

**FORISE INTERNATIONAL LIMITED AND ITS
SUBSIDIARY COMPANIES**

(Incorporated in Singapore)

**Condensed Interim Financial Statements for the Six
Months and Full Year Ended 31 December 2021**

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FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the six months and full year ended 31 December 2021

	2H 2021 S\$'000	2H 2020 S\$'000 (Restated)	Change %	FY 2021 S\$'000	FY 2020 S\$'000 (Restated)	Change %
Revenue	Note 3 1,420	1,753	(19)	1,686	2,160	(22)
Other income	2	64	(97)	10	136	(93)
Other gains – net	-	90	(100)	-	90	(100)
Expenses						
- Amortisation of right-of-use assets	-	(43)	(100)	-	(178)	(100)
- Consultancy charges	16	(83)	N.M	(58)	(129)	(55)
- Depreciation	-	-	-	-	(1)	(100)
- Directors' fee	(46)	(67)	(31)	(114)	(135)	(16)
- Employee compensation	(321)	(779)	(59)	(973)	(1,268)	(23)
- Interest expense on lease liability	-	(1)	(100)	-	(18)	(100)
- Professional fees	(111)	(199)	(44)	(320)	(401)	(20)
- Rental on operating leases	(11)	(11)	-	(39)	(37)	5
- Currency exchange gain/ (loss)	121	(99)	N.M	68	(171)	N.M
- Other operating expenses	(38)	(133)	(71)	(66)	(160)	(59)
Total expenses	(390)	(1,415)		(1,502)	(2,498)	
Share of loss of an associated company	-	(142)	(100)	-	(158)	(100)
Share of loss of a joint venture	-	(2)	(100)	-	(3)	(100)
Profit/ (loss) before tax	1,032	348		194	(273)	
Tax expense	4 (72)	(82)	(12)	(71)	(83)	(14)
Profit/ (loss) after tax	960	266		123	(356)	
Other comprehensive (loss)/ income:						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- (Loss)/ gain	(39)	67		(29)	134	
Items that will not be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation						
- Gain/ (loss)	4	(7)		8	(14)	
Other comprehensive (loss)/ income	(35)	60		(21)	120	
Total comprehensive income/ (loss)	925	326		102	(236)	
Profit/(loss) attributable to:						
Equity holders of the Company	596	(110)		(18)	(679)	
Non-controlling interests	364	376		141	323	
	960	266		123	(356)	
Total comprehensive income/ (loss) attributable to:						
Equity holders of the Company	557	(43)		(47)	(545)	
Non-controlling interests	368	369		149	309	
	925	326		102	(236)	

N.M. – Not Meaningful

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES
B. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

	Note	GROUP		COMPANY	
		2021 S\$'000	(Restated) 2020 S\$'000	2021 S\$'000	(Restated) 2020 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	5	2,266	893	1,744	8
Trade and other receivables	6	1,559	2,801	882	2,996
Other current assets		55	16	19	8
		3,880	3,710	2,645	3,012
Non-current assets					
Investment in subsidiaries		-	-	*	*
Investments in associated companies		-	-	-	-
Plant and equipment		-	-	-	-
		-	-	*	*
Total assets		3,880	3,710	2,645	3,012
LIABILITIES					
Current liabilities					
Trade and other payables		293	298	122	138
Tax payables		156	83	-	-
Total liabilities		449	381	122	138
Net assets		3,431	3,329	2,523	2,874
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	7	33,347	33,347	33,347	33,347
Accumulated losses		(30,208)	(26,246)	(30,824)	(26,529)
Currency translation reserve		(206)	(4,121)	-	(3,944)
		2,933	2,980	2,523	2,874
Non-controlling interest		498	349	-	-
Net assets		3,431	3,329	2,523	2,874

* Amount represents below S\$1,000.

