Figtree

Pivot
Position
Prepare

ANNUAL
REPORT
2022

Pivot

CHESS IS A GAME OF STRATEGY, TACTICS AND CALCULATED RISKS.

JUST LIKE A BUSINESS, IT IS FULL OF CHALLENGES AND OPPORTUNITIES.

Position

Prepare

HOW YOU PLAY THE GAME WILL DETERMINE YOUR SUCCESS.

Contents

01 Corporate Profile

03 Joint Statement from our Chairman and Managing Director

05 Financial Highlights

07 Corporate Structure

08 Operations & Financial Review

10 Design & Build

12 Property Development & Investment

15 Board of Directors

18 Senior Management

19 Corporate Governance Report

46 Financial Statements

129 Shareholdings Statistics

131 Notice of Annual General Meeting Disclosure of Information on Directors Seeking Re-election

Proxy Form

IBC Corporate Information

Corporate Profile

Founded in 2009, Figtree Holdings Limited ("**Figtree**" or the "**Company**", and together with its subsidiaries and associates, the "**Group**"), is a provider of commercial and industrial real estate solutions. The Group typically acts as the main contractor for its projects in Singapore, covering new construction, A&A works on existing buildings as well as refurbishment and upgrading of existing buildings. In China and Malaysia, the Group provides design, project and construction management consulting services.

The Group has established a strong presence in China in the property development sector with a diverse portfolio of residential, commercial and industrial properties. The Group continues to explore suitable property development and investment opportunities in Australia.

Figtree was listed on SGX Catalist on 11 November 2013.

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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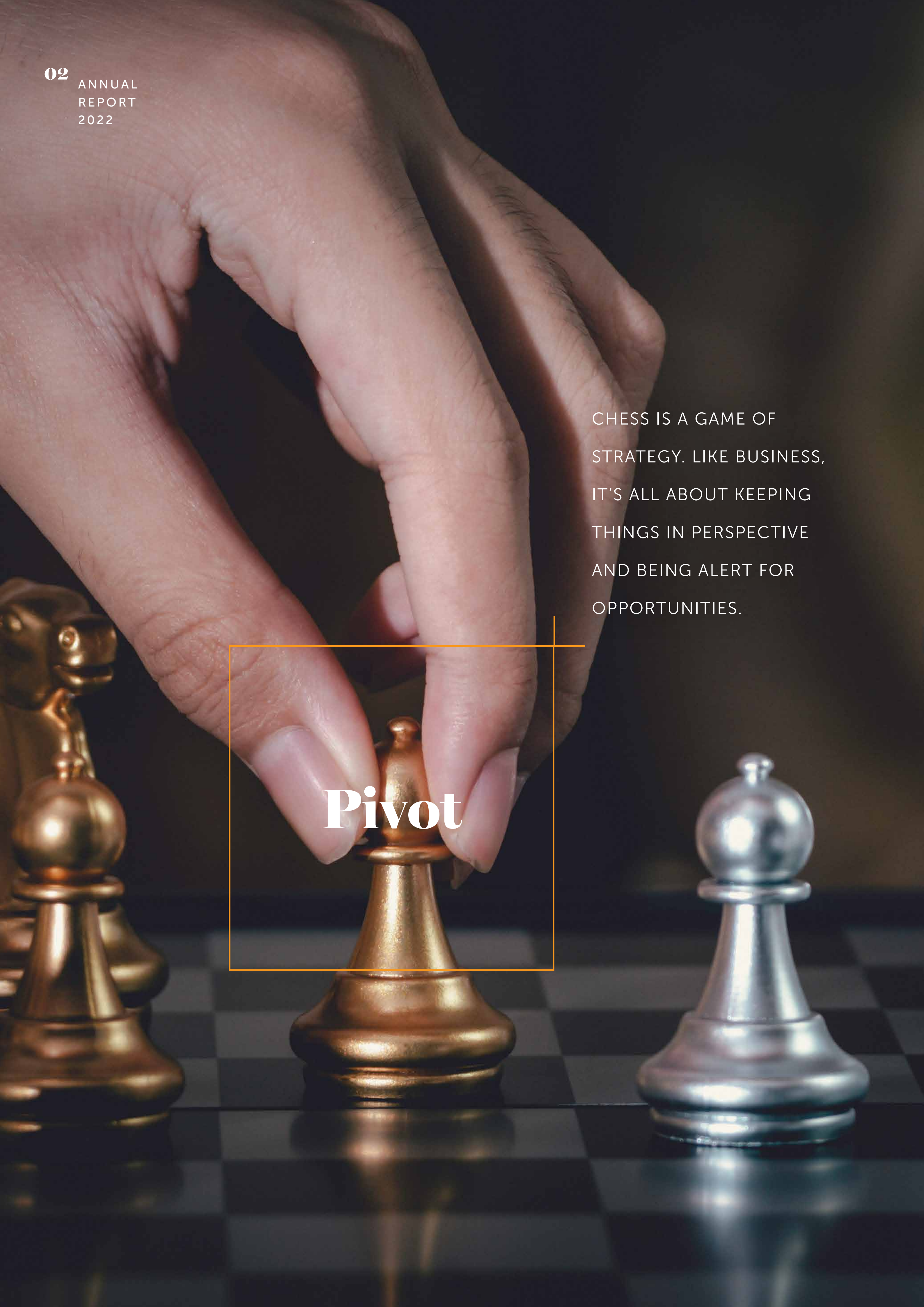

