors						
Ma Weidong (Controlling shareholder)	-	350,000	350,000	-	-	350,000
Lim Huan Chiang	-	350,000	350,000	-	-	350,000
Chu Hongtao	-	100,000	100,000	-	-	100,000
Sam Chong Keen	-	90,000	90,000	-	-	90,000
Darlington Tseng Te-Lin	-	80,000	80,000	-	-	80,000
Kenneth Loo	-	80,000	80,000	-	-	80,000
	-	1,050,000	1,050,000	-	-	1,050,000
Participants other than Directors						
Foong Sow Peng	-	80,000	80,000	-	-	80,000
Yo Ngan Kia	-	80,000	80,000	-	-	80,000
Ng Hock Wei	-	55,000	55,000	-	-	55,000
Other employees	369,500	393,000	804,500	(191,000)	-	613,500
	369,500	1,658,000	2,069,500	(191,000)	-	1,878,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

14 Share capital (cont'd)

(a) Share options (cont'd)

Name of participants	Options granted/ (forfeited) during the financial year	Aggregate options granted since commencement of ESOS to the beginning of the financial year	Aggregate options granted since commencement of ESOS to the end of the financial year	Aggregate options cancelled/ forfeited/ lapsed since commencement of ESOS to the end of the financial year	Aggregate options exercised since commencement of ESOS to the end of the financial year	Aggregate options outstanding at end of financial year
2022						
Directors						
Ma Weidong (Controlling shareholder)	-	350,000	350,000	-	-	350,000
Lim Huan Chiang	-	350,000	350,000	-	-	350,000
Chu Hongtao	-	100,000	100,000	-	-	100,000
Sam Chong Keen	-	90,000	90,000	-	-	90,000
Darlington Tseng Te-Lin	-	80,000	80,000	-	-	80,000
Kenneth Loo	-	80,000	80,000	-	-	80,000
	-	1,050,000	1,050,000	-	-	1,050,000
Participants other than Directors						
Foong Sow Peng	-	80,000	80,000	-	-	80,000
Yo Ngan Kia	-	80,000	80,000	-	-	80,000
Ng Hock Wei	-	55,000	55,000	-	-	55,000
Other employees	(33,000)	393,000	393,000	(149,000)	-	244,000
	(33,000)	1,658,000	1,658,000	(149,000)	-	1,509,000

None of the Directors and/or other employees received 5% or more of the total number of options available under the Scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

14 Share capital (cont'd)

(a) Share options (cont'd)

Movements in the number of unissued ordinary shares under the A-Smart Employee Share Option Scheme and their exercise prices are as follows:

	No. of ordinary shares under option					
	Beginning of the financial year	Granted during the financial year	Forfeited during the financial year	End of the financial year	Exercise price	Exercise period
Group and Company						
2023						
Options granted on 17.03.2023	-	411,500	(18,000)	393,500	S\$0.288	17.03.2024-16.03.2028
Options granted on 17.02.2020	1,509,000	-	(24,000)	1,485,000	S\$0.356	17.02.2021-16.02.2025
	1,509,000	411,500	(42,000)	1,878,500		
2022						
Options granted on 17.02.2020	1,542,000	-	(33,000)	1,509,000	S\$0.356	17.02.2021-16.02.2025
	1,542,000	-	(33,000)	1,509,000		

There were 1,878,500 unexercised options (2022: 1,509,000) that can be exercisable into 1,878,500 ordinary shares (2022: 1,509,000) at the end of the financial year ended 31 July 2023.

The fair value of the share options granted, determined using the Binomial Valuation, and the significant inputs into the model are as follows:

Options grant date	Fair value of share options	Share price at the grant date	Exercise price of the options granted	Standard deviation of expected share price returns (*)	Dividend yield	Annual risk-free interest rate
17.02.2020	S\$ 30,000	S\$0.350	S\$0.356	23.0%	0%	1.65%
17.03.2023	S\$ 77,000	S\$0.290	S\$0.288	160.8%	0%	3.07%

* The volatility measured on the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the past 30 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

14 Share capital (cont'd)

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group strives to maintain a prudent capital structure. The capital structure of the Group comprises equity and debts.

The Group and the Company are not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the financial years ended 31 July 2023 and 2022 respectively.