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES
C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	← Attributable to equity holders of the Company →			Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Currency translation reserve S\$'000			
The Group						
Balance at 1 January 2021	33,347	(26,246)	(4,121)	2,980	349	3,329
Effect of change of functional currency	-	(3,944)	3,944	-	-	-
(Loss)/ profit for the financial year	-	(18)	-	(18)	141	123
Other comprehensive (loss)/income for the financial year	-	-	(29)	(29)	8	(21)
Total comprehensive (loss)/income for the financial year	-	(18)	(29)	(47)	149	102
Balance at 31 December 2021	33,347	(30,208)	(206)	2,933	498	3,431

	← Attributable to equity holders of the Company →			Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Currency translation reserve S\$'000			
The Group						
Balance at 1 January 2020	33,347	(25,567)	-	7,780	40	7,820
Effect of the change of the presentation currency	-	-	(4,255)	(4,255)	-	(4,255)
Balance at 1 January 2020 (restated)	33,347	(25,567)	(4,255)	3,525	40	3,565
(Loss)/ profit for the financial year	-	(679)	-	(679)	323	(356)
Other comprehensive income/(loss) for the financial year	-	-	134	134	(14)	120
Total comprehensive (loss)/income for the financial year	-	(679)	134	(545)	309	(236)
Balance at 31 December 2020 (restated)	33,347	(26,246)	(4,121)	2,980	349	3,329

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES
C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital	Accumulated losses	Currency translation reserve	Total equity
The Company	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	33,347	(26,529)	(3,944)	2,874
Effect of the change of the functional currency	-	(3,944)	3,944	-
Loss for the financial year		(351)	-	(351)
Balance at 31 December 2021	33,347	(30,824)	-	2,523

	Share capital	Accumulated losses	Currency translation reserve	Total equity
The Company	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2020	33,347	(25,853)	-	7,494
Effect of change in presentation currency	-	-	(4,099)	(4,099)
Balance at 1 January 2020 (restated)	33,347	(25,853)	(4,099)	3,395
Loss for the financial year	-	(676)	-	(676)
Total comprehensive income	-	-	155	155
Balance at 31 December 2020 (restated)	33,347	(26,529)	(3,944)	2,874

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	FY 2021 S\$'000	(Restated) FY 2020 S\$'000
Cash flows from operating activities		
Profit/(loss) before tax	194	(273)
Adjustments for:		
- Amortisation of right-of-use assets	-	178
- Depreciation of plant and equipment	-	1
- Share of loss in joint venture	-	3
- Share of loss in associated company	-	158
- Interest on lease liability	-	3
- Interest income	(6)	(13)
- Gain on disposal of joint venture	-	(90)
- Unrealised exchange (gain)/ loss	(19)	104
	169	71
<i>Change in working capital</i>		
- Trade and other receivables	1,242	(504)
- Other current assets	(39)	63
- Trade and other payables	(5)	(6)
Cash generated from/ (used in) operations	1,367	(376)
Interest income received	6	13
Net cash generated from/ (used in) operating activities	1,373	(363)
Cash flows from investing activity		
Net proceeds from disposal of joint venture, representing net cash generating from investing activity	-	220
Cash flows from financing activities		
Repayment of lease liability	-	(188)
Interest paid	-	(3)
Net cash used in financing activities	-	(191)
Net increase/ (decrease) in cash and cash equivalents	1,373	(334)
Cash and cash equivalents at beginning of the financial year	893	1,227
Cash and cash equivalents at end of the financial year	2,266	893

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. Corporate information

Forise International Limited (the Company) is listed on the Singapore Exchange Securities Trading Limited (the "Singapore Exchange") or (the "SGX-ST") and incorporated and domiciled in Singapore. These condensed interim consolidated financial statements as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company is that of investment holding. The principal activities of the Company's subsidiaries consist of provision of corporate and financial advisory and management consulting services and investment holding.

The consolidated financial statements relate to the Company and its subsidiaries and the Group's interests in an associated company.

2. Basis of preparation

The condensed interim financial statements of the financial year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the change on the Group's financial position and Group's performance since the last audited financial statements for the financial year ended 31 December 2020.

2.1 Change in functional and presentation currency

Prior to 1 January 2021, Renminbi ("RMB") was regarded as the functional currency of the Company and the consolidated financial statements were also presented in RMB. The Group and the Company had, having reviewed the business, operating environment and future perspective of the Company, changed its functional currency from RMB to Singapore Dollar ("S\$") for the financial year ended 31 December 2021. The change in functional currency of the Company was applied prospectively from the date of change, 1 January 2021, in accordance with SFRS(I) 1-21 *The effects of Changes in Foreign Exchange Rates*.