CHESS IS A GAME OF STRATEGY. LIKE BUSINESS, IT'S ALL ABOUT KEEPING THINGS IN PERSPECTIVE AND BEING ALERT FOR OPPORTUNITIES.

Pivot

Joint Statement From Our Chairman & Managing Director

Danny Siaw
Managing Director

Lee Choong Hiong
Non-Executive
Independent Chairman

Dear Shareholders,

On behalf of our Board of Directors ("**Board**") and management, it is our pleasure to present to you Figtree's annual report for the financial year ended 31 December 2022 ("**FY2022**").

After more than three years of living under varying degrees of social restrictions, the COVID-19 pandemic finally transitioned into an endemic phase in 2022. With this, measures to contain the spread of the virus were lifted in many parts of the world and borders reopened, including China's early this year. This has set the stage for the recovery in economic activity to pick up pace.

Our revenue in FY2022 increased to S$42.6 million from S$15.3 million for the year ended 31 December 2021 ("**FY2021**") as the relaxation of such measures facilitated construction progress for our Design & Build ("**D&B**") projects. We fully completed the OJJ Foods facility in Singapore and in China, we recognised revenue from the D&B works for two renewable energy facilities we are working on.

Cost of materials and labour during the year remained high from supply chain disruptions and the Russia-Ukraine war. Meanwhile, the government grants under the Job Support Scheme for the construction industry also fully tapered off in FY2022. Against this landscape, we reported a net loss attributable to owners of S$8.4 million compared to the S$5.1 million loss a year ago.

Projects Updates

Property Investment & Development – China

Both Phase 1 and Phase 2 of the Changshu Fervent High Tech Industrial Park remain at 100% occupancy, generating a stable and recurring income for us through the Group's 32% interest in the project. In July 2022, we installed rooftop solar photovoltaic panels at Faurecia's built-to-suit facility and have been supplying green energy to them ever since.

In relation to the development of Vibrant Pucheng Multi-Modal Logistics Distribution Centre, the legal proceedings against the 20%-owned associate Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("**Vibrant Pucheng**") via our wholly-owned subsidiary Figtree Projects (Shanghai) Co., Ltd. ("**Figtree Shanghai**") has concluded. Following a court-assisted mediation process, Vibrant Pucheng is required to repay Figtree Shanghai an aggregate amount of approximately RMB67.3 million (equivalent to approximately S$13.0 million) on an installment basis with the first payment of RMB5.0 million (equivalent to approximately S$0.97 million) scheduled for 30 April 2023.

Vibrant Pucheng has failed to make the first repayment and Figtree Shanghai has sought legal advice on the next steps to take. We do not expect these latest developments to have a material impact on the Group for FY2023. We will make further announcements to update shareholders should there be further material developments on this matter.

Property Investment & Development – Australia

The construction of the Blackburn Property, a residential redevelopment project in Melbourne, is ongoing albeit at a slow speed due to pandemic measures during the year. We have commenced marketing activities and barring unforeseen circumstances, we expect to complete this project in 4Q 2023.

We have a 27.75% effective interest in DCA | PIER, a colocation data centre in Perth, via a strategic stake in DC Alliance Pte Ltd ("**DCA**"). The take-up rate at DCA | PIER has continued to improve after its capacity expansion in FY2022. In June 2022, DCA | PIER launched Western Australia's first-ever Private Cloud pod, commissioned by TPG Telecom. This is expected to position DCA | PIER to pursue new business opportunities via a high performance and resilient cloud solution within the Perth region.