15 Reserves

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Composition:				
Currency translation reserve	(239)	92	-	-
Share option reserve	57	25	57	25
	(182)	117	57	25

Movements:

(i) Currency translation reserve

	Group	
	2023 S\$'000	2022 S\$'000
Beginning of financial year	92	(38)
Net currency translation differences of financial statements of foreign subsidiary corporations and associated company	(331)	130
Less: Non-controlling interests	-*	-*
End of financial year	(239)	92

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

15 Reserves (cont'd)

(ii) Share option reserve

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Beginning of financial year	25	25	25	25
Employee share option scheme				
- Value of employee services (Note 19(b))	32	-	32	-
End of financial year	57	25	57	25

Reserves are non-distributable.

16 Lease liabilities

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Current	591	282	13	12
Non-current	2,969	2,353	19	31
	3,560	2,635	32	43

Security granted

The lease liabilities of S\$48,000 (2022: S\$93,000) and S\$32,000 (2022: S\$43,000) for the Group and the Company respectively are secured over certain, motor vehicles and office equipment of the Group. Except for leasehold premises, the legal title of assets acquired through leases will be retained by the lessors and transferred to the Group and the Company upon full settlement of the lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

17 Provision for reinstatement costs

	Group	
	2023 S\$'000	2022 S\$'000
Beginning of financial year	30	30
Reversal of provision for reinstatement costs (Note 19(a))	(30)	-
Provision made	30	-
End of financial year	<u>30</u>	<u>30</u>

The provision relates to the Group's obligation to reinstate leased premises to its original condition upon termination of lease and is based on the management's estimate in similar situations. The Group expects to incur the liability if the lease is not renewed upon its expiration.

18 Trade and other payables

	Group		Company	
	2023 S\$'000	2022 S\$'000	2023 S\$'000	2022 S\$'000
Trade payables – non-related parties	547	75	-	-
Other payables – non-related parties	284	407	4	75
Working capital loan due to non-controlling interests	3,302	348	-	-
Committed capital contribution due to an associated company (Notes 7 and 23)	-	685	-	-
Accruals for operating expenses	196	293	58	58
Accrued directors' fees	88	88	88	88
Deposits received from customers	101	221	-	-
	<u>3,971</u>	<u>2,042</u>	<u>150</u>	<u>221</u>
	<u>4,518</u>	<u>2,117</u>	<u>150</u>	<u>221</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

19 Revenue

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical region.

Group	At a point	Over time	Total
	in time		
	S\$'000	S\$'000	S\$'000
2023			
<u>Singapore</u>			
Print and media:			
- Sale of goods	119	-	119
- Services rendered	5,751	-	5,751
Smart technologies:			
- Sale of goods	386	-	386
- Services rendered	-	81	81
Total revenue	<u>6,256</u>	<u>81</u>	<u>6,337</u>

2022

Singapore

Print and media:

- Sale of goods

-

-

-

- Services rendered

5,782

-

5,782

Smart technologies:

- Sale of goods

289

-

289

- Services rendered

-

73

73

Total revenue

6,071

73

6,144

19(a) Other income

Group	2023	2022
	S\$'000	S\$'000
Dividend income from unquoted equity investment, at FVPL	13	-
Rental income (Note 5(ii))	55	31
Government grant income	81	12
Fair value gains – Financial asset, at FVPL (Note 13)	-	4
Reversal of provision for reinstatement costs (Note 17)	30	-
Miscellaneous income	5	-
Gain on liquidation of a subsidiary corporation (Note 6)	-	154
	<u>184</u>	<u>201</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

19(b) Staff costs

Group	2023 S\$'000	2022 S\$'000
<u>Directors' fees:</u>		
• Directors of the Company		
- Current financial year	88	88
<u>Directors' remuneration other than fees:</u>		
• Directors of the Company	347	383
- Contributions to defined contribution plans	9	8
• Directors of a subsidiary corporation	124	138
- Contributions to defined contribution plans	6	6
<u>Key management personnel (other than directors):</u>		
• Salaries, wages and other related costs	401	452
• Contributions to defined contribution plans	44	43
Key management personnel compensation	1,019	1,118
Other than directors and key management personnel:		
- Salaries, wages and other related costs	1,325	1,421
- Contributions to defined contribution plans	201	264
- Accrued performance bonuses	-	258
- Share option expense (Note 15(ii))	32	-
	<u>2,577</u>	<u>3,061</u>