In conjunction with the change in functional currency, the Company and the Group had also changed its presentation currency to S\$. The change in presentation currency has been applied retrospectively in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The comparative figures of the Group and the Company in these financial statements have been restated in S\$ in order to provide meaningful comparable information.

In accordance with SFRS(I) 1-21 the following methodology was followed in restating historical statements from RMB into S\$:

- i) All assets and liabilities are translated from their functional currency into the new presentation currency at the beginning of the comparative period using the opening exchange rate and retranslated at the closing rate;
- ii) Profit and loss items are translated at the average exchange rate;
- iii) Share capital, other reserves and accumulated losses are restated into the new presentation currency as if they had always been in the presentation currency; and
- iv) All resulting currency translation differences are recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Basis of preparation (cont'd)

2.2 New and amended standards adopted by the Group

During the current financial year, the Group has adopted the following SFRS(I), amendments to SFRS(I) which took effect from the financial year beginning 1 January 2021:

- Amendments to SFRS(I) 16 *Covid-19 Related Rent Concessions*

The adoption of the above amendment to SFRS(I) has assessed to have no material financial effect on the results and financial position of the Group for the financial year ended 31 December 2021. Accordingly, it has no material impact on the profit per share of the Group.

2.3 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next reporting period are included in the following notes:

Corporate and financial advisory contracts and management consultancy contracts

The Group recognises revenue from corporate and financial advisory contracts and management consultancy contracts when the outcome of a transaction involving the rendering of services can be estimated reliably. Significant judgement and estimate is required in determining the method and amount of revenue to recognise. Specifically, arrangements may require contract interpretation to determine appropriate accounting, including whether promised goods and services in an arrangement are distinct performance obligations and should be accounted for separately. Other judgements include determining whether performance obligations are satisfied over time or at a point in time.

Corporate and financial advisory contracts

Corporate and financial advisory contracts consist of a single performance obligation which is recognised at a point in time upon on the lodgement of the funds with the authority by the customers in accordance with the investment plans advised by the Group, or when the customers provide a written acknowledgement confirming the services has been rendered.

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Basis of preparation (cont'd)

2.3 Use of judgements and estimates (cont'd)

Corporate and financial advisory contracts and management consultancy contracts (cont'd)

Management consultancy contracts

Management consultancy contracts consist of a single performance obligation, which is recognised over time as control is transferred continuously to customers. Typically, revenue is recognised over time using an input measure of time expended to date relative to total estimated time to be incurred at project completion. Incurred hours represent services rendered and thereby faithfully depicts the transfer of control to the customer. The measurement of progress towards completion is agreed and certified by the customers.

There have been no significant changes to the judgements in respect of the corporate and financial advisory contracts and management consultancy contracts

Expected credit losses (“ECLs”) on advances to a related party, loans to an associated company and trade receivables

ECLs are unbiased 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 has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant judgements and assumptions.

The Group measured the loss allowance of advances to a related party, loans to an associated company and trade receivables using the three-stage impairment approach and the simplified approach respectively. A considerable amount of judgement is required in assessing the ECL which are determined by referencing to the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information.

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. Revenue

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments. (see Note 8).

	Group			
	2H2021	2H2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
At point in time				
Corporate and financial advisory services				
- People of Republic China	268	90	396	216
- Singapore	80	-	80	-
	348	90	476	216
Overtime				
Management consultancy services				
- Singapore	1,072	1,596	1,145	1,877
- Denmark	-	31	30	31
- United Arab Emirates	-	36	35	36
	1,072	1,663	1,210	1,944
	1,420	1,753	1,686	2,160

Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Tax expense

The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group			
	2H2021	2H2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Tax expense attributable to profit/ (loss) is made up of:				
- Current income tax	40	82	39	83
- Under provision of income tax in prior years	32	-	32	-
	72	82	71	83

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

5. Cash and cash equivalents

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank balances	378	636	344	8
Short-term bank deposits	488	257	-	-
Fixed deposits	1,400	-	1,400	-
	2,266	893	1,744	8

6. Trade and other receivables

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	1,506	1,220	-	-
Other receivables	4,148	5,488	882	2,996
Less: allowance for expected credit loss	(4,095)	(3,907)	-	-
	53	1,581	882	2,996
	1,559	2,801	882	2,996

The difference in allowance for expected credit loss was mainly due to the currency translation.