Design and Build (D&B) – Singapore and China

We completed the OJJ food processing facility in Singapore with Temporary Occupation Permit obtained on 3 November 2022.

In China, our project for Pano (Changshu) New Energy Technology Co., Ltd ("**Pano**") at the Changshu High Tech Park is expected to be completed end June 2023. We won our second renewable energy facility worth approximately RMB95.0 million (equivalent to approximately S$20.0 million) from Leapton New Energy (Changshu) Co., Ltd ("**Leapton**") in June 2022. Leapton is a wholly-owned subsidiary of Japan-based Leapton Energy Co., Ltd, one of the largest integrated photovoltaic companies in China for the production and sale of solar cells, modules, mounting and power system R&D. Located at Changshu City in China's Jiangsu Province, this facility will be Leapton's main manufacturing and distribution centre with a gross floor area of approximately 73,000 square metres across 4-storeys of manufacturing space. We commenced construction of the Leapton facility in 3Q 2022 and we expect to complete the project in 3Q 2023.

Pivot, Position and Prepare

While the easing of the COVID-19 situation globally and the reopening of the world's second-largest economy China are heartening, other uncertainties have come into play which are impacting market conditions. Inflation and interest rates have remained elevated with worries of a global recession and a spike in geopolitical tensions could create more volatilities. Materials and labour costs are also expected to remain persistently high. These factors will cast a shadow on our earnings capacity and ability to secure new projects in the near term.

Our main priority during this period is long-term business sustainability and we are ready to pivot, position and prepare the Group to do what is necessary as a property developer and investor to ensure this.

We continue to build the Group's D&B core competencies and capabilities in certain strategic segments for the future. One of them is colocation data centres, which continues to benefit from the strong global digitalisation trend. In Australia, the data centre market is set to grow from US$6.2 billion in 2021 to US$9.6 billion by 2027.[1]

We are also working hard to build a brand for Figtree for industrial facilities in the renewable energy space, an area which is growing rapidly with the world's Green transition. In the last two years alone, we had secured two D&B projects for renewable energy facilities in China with a total value of RMB160 million (equivalent to approximately S$33.6 million). China had installed 86 gigawatts ("**GW**") of solar power capacity in 2022, up 62% from 2021, bringing total installed capacity to a record 392.6 GW.[2] In fact, China is fast-tracking its renewable energy installation capacity in its five-year plan through 2025,[3] which is relevant to us given our game plan.

At the same time, we aim to strengthen our balance sheet with a view to position Figtree for opportunities when market conditions eventually improve. Prudent resources and cashflow management will be a part of this along with opportunities to divest certain assets.

Appreciation

As we emerge from the pandemic in hope of brighter days ahead, I would like to express my deepest gratitude to my fellow directors of the Board, management team and staff. Your hard work, ingenuity and tenacity have enabled Figtree to navigate tough times. My special thanks to our dedicated staff who have remained by our side through the years. My deepest appreciation is also extended to our customers, partners and suppliers for your unwavering support. Finally, a big thank you to our shareholders for your continued trust in Figtree.

As always, we wish all shareholders a safe and healthy 2023.