19(c) Other expenses

Group	2023 S\$'000	2022 S\$'000
Corporate and legal expenses	126	100
Audit fees		
- <u>Current financial year:</u>		
Auditor of the company	100	97
Bank charges	7	7
Insurance	25	20
Marketing	89	135
Lease expense – short-term leases (Note 5(i)(d))	10	1
Property, plant and equipment written off	2	48
Printing and postage	18	16
Repair and maintenance of equipment	43	36
Telecommunication	20	13
Utilities	139	95
Upkeep of motor vehicles	55	50
Others	86	156
	<u>720</u>	<u>774</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

20(a) Interest income

Group	2023 S\$'000	2022 S\$'000
Interest income		
- Bank deposits	79	18
- Loan to a related party	48	54
	127	72

20(b) Finance costs

Group	2023 S\$'000	2022 S\$'000
Interest expense - lease liabilities (Note 5(i)(c))	40	21

21 Income tax expense

Group	2023 S\$'000	2022 S\$'000
Current income tax	-	-

Reconciliation of effective tax rate

Group	2023 S\$'000	2022 S\$'000
Profit/(loss) before taxation	115	(1,127)
Share of profit of an associated company	(145)	(71)
Loss before taxation and share of profit of an associated company	(30)	(1,198)
Tax credit calculated using Singapore tax rate of 17% (2022: 17%)	(5)	(204)
Effects of:		
Expenses not deductible for tax purposes	93	96
Income not subject to tax	(2)	(27)
Utilisation of group relief	(68)	(19)
Statutory stepped income exemption	(18)	-
Deferred tax assets not recognised	-	154
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

21 Income tax expense (cont'd)

At the reporting date, the Group had unabsorbed tax losses, unutilised capital allowances and unutilised investment allowances of approximately S\$4.1 million (2022: S\$4.1 million), S\$3.8 million (2022: S\$3.8 million) and S\$3,000 (2022: S\$3,000) respectively, that are available for carry forward and set-off against future taxable income, subject to agreement by the tax authorities and compliance with certain provisions of the tax legislations of the respective countries in which the subsidiary corporations operate. The tax losses have no expiry date.

22 Earnings/(Loss) per share

Basic

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted

For the purpose of calculating diluted earnings/(loss) per share, profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares: share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit/(loss).

Basic and diluted earnings/(loss) per share are calculated as follows:

	<u>2023</u>	<u>2022</u>
Basic earnings/(loss) per share		
Profit/(loss) attributable to owners of the Company (S\$'000)	<u>113</u>	<u>(1,098)</u>
Weighted average number of ordinary shares in issue ('000)	<u>159,027</u>	<u>149,062</u>
Basic earnings/(loss) per share (cents)	<u>0.071</u>	<u>(0.737)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

22 Earnings/(Loss) per share (cont'd)

	<u>2023</u>	<u>2022</u>
Diluted earnings/(loss) per share		
Profit/(loss) attributable to owners of the Company (S\$'000)	<u>113</u>	<u>(1,098)</u>
Weighted average number of ordinary shares in issue ('000)	159,027	149,062
Adjustment for:		
- Share options ('000)	<u>1,665</u>	<u>1,509</u>
	<u>160,692</u>	<u>150,571</u>
Basic earnings/(loss) per share (cents)	<u>0.070</u>	<u>(0.737)*</u>

* As losses were recorded, the dilutive potential shares from share options outstanding at the end of financial year 2022 were anti-dilutive and hence no changes were made to the diluted loss per share.

23 Commitments

Capital commitments

Group	<u>2023</u>	<u>2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Commitments in respect of		
- Procurement of goods for media events	325	300
- Procurement of food waste digester machines	-	168
- Capital contribution to an associated company (Notes 7 and 18)	<u>685</u>	<u>-</u>
	<u>1,010</u>	<u>468</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

24 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments:

- (a) Print and Media – the Print segment is involved in the printing of financial research reports, annual reports, asset management reports, initial public offering prospectuses, corporate brochures, year books, trade directories, magazines and other commercial publications and collaterals. The Media segment is involved in events management.
- (b) Property – involved in the property development business.
- (c) Smart Technologies - involved the development, sale and redistribution of smart IT solutions, gadgets, software and hardware products.
- (d) Corporate and Others – the Corporate segment refers to the Corporate office which incurs general corporate expenses and costs for shared services to support the Group. Others refer to long-term investments in non-quoted equities, held for future capital gains and dividend income.