7. Share capital

	No. of ordinary shares	Amount S\$'000
2021		
Balance at 1 January and 31 December	42,599,999	33,347
2020		
Balance at 1 January	2,130,000,000	33,347
Share consolidation	(2,087,400,001)	-
Balance at 31 December	42,599,999	33,347

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

The Company did not hold any treasury shares as at 31 December 2021. The Company's subsidiaries did not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. Segment information

The Group's chief operating decision-makers ("CODM") comprise of the Executive Directors. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The CODM considers the business from both geographical and business segment perspectives. Geographically, management manages and monitors the business mainly in the People of Republic China ("PRC") and India. From a business segment perspective, the Group's operations derive its revenue from corporate and financial advisory and management consultancy business. Other services within Singapore mainly relates to investment holding and is not included within the reportable operations segments as it is not included in the segment reports provided to the CODM. The result of its operations is included under "All other segments".

The segment information provided to the CODM for the reportable segments are as follows:

6 months ended 31 December	Corporate and financial advisory and management consultancy		All other segments		Total operations	
	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue and expenses						
Revenue	1,420	1,753	-	-	1,420	1,753
Other income	-	-	-	148	-	148
Interest income	2	6	-	-	2	6
Currency exchange gain/(loss), net	46	(75)	75	(24)	121	(99)
Consultancy charges	16	(83)	-	-	16	(83)
Amortisation of right-use-of asset	-	-	-	(43)	-	(43)
Employee compensation	(233)	(428)	(88)	(351)	(321)	(779)
Directors' fee	-	-	(46)	(67)	(46)	(67)
Interest expense on lease liability	-	-	-	(1)	-	(1)
Professional fees	(36)	(86)	(75)	(113)	(111)	(199)
Rental on operating leases	(3)	(8)	(8)	(3)	(11)	(11)
Other operating expenses	(16)	(20)	(22)	(113)	(38)	(133)
Share of loss of a joint venture	-	-	-	(2)	-	(2)
Share of loss of an associated company	-	(142)	-	-	-	(142)
Profit/ (loss) before income tax	1,196	917	(164)	(569)	1,032	348
Income tax expense	(72)	(82)	-	-	(72)	(82)
Total profit/ (loss)	1,124	835	(164)	(569)	960	266

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. Segment information (cont'd)

12 months ended 31 December	Corporate and financial advisory and management consultancy		All other segments		Total operations	
	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue and expenses						
Revenue	1,686	2,160	-	-	1,686	2,160
Other income	-	-	4	213	4	213
Interest income	6	13	-	-	6	13
Currency exchange gain/ (loss), net	93	(26)	(25)	(145)	68	(171)
Consultancy charges	(58)	(129)	-	-	(58)	(129)
Depreciation of plant and equipment	-	-	-	(1)	-	(1)
Amortisation of right-use-of asset	-	-	-	(178)	-	(178)
Employee compensation	(669)	(804)	(304)	(464)	(973)	(1,268)
Directors' fee	-	-	(114)	(135)	(114)	(135)
Interest expense on lease liability	-	-	-	(18)	-	(18)
Professional fees	(171)	(174)	(149)	(227)	(320)	(401)
Rental on operating leases	(15)	(33)	(24)	(4)	(39)	(37)
Other operating expenses	(23)	(28)	(43)	(132)	(66)	(160)
Share of loss of a joint venture	-	-	-	(3)	-	(3)
Share of loss of an associated company	-	-	-	(158)	-	(158)
Profit/ (loss) before income tax	849	979	(655)	(1,252)	194	(273)
Income tax expense	(71)	(83)	-	-	(71)	(83)
Total profit/ (loss)	778	896	(655)	(1,252)	123	(356)
Segment assets	2,117	3,688	1,763	22	3,880	3,710
Segment liabilities	327	243	122	138	449	381

9. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	FY2021	FY2020	FY2021	FY2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets at amortised cost				
Trade and other receivables*	1,601	2,808	890	3,000
Cash and cash equivalents	2,266	893	1,744	8
	3,867	3,701	2,634	3,008
Financial liabilities at amortised cost				
Trade and other payables	293	298	122	138

* exclude prepayments

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the financial year ended 31 December 2021

- 1(i) Details of any changes in the Company's share capital and arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other shares of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of corresponding period of the immediately preceding financial year.