Lee Choong Hiong
Non-Executive Independent Chairman

Danny Siaw
Managing Director

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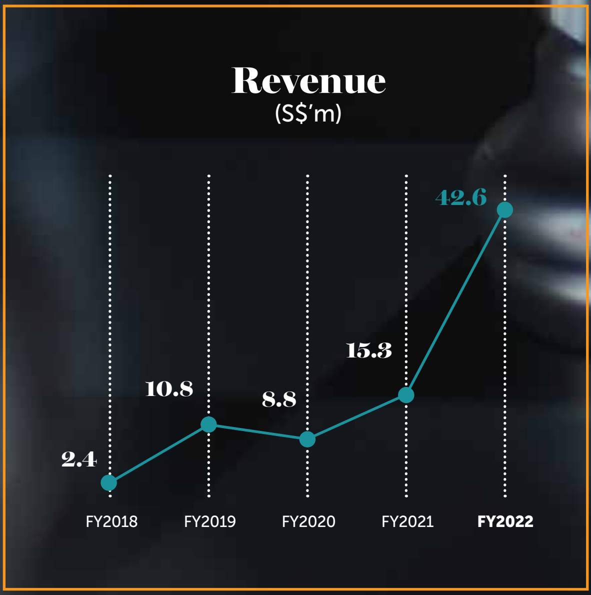
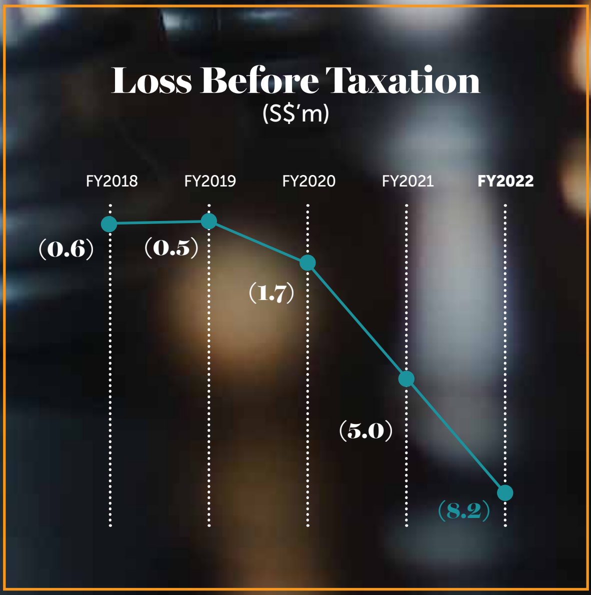
[1] *https://finance.yahoo.com/news/australia-data-center-market-witness-180000601.html*

[2] *https://www.scmp.com/business/article/3207250/climate-change-china-sets-another-solar-power-installation-record-while-putting-brakes-fossil-fuel*

[3] *https://www.scmp.com/business/article/3208235/renewable-energy-what-china-doing-solar-and-wind-power-storage-secure-supply-amid-weather-challenges?module=inline&pgtype=article*

Financial Highlights





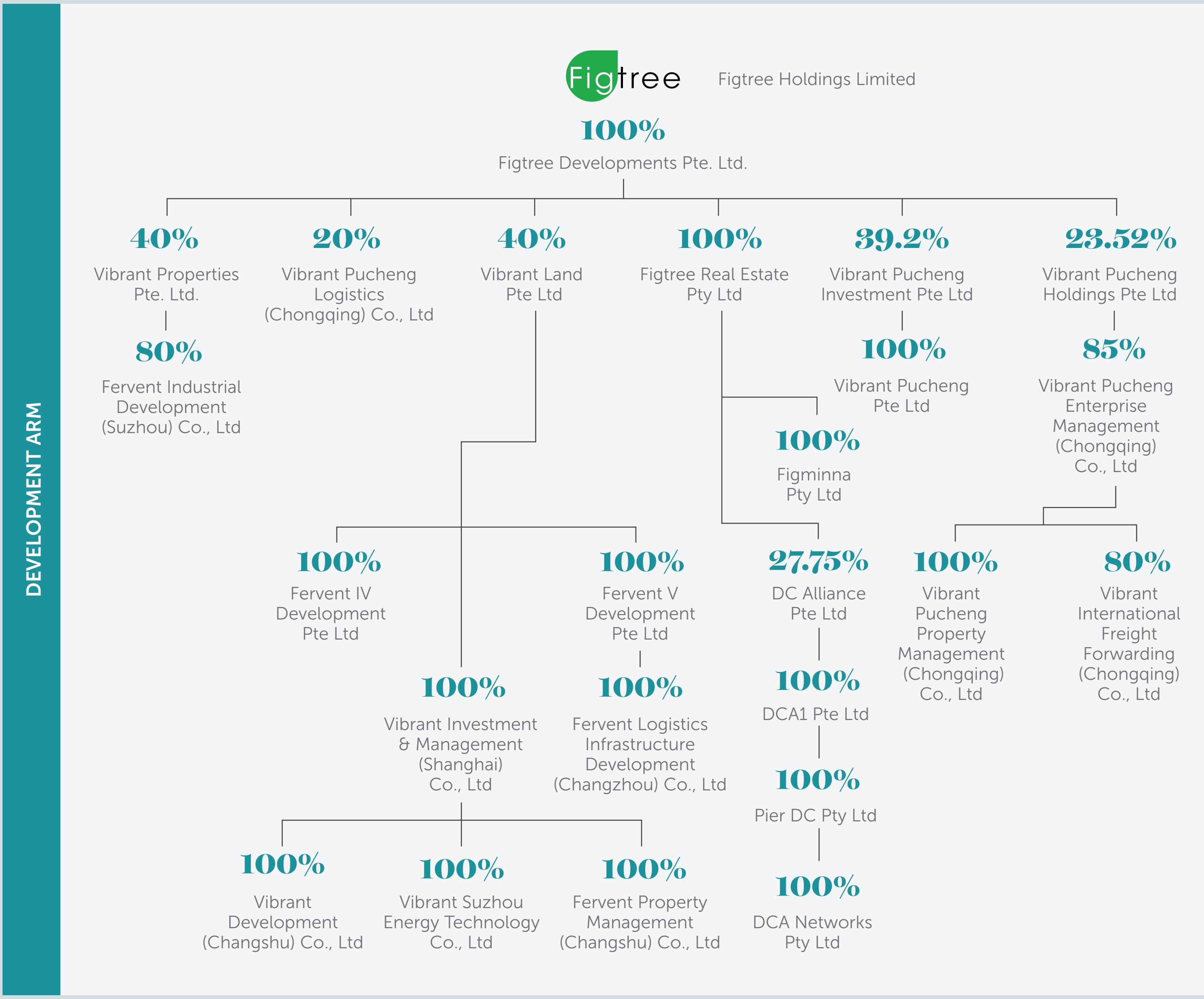
	2022	2021	2020	2019	2018
Group Income Statements (S$'000)					
Revenue	**42,610**	15,347	8,817	10,793	2,375
Loss before taxation	**(8,160)**	(4,980)	(1,686)	(452)	(629)
Net loss attributable to owners of the Company	**(8,436)**	(5,143)	(1,576)	(48)	(599)
Group Balance Sheets (S$'000)					
Total assets	**67,801**	60,760	64,478	61,400	84,056
Total liabilities	**34,301**	16,779	15,865	11,480	33,171
Equity attributable to owners of the Company	**33,620**	44,177	48,715	49,995	50,910
Per Share Data (Cents)					
Earnings per share (basic)	**(2.35)**	(1.44)	(0.45)	(0.01)	(0.17)
Earnings per share (diluted)	**(2.35)**	(1.44)	(0.45)	(0.01)	(0.17)
Net asset value	**9.35**	12.29	13.69	14.24	14.63
Market Capitalisation (S$'000)					
At close of market on the first trading day after the announcement of the unaudited financial results for the financial year	**9,344**	12,579	30,608	35,121	37,234