Intra-segment and inter-segment transactions were carried out at terms agreed between the parties during the financial year. Intra-segment and inter-segment transactions were eliminated on consolidation.

Segment revenue and expenses:

Segment revenue and expenses are the operating revenue and expenses reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment.

Group cash resources, financing activities and income taxes are managed on a group basis and are not allocated to operating segments. Unallocated assets comprise cash and cash equivalents. Unallocated liabilities comprise lease liabilities, provision for reinstatement costs and current income tax liabilities.

The Board of Directors (the "Board"), who are the Chief Operating Decision Maker assess the performance of the operating segments based on a measure of segment results for continuing operations. This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs and impairment loss that are not expected to recur regularly in every period which the Board separately analysed. Finance costs are not allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

24 Operating segments (cont'd)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before taxation, as included in the internal management reports that are reviewed by the Board.

	Print and Media		Property		Corporate and Others		Smart Technologies		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales to external customers	5,870	5,782	-	-	-	-	467	362	-	-	6,337	6,144
Inter-segment sales	55	21	-	-	-	-	32	(53)	(55)	(53)	-	-
Segment revenue	5,925	5,803	-	-	-	-	467	394	(55)	(53)	6,337	6,144
Segment results	967	2	(4)	(77)	(862)	(885)	(91)	(224)	-	7	10	(1,177)
Finance costs											(40)	(21)
Share of profit of an associated company											145	71
Profit/(loss) before taxation											115	(1,127)
Income tax expense											-	-
Net profit/(loss) for the financial year											115	(1,127)
Assets and liabilities:												
Segment assets	4,285	2,477	12,604	8,502	3,574	2,374	699	445	-	-	21,162	13,798
Unallocated assets											7,053	6,003
Total assets											28,215	19,801
Segment liabilities	993	754	3,314	356	151	908	60	99	-	-	4,518	2,117
Current income tax liabilities											-	-
Unallocated liabilities											3,590	2,665
Total liabilities											8,108	4,782

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

24 Operating segments (cont'd)

	Print and Media		Property		Corporate and Others		Smart Technologies		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other segment information:												
Additions to property, plant and equipment	219	42	-	-	-	-	-	-	-	-	219	42
Depreciation of property, plant and equipment	723	673	-	-	46	46	5	5	-	-	774	724
Interest expense	38	19	-	-	2	2	-	-	-	-	40	21
Property, plant and equipment written off	2	48	-	-	-	-	-	-	-	-	2	48
Gain on liquidation of a subsidiary corporation	-	(154)	-	-	-	-	-	-	-	-	-	(154)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

24 Operating segments (cont'd)

The following table presents revenue, non-current assets and additions to property, plant and equipment information based on the geographical location of customers and assets:

	Revenue from		Non-current assets		Additions to	
	external customer				property, plant and	
	2023	2022	2023	2022	2023	2022
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	6,337	6,144	3,258	2,652	219	42
Timor-Leste	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	6,337	6,144	3,258	2,652	219	42

Revenue of S\$2.8 million (2022: S\$3.0 million) is derived from 4 (2022: 3) external customers. These revenues are attributable to Singapore print and media and smart technologies segments.

25 Financial risk management

The Group's activities expose it to market risk (including currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

(a) Market risk

Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the United States Dollar ("USD"), Hong Kong Dollar ("HKD") and Australian Dollar ("AUD").

Such risks are managed by matching sales with corresponding purchases, and assets and liabilities in the same currencies. The Group does not enter into currency options and does not use forward exchange contracts to protect against volatility associated with foreign currency sales and purchases.