	Group and Company	
	31 December 2021	31 December 2020
	No. of shares	
Beginning of the financial year	42,599,999	2,130,000,000
Share consolidation	-	(2,087,400,001)
End of the financial year	<u>42,599,999</u>	<u>42,599,999</u>

Save as disclosed above, there were no outstanding convertibles or treasury shares held as at 31 December 2020.

- 1(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group and Company	
	31 December 2021	31 December 2020
	No. of shares excluding treasury shares	
Beginning of the financial year	42,599,999	2,130,000,000
Share consolidation	-	(2,087,400,001)
End of the financial year	<u>42,599,999</u>	<u>42,599,999</u>

- 1(iii) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

Not applicable.

- 1(iv) A statement showing all sales, transfer, cancellation and/or use of subsidiaries holdings as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and if so which auditing standard or practice has been followed

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any modification or emphasis of matter)

Not applicable.

FORISE INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES
F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2
For the financial year ended 31 December 2021

4. **Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

Refer to note 2 - basis of preparation of the condensed interim consolidated financial statement.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Refer to Note 2 - basis of preparation of the condensed interim consolidated financial statement.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Group	2H 2021 (cents)	2H 2020 (cent)	FY 2021 (cents)	FY 2020 (cents)
Basic and diluted	2.80	(0.16)	(0.04)	(0.06)

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit/ (loss) attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the current financial year of 42,599,999 ordinary shares (2020: 1,126,222,950 ordinary shares).

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer as at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	FY2021 cents	FY2020 cents	FY2021 cents	FY2020 cents
Net assets value per ordinary shares	6.89	6.99	5.92	6.75

The net asset value per share is calculated based on the issued share capital excluding treasury shares of 42,599,999 ordinary shares as at 31 December 2021 (31 December 2020: 42,599,999 ordinary shares).

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on.**

(a) **Review of Group performance**

2H 2021 VS 2H 2020

Revenue

The Group's sales decreased from S\$1,753,000 in 2H 2020 to S\$1,420,000 in 2H 2021. The decrease was primarily due to lower contribution by the management consulting services.

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For the financial year ended 31 December 2021

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on. (cont'd)

(a) **Review of Group performance (cont'd)**

2H 2021 VS 2H 2020 (cont'd)

Other income and other gains-net

Other income decreased from S\$64,000 in 2H 2020 to S\$2,000 in 2H 2021 mainly due to no payout of JSS grants by Government to help employers to retain their local employees during the Covid-19 pandemic period with economy uncertainty in FY2020.

There is no other gain in 2H2021, due to the one off transaction of gain on disposal of joint venture in 2H2020.

Expenses

Decrease in amortisation of right-of-use assets mainly due to the tenancy agreement has expired.

Decrease in consultancy charges is mainly due to the expenses recharged to the associated company, as services provided are for the associated company.

Decrease in directors fee is mainly due to the resignation of one director in mid of September 2021, and also due to the reduction of the directors' fees to tide the Group through this challenging period, including weaker economy due to the on-going COVID-19 pandemic.

Decrease in employee compensation is mainly due to the reduction of director's salary, and also resignation of the employees in 2H2021, as compared to 2H2020.

Decrease in professional fee is mainly due to the lesser professional services in relation to various corporate actions and other advisory matters of the Group taken up during 1H2021.

Currency exchange gain is mainly due to the fluctuation of Chinese Renminbi ("RMB") and United States Dollar ("USD") against Singapore dollar ("SGD").

Decrease in other operating expenses mainly due to the reinstatement expenses of S\$95,000 was incurred upon expiration of office lease in 2H2020.

Share of loss of an associated company and joint venture

There is no additional share of loss from its associated company as the Group's share of loss equals to its interest in the associated company. While the Group has completed its disposal of the joint venture in 2H2020, hence, there is no share of gain/ loss of the joint venture in 2H2021.

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8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on. (cont'd)

(a) **Review of Group performance (cont'd)**

FY 2021 VS FY 2020

Revenue

The Group's sales decreased from S\$2,160,000 in FY2020 to S\$1,686,000 in FY2021. The decrease was primarily due to lower contribution by the management consulting services.