Position

A GOOD CHESS PLAYER IS LIKE A GOOD BUSINESSPERSON – HE MOVES HIS PIECES CAREFULLY AND STRATEGICALLY, ALWAYS KEEPING IN MIND THE FUTURE.

Corporate Structure

**AS AT
31 DECEMBER 2022**



Operations & Financial Review

Revenue

S$42.6m

▲ 177.6%

Cash & Short-term Deposits

S$5.3m

in FY2022

Review of Income Statement

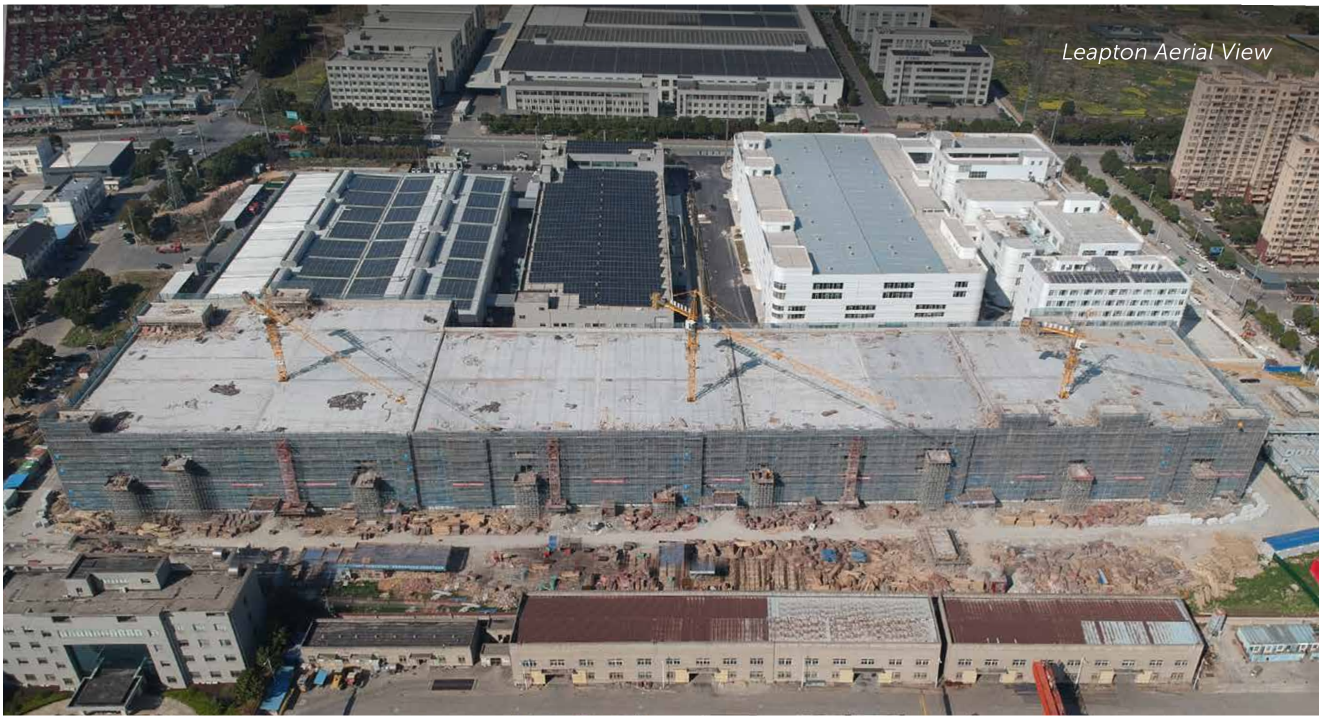
For the year ended 31 December 2022 (**"FY2022"**), the Group recorded a 177.6% year-on-year increase in revenue to S$42.6 million, up from S$15.3 million for the year ended 31 December 2021 (**"FY2021"**).

The rise in revenue was attributed to higher revenue recognition from the OJJ D&B project which obtained the Temporary Occupation Permit on 3 November 2022 as well as from the Pano and Leapton D&B projects which commenced construction in 4Q 2021 and 3Q 2022 respectively.

Reflecting the higher revenue and inflationary environment, cost of sales rose 143.7% to S$38.8 million in FY2022. The Group, nevertheless, reversed from a gross loss of S$0.6 million in FY2021 to a gross profit of S$3.8 million in FY2022. This was mainly due to adjustments in the budgeted costs for the OJJ project, along with the write-back of provision for foreseeable losses made for the OJJ project in FY2021 that amounted to S$0.6 million.

Other income decreased by 58.3% to S$0.8 million in FY2022 largely attributed to the non-recurring gain recorded in FY2021 from the disposal of a 100%-owned subsidiary, Fervent III Pte Ltd, along with its fully-owned subsidiary. Other income also fell due to lower government grants received from the Job Support Scheme in FY2022. Meanwhile, general and administrative expenses for FY2022 rose by 72.3% to S$11.4 million. The higher expenses were due to an increase in unrealised foreign exchange losses to S$1.8 million resulting from the weaker Australian Dollar against the Singapore Dollar; higher impairment of S$1.8 million for trade receivables and contract assets; and higher impairment of S$2.3 million in relation to Vibrant Pucheng. These were partially offset by lower impairment amounting to S$0.2 million for leasehold properties in FY2022 as compared to FY2021.

In addition, finance costs incurred by the Group increased by 190.4% to S$0.4 million due to increased bank borrowings and other borrowings for general working capital purposes.



Leapton Aerial View

Pano (Changshu) New Energy Technology Co., Ltd

During the year, the Group's share of loss of associates amounted to S$1.0 million in FY2022 compared to a share of profits of associates of S$0.4 million in FY2021. This was largely due to operational losses incurred by the DCA group of companies and the Group's share of fair value adjustment of Changshu Fervent High Tech Industrial Park.

At the same time, tax expenses for FY2022 declined 22.4% to S$0.2 million due to lower deferred tax liabilities arising from temporary differences.

In view of these factors, the Group recorded a net attributable loss of S$8.4 million in FY2022 compared to a S$5.1 million loss in FY2021.

Review of Financial Position

The Group's total assets increased from S$60.8 million as at 31 December 2021 to S$67.8 million as at 31 December 2022, attributable to the following:

- Development properties increased by S$0.8 million to S$5.1 million mainly due to costs capitalised in the construction of the Blackburn Property in Australia which commenced construction in the first half of 2022.

- Contract assets increased by S$14.0 million to S$15.8 million mainly due to work completed for the OJJ, Pano, and Leapton projects that are yet to be billed.