The Group is also exposed to currency translation risk on its net investments in foreign operations. Such exposures are reviewed and monitored on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

25 Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

The Group's currency exposure based on the information provided to key management is as follows:

Group SGD equivalent	USD S\$'000	HKD S\$'000	AUD S\$'000	Total S\$'000
At 31 July 2023				
Financial assets:				
Cash and cash equivalents	-	6	-	6
Trade receivables	-	-	6	6
Net currency exposure	-	6	6	12
At 31 July 2022				
Financial assets:				
Cash and cash equivalents	-	4	-	4
Trade receivables	-	-	10	10
Financial liabilities:				
Trade and other payables	(685)	-	-	(685)
Net currency exposure	(685)	4	10	(671)

As at 31 July 2023 and 2022, the Company does not have significant foreign currency exposures as its financial assets and financial liabilities are mainly denominated in Singapore Dollar which is its functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

25 Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

Sensitivity analysis - Currency risk

A 5% strengthening of the above currencies against the SGD at the reporting date would have decreased/increased equity and profit or loss after tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular tax rates remain constant.

Group	USD	HKD	AUD	Total
SGD equivalent	S\$'000	S\$'000	S\$'000	S\$'000
<u>31 July 2023</u>				
(Decrease)/increase in profit after tax	-	-*	-*	-*
<u>31 July 2022</u>				
(Decrease)/increase in loss after tax	(28)	-*	-*	(28)

* Less than S\$1,000

A 5% weakening of the above currencies against the SGD would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets and liabilities at variable rates, the Group's income is substantially independent of changes in market interest rates.

Equity price risk

The Group is exposed to insignificant equity security price risk arising from the investment held by the Group which is classified as financial asset at FVPL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

25 Financial risk management (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group has adopted the policy of dealing only with customers of appropriate credit standing and history as a means of mitigating the risk of financial loss from such defaults. The Group does not require collateral from its customers.

Cash and cash equivalents are placed with reputable financial institutions of high credit ratings.

For customers, the Group performs credit reviews on new customers before acceptance and an annual review for existing customers. Credit reviews take into account customers' financial strength, the Group's past experiences with the customers and other relevant factors.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the Group comprise 4 (2022: 3) debtors, that individually represented between 9% - 25% (2022: 7% - 43%) of trade receivables.

Impairment of financial assets

The Group has the following financial assets where the expected credit loss model has been applied:

- Trade receivables (including amount due from subsidiary corporations)

The Group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for all trade receivables. The provision matrix is based on actual credit loss expenses over the past years.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. In measuring the expected credit losses, customers are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

25 Financial risk management (cont'd)

(b) Credit risk (cont'd)

Impairment of financial assets (cont'd)

- Trade receivables (including amount due from subsidiary corporations) (cont'd)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

No loss allowance against trade receivables is recognised as at 31 July 2023 and 31 July 2022 respectively as the management believes that the amounts that are past due are collectable, based on historical payment behaviour and credit-worthiness of the customers.

- Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost are mainly comprised of cash and cash equivalents and other receivables (including amount due from subsidiary corporations).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets.

For the purpose of impairment assessment, loss allowance is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

Other financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of other receivables to engage in a repayment plan with the Group or the Company, and a failure to make contractual payments.

No loss allowance against other financial assets, at amortised cost is recognised as the management believes that the amounts are collectible, based on historical payment behaviour and credit-worthiness of these receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

25 Financial risk management (cont'd)

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of the overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirement. In addition, the Group strives to maintain a level of credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows, including estimated interest payment.

	Contractual undiscounted cash flows				
	Carrying amount S\$'000	Total S\$'000	Less than 1 year S\$'000	Between 1 and 5 years S\$'000	Over 5 years S\$'000
Group					
At 31 July 2023					
Trade and other payables	4,518	4,518	4,518	-	-
Lease liabilities	3,560	23,694	624	1,852	21,218
	8,078	28,212	5,142	1,852	21,218
At 31 July 2022					
Trade and other payables	2,117	2,117	2,117	-	-
Lease liabilities	2,635	23,002	292	832	21,878
	4,752	25,119	2,409	832	21,878
Company					
At 31 July 2023					
Trade and other payables	150	150	150	-	-
Lease liabilities	32	33	14	19	-
	182	183	164	19	-
At 31 July 2022					
Trade and other payables	221	221	221	-	-
Lease liabilities	43	47	14	33	-
	264	268	235	33	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

25 Financial risk management (cont'd)

(d) Fair values of financial instruments

The fair value of financial instruments that are not trade in an active market is determined by valuation techniques. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3 (Note 13).