Other income and other gains-net

Other income decreased from S\$136,000 in FY2020 to S\$10,000 in FY2021 mainly due to i) no pay-out of JSS grants by Government to help employers to retain their local employees during the Covid-19 pandemic period with economy uncertainty in FY2020, ii) no rental concessions received during the financial year and iii) no rental income from sublease of office space to a third party company upon expiration of office lease in UOB Plaza in August 2020.

There is no other gain in FY2021, due to the one off transaction of gain on disposal of joint venture in FY2020.

Expenses

Decrease in amortisation of right-of-use assets mainly due to the tenancy agreement has expired.

Decrease in consultancy charges is mainly due to the lesser costs incurred and also due to partial cost in relation to the services provided for associated company were allocated to the associated company

Decrease in directors fee is mainly due to the resignation of one director in mid of September 2021, and also due to the reduction of the directors' fees to tide the Group through this challenging period, including weaker economy due to the on-going COVID-19 pandemic.

Decrease in employee compensation is mainly due to the reduction of director's salary, and also resignation of the employees during the financial year as compared to prior year.

Decrease in professional fee is mainly due to the lesser professional services in relation to various corporate actions and other advisory matters of the Group taken up during the financial year.

Currency exchange gain is mainly due to the fluctuation of Chinese Renminbi ("RMB") and United States Dollar ("USD") against Singapore dollar ("SGD").

Decrease in other operating expenses mainly due to the reinstatement expenses of S\$95,000 was incurred upon expiration of office lease in FY2020, which is none noted in FY2021.

Share of loss of an associated company and joint venture

There is no additional share of loss from its associated company as the Group's share of loss equals to its interest in the associated company. While the Group has completed its disposal of the joint venture in FY2020, hence, there is no share of gain/ loss of the joint venture in FY2021.

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8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flows, working capital, assets or liabilities of the Group during the current financial period reported on. (cont'd)**

(b) Review of financial position

The Group's current assets increased by S\$170,000 mainly due to increase in cash and cash equivalents of S\$1,373,000 due to the repayment from the related party offset against the decrease in trade and other receivables of S\$1,242,000. The decrease in trade and other receivables was mainly due to the repayment of advances from related party.

The Group's current liabilities increased by S\$68,000 mainly due to the increase in tax payable for the current financial year tax payment and also under provision of prior year tax, and partially offset against the decrease in trade and other payables of S\$31,000 resulting from settlement of amount owing to creditors.

(c) Review of change in cash flow

The Group reported net increase in cash and cash equivalents mainly due to the realisation of receivables into cash during the financial year.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The current announced results are in line with the general prospect commentary previously disclosed in the results announcement for the financial period ended 31 December 2020.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The continuous Covid-19 pandemic remains uncertain as the world continues to tackle the uncertainties from the emergence of new variants. Due to the global economic uncertainty and trade war, the Group expects business headwinds to continue in FY2022 to remain uncertain and challenging.

Despite the on-going Covid-19 pandemic and strict measures in place to combat the Covid-19 pandemic in worldwide, the Group was able to generate revenue of S\$1,686,000 and net profits of S\$123,000. In addition, the Group also implemented cost savings plan including but not limited to salary reductions, in order to cut costs and to tide the Group through this challenging period.

Amidst the challenging environment, the Group continues to strive in our current business, and will endeavor to do our best to explore new business opportunities, in order to expand and enhance the performance and shareholders' value of the Group.

11. **Dividend**

(a) Current Financial Period Reported On:

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

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11. Dividend (cont'd)

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2021 as the Board of Directors deems it appropriate to conserve funds for the Group's business development and further expansion.

13. Interested Person Transaction

There were no interest person transactions during the financial year. The Group does not have a general mandate from shareholders for Interested Person Transactions to Rule 920 of the Listing Manual of Singapore Exchange Securities Trading ("SGX-ST").

14. Confirmation pursuant to rule 720(1) of the listing manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 701(11) in the format below. If there are no such persons, the issuers must make an appropriate negative announcement.

There are no person occupying a managerial position in the issuer or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13).

By Order of the Board
Peng Weile
Executive Director

28 February 2022