- Trade receivables increased by S$0.9 million to S$3.5 million mainly from higher receivables from the OJJ, Pano, and Leapton projects, in line with the higher revenue. This was partially offset by a S$1.8 million impairment on trade receivables for a project with Development 8 Pte Ltd that was completed in financial year ended 2017.

- Other receivables increased by S$0.9 million to S$1.7 million mainly due to a deposit of cash collateral as a performance bond for the Blackburn Property.

This was partially offset by the following:

- Property, plant and equipment decreased by S$0.2 million to S$2.5 million due to an impairment of S$0.2 million made for leasehold properties located at 8 Jalan Kilang Barat, the Group's corporate office in Singapore.

- Interests in associates decreased by S$5.3 million to S$11.2 million, mainly due to the Group's share of associates' profits, foreign currency translation reserve, and fair value reserve for the period; share of fair value adjustment of Fervent; as well as the impairment in relation to Vibrant Pucheng.

- Cash and short-term deposits decreased by S$4.1 million to S$5.3 million as a result of cash flows used in operations and loans extended to an associate, partially offset by net proceeds from bank borrowings and other borrowings.

The Group's total liabilities increased from S$16.8 million as at 31 December 2021 to S$34.3 million as at 31 December 2022 attributable to:

- Trade and other payables increased by S$13.8 million to S$20.3 million as a result of an increase in trade payables and accrued subcontractors' costs arising from the OJJ, Pano, and Leapton projects.

- Borrowings increased by S$4.8 million to S$11.3 million as a result of an increase in bank borrowings, shareholders' loan and other borrowings.

This was partially offset by:

- Contract liabilities decreased by S$0.2 million to nil due to the completion of the project with Crystal Freight Services Distripark Pte Ltd.

In view of the above, the Group's net asset value decreased by 23.8% to S$33.5 million as of 31 December 2022 from S$44.0 million as of 31 December 2021.

Design & Build

Figtree's D&B capabilities have earned the confidence of clients and we are trusted by them to provide seamless, quality and affordable solutions for their real estate requirements. From project and construction management consultancy to main contracting, we have built a strong D&B track record in the food processing, logistics, warehousing and industrial facilities over the years. Since 2012, Figtree has completed numerous projects across Singapore, China and Malaysia.

Food Processing Facilities

OJJ Foods Pte Ltd (Singapore, Jurong West)
Completion: 4Q 2022

This is a 6-storey food processing facility located at Chin Bee Avenue with a gross floor area ("**GFA**") of approximately 18,000 sqm. The facility comprises a fully automated refrigerated Automated Storage & Retrieval System warehouse, chiller and freezer cold rooms, central kitchen and other production and ancillary offices. The Group completed the project with Temporary Occupation Permit obtained in November 2022.

Industrial Facilities

Pano (Changshu) New Energy Technology Co., Ltd (China, Jiangsu)
Expected Completion: 2Q 2023

This RMB65.0 million (approximately S$13.6 million) project was secured in May 2021 from Pano, one of the largest manufacturers of wind turbine generators and accessories in China. Located at the Changshu High Tech Park, the facility will be Pano's headquarters and main manufacturing and distribution centre that will comprise 6-storeys of ancillary offices and 4-storeys of manufacturing space over a GFA of approximately 36,500 sqm. Construction commenced in 4Q 2021 and is expected to complete by the end of June 2023.

Leapton New Energy (Changshu) Co., Ltd (China, Jiangsu)
Expected Completion: 3Q 2023

This a RMB95.0 million (approximately S$20.0 million) D&B contract from Leapton New Energy (Changshu) Co., Ltd, a wholly owned subsidiary of Japan-based Leapton Energy Co., Ltd, one of the largest integrated photovoltaic companies in solar cells, modules, mounting and power system R&D, production and sales in China. With a GFA of approximately 73,000 sqm over 4-storeys, the facility will be Leapton's main manufacturing and distribution centre. Construction commenced in 3Q 2022 and is expected to complete in 3Q 2023. This is the Group's second D&B project in the renewable energy space in as many years.