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

During the financial year, there are no movements in and out of Levels 1, 2 and 3.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

Group	2023 S\$'000	2022 S\$'000
Financial asset, at FVPL	45	45
Financial assets, at amortised cost	12,594	9,107
Financial liabilities, at amortised cost	8,078	<u>4,752</u>
	2023	2022
	S\$'000	S\$'000
Financial asset, at FVPL	45	45
Financial assets, at amortised cost	15,640	11,353
Financial liabilities, at amortised cost	4,224	<u>4,262</u>

26 Significant related party transactions

In addition to the related party information disclosed in Notes 11 and 18 to the financial statements, there were no significant transactions between the Group and related parties during the financial year on terms agreed between the parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

27 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 August 2023 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*:

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Amendments to SFRS(I) 1-12 *Income Taxes*:

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities, and
- Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

27 New or revised accounting standards and interpretations (cont'd)

Amendments to SFRS(I) 1-12 *Income Taxes*: (cont'd)

SFRS(I) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group does not expect any significant impact arising from applying these amendments.

28 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of A-Smart Holdings Ltd. on 11 November 2023.

STATISTICS OF SHAREHOLDINGS

AT 27 OCTOBER 2023

Class of Shares	:	Ordinary share
Voting right	:	One vote per share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	178,874,835
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5,941	46.56	226,330	0.13
100 - 1,000	4,584	35.93	1,437,561	0.80
1,001 - 10,000	1,766	13.84	6,025,348	3.37
10,001 - 1,000,000	454	3.56	26,649,755	14.90
1,000,001 AND ABOVE	14	0.11	144,535,841	80.80
TOTAL	12,759	100.00	178,874,835	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	MA WEIDONG	75,000,000	41.93
2	OEI HONG LEONG	31,077,973	17.37
3	CITIBANK NOMINEES SINGAPORE PTE LTD	10,222,128	5.71
4	WONG SWEE CHUN	7,400,000	4.14
5	LIAO SHENG-TUNG	5,164,485	2.89
6	MAYBANK SECURITIES PTE. LTD.	2,660,846	1.49
7	NG CHOON MENG	2,581,900	1.44
8	CHUA GEOK LIN	2,218,787	1.24
9	SNG LIAN HUA	1,875,200	1.05
10	GOH CHUNG HEE	1,824,875	1.02
11	LIM YUXIANG (LIN YUXIANG)	1,230,600	0.69
12	WONG SIEW CHING	1,193,547	0.67
13	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,081,625	0.60
14	NG SOH KIOW	1,003,875	0.56
15	KOH NGUAN KENG	860,000	0.48
16	UOB KAY HIAN PRIVATE LIMITED	737,310	0.41
17	YEP GEE KUARN	700,000	0.39
18	RAFFLES NOMINEES (PTE.) LIMITED	688,318	0.38
19	PHILLIP SECURITIES PTE LTD	686,100	0.38
20	LEE BON LEONG	600,085	0.34
TOTAL		148,807,654	83.18

STATISTICS OF SHAREHOLDINGS

AT 27 OCTOBER 2023

SUBSTANTIAL SHAREHOLDERS AS AT 27 OCTOBER 2023

(As recorded in the Register of Substantial Shareholders)

NO.	NAME	DIRECT INTEREST		DEEMED INTERESTS	
		NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
1.	Ma Weidong ⁽¹⁾	75,000,000	41.93	353,000	0.20
2.	Oei Hong Leong	31,077,973	17.37	-	-

Notes:

- ¹ Mr. Ma Weidong is deemed interested in 353,000 ordinary shares held by his spouse, Mrs Jin Li Yan by virtue of Section 7 of the Companies Act 1967 ("**Act**").

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

At 27 October 2023, 35.4% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of A-Smart Holdings Ltd. (“**Company**”) will be held at 11 Eunos Road 8 Level 2 Training Room 2-2 Singapore 408601, on Wednesday, 29 November 2023 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$88,128 for the financial year ended 31 July 2023 (2022: S\$88,128). **(Resolution 2)**
3. To re-elect the following Directors of the Company who retire pursuant to Regulations 94(2) of the Constitution of the Company.

Regulation 94(2)

Ms. Chu Hongtao

(Resolution 3)

Mr. Loo Kenneth

(Resolution 4)

[See Explanatory Note (i)]

4. To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
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 resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”)(“Listing Manual”)**

That pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and Rule 806 of the Listing Manual, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

NOTICE OF ANNUAL GENERAL MEETING

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

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force.

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Listing Manual; and
 - (c) any subsequent consolidation or subdivision of shares;

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Listing Manual are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

(Resolution 6)

7. Authority to issue shares under the A-Smart Employee Share Option

That pursuant to Section 161 of the Companies Act and the provisions of the A-Smart Employee Share Option Scheme ("**A-Smart ESOS**"), the Directors of the Company be authorised and empowered to offer and grant share options under the A-Smart ESOS and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of share options granted by the Company under the A-Smart ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the A-Smart ESOS shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 7)

By Order of the Board

Sharon Lim Siew Choo
Company Secretary
Singapore, 14 November 2023

Explanatory Notes:

- (i) Ms. Chu Hongtao will, upon re-election as a Director of the Company, remain as the Independent Non-Executive Director, Chairman of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered non-independent pursuant to Rule 704(8) of the Listing Manual.

Mr. Loo Kenneth will, upon re-election as a Director of the Company, remain as the Non-Executive Director.

Please refer to the Company's Annual Report FY2023 for the detailed information on Ms. Chu Hongtao and Mr. Loo Kenneth required pursuant to Rule 720(6) of the Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

- (ii) Resolution 6 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding in total fifty per cent (50%) of the total number of issued shares in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a *pro rata* basis to shareholders.

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

- (iii) Resolution 7 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the exercise of share options granted or to be granted under the A-Smart ESOS provided that the aggregate additional Shares to be allotted and issued pursuant to the A-Smart ESOS do not exceed in total (for the entire duration of the A-Smart ESOS) fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

Notes:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate virtually.
2. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member of the Company.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Scheme**") and/or Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and who wishes to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or by an officer duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter of power of attorney or duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 61 Tai Seng Avenue, Print Media Hub, #03-03, Singapore 534167 not less than forty-eight (48) hours before the time appointed for holding the Meeting, and in default the instrument of proxy shall be treated as invalid.
6. Members may submit questions related to the resolutions which will be tabled for approval at the AGM, in advance of the AGM by mail to the Company's registered office at 61 Tai Seng Avenue, Print Media Hub, #03-03, Singapore 534167, or email to HR@a-smart.sg no later than 22 November 2023.

When submitting the questions, please provide the Company with the following details, for verification purpose:-

- (i) Full name;
- (ii) NRIC number;
- (iii) Current address; ,
- (iv) Contact number; and
- (v) Number of Shares held. Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

Shareholders are encouraged to submit their questions before 22 November 2023, as this will allow the Company sufficient time to address and respond to these questions on or before 27 November 2023, 10.00 a.m. (48 hours prior to the closing date and time for the lodgement of the proxy forms). The responses will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, 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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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A-SMART HOLDINGS LTD.

(Company Registration No. 199902058Z)
(Incorporated In the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy and submit their votes at least 7 working days before the AGM, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC/Passport No./Co. Registration No.)

of _____ (Address)

being *a member/members of **A-SMART HOLDINGS LTD.** ("**Company**"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her*, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the AGM of the Company to be held at 11 Eunos Road 8 Level 2 Training Room 2-2 Singapore 408601, on Wednesday, 29 November 2023 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our proxy/proxies* to vote for or against or abstain from voting on the Resolutions 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 at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

No.	Resolutions relating to:	No. of Votes 'For'**	No. of Votes 'Against'**	No. of Votes 'Abstain'**
Ordinary Business				
1	Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 July 2023			
2	Approval of Directors' fees amounting to S\$88,128 for the financial year ended 31 July 2023 (2022: S\$88,128)			
3	Re-election of Ms. Chu Hongtao as a Director			
4	Re-election of Mr. Loo Kenneth as a Director			
5	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditors and to authorise the Directors of the Company to fix their remuneration			
Special Business				
6	Authority to allot and issue new shares			
7	Authority to issue shares under the A-Smart Employee Share Option Scheme			

* Delete where inapplicable

** If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2023

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

Signature of Shareholder(s)
and / or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at a AGM of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 61 Tai Seng Avenue, #03-03 Print Media Hub @ Paya Lebar iPark, Singapore 534167 not less than forty-eight (48) hours before the time appointed for the AGM, and in default the instrument of proxy shall not be treated as valid.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967, 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.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/ or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 November 2023.



A-SMART HOLDINGS LTD.

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#03-03, Singapore 534167

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