Track Record

Food Processing

PROJECT	LOCATION	COMPLETION[1]
OJJ Foods Pte Ltd	Singapore	2022
Tiong Lian Food Pte Ltd	Singapore	2020
Barry Callebaut Group	Singapore	2014
Seo Eng Joo Frozen Food Pte Ltd	Singapore	2014

Industrial

PROJECT	LOCATION	COMPLETION[1]
Fraenkische Pipe Systems & Components (Changshu) Co., Ltd	China (Jiangsu)	2020
IDT China Factory Fashion Accessories Co., Ltd	China (Jiangsu)	2019
Fervent High Tech Industrial Park Phase 2 (Faurecia – BTS[2])	China (Jiangsu)	2019
Fervent High Tech Industrial Park Phase 2 (Ingevity – BTS[2])	China (Jiangsu)	2018
Fortune Land Industrial Park (PM[3])	China (Jiangsu)	2014
Pipeline Distribution (M) Sdn Bhd (PM[3])	Malaysia (Johor)	2012

Logistics & Warehousing

PROJECT	LOCATION	COMPLETION[1]
Hankyu Hanshin Properties Singapore Pte Ltd	Singapore	2017
LTH Logistics (Singapore) Pte Ltd	Singapore	2017
Crystal Freight Services Distripark Pte Ltd	Singapore	2016
HT Industrial Development (PM[3])	China (Jiangsu)	2015
LF Logistics Services Pte Ltd	Singapore	2015
Freight Links E-Logistics Technopark Pte Ltd	Singapore	2014
Goodrich Global Ltd (PM[3])	China (Jiangsu)	2014
Cisco Recall Total Information Management Pte Ltd	Singapore	2013
KWE-Kintetsu World Express (S) Pte Ltd	Singapore	2013
Menlo Logistics Pte Ltd	Singapore	2012
Sin-Sino Industrial Development (Suzhou) Co., Ltd (PM[3])	China (Jiangsu)	2012

[1] Refers to year of construction completion
[2] BTS: Built-to-Suit facility
[3] PM: Project Management

Property Development & Investment

Since our decision to expand this business in 2014, Figtree's Property Development and Investment business has grown in the region. Our range of services under this umbrella includes development, construction, sale and lease of residential, commercial and industrial properties. We have a diverse portfolio of residential, commercial and industrial properties in China and Australia, and continue to seek investment opportunities in markets and industries with exciting growth potential.

Property Development

Residential Development

Blackburn Property (Australia, Melbourne)
Expected Completion: 4Q 2023

Blackburn Property is on the outskirts of Melbourne's Central Business District close to Box Hill, a major transport hub for Melbourne's eastern suburbs. Redevelopment works for this 1,436 sqm plot of land into 10 units of 3-storey contemporary townhouses is ongoing and marketing of the property has commenced. Completion is targeted in 4Q 2023 barring unforeseen circumstances.

Logistics and Warehousing

Vibrant Pucheng Multi-Modal Logistics Distribution Centre – Phase 1 (China, Chongqing)

Project development is on-hold. The legal proceedings against the 20%-owned associate Vibrant Pucheng Logistics (Chongqing) Co., Ltd., via our wholly-owned subsidiary, Figtree Projects (Shanghai) Co., Ltd, has concluded. Please refer to the announcement filed by the Group on 28 April 2023 on the SGX for details.

Property Investment

Industrial

Changshu Fervent High Tech Industrial Park – Phases 1 and 2 (China, Jiangsu)

Phases 1 and 2 of Changshu Fervent High Tech Industrial Park remain at 100% occupancy and continue to generate stable and recurring income for us through our 32% interest in the project. We have been supplying green energy to Faurecia since July 2022 after we installed rooftop solar photovoltaic panels in its Built-to-Suit facility.

Colocation Data Centres

DCA | Pier (Australia, Perth)

We have an effective interest of 27.75% in DCA | Pier (formerly known as Pier DC) via a strategic stake in DC Alliance Pte Ltd ("**DCA**"). This investment is intended to broaden our recurring income base and position us to gain fit-for-purpose design capabilities catered to colocation facilities.

DCA | Pier is a ready-for-service Uptime Certified Tier III facility in the Canning Vale industrial area, the only one of its kind south of the Perth CBD. The facility is 9,600 m^2 with a capacity for 1,000 racks and 5MW IT load. Capacity expansion at DCA | Pier was completed in 2Q 2022 and take-up rate has continued to improve.

Track Record

Industrial

PROJECT	LOCATION	COMPLETION[1]
Fervent High Tech Industrial Park Phase 2 (Faurecia – BTS[2])	China (Jiangsu)	2019
Fervent High Tech Industrial Park Phase 2 (Ingevity – BTS[2])	China (Jiangsu)	2018
Fervent High Tech Industrial Park Phase 1	China (Jiangsu)	2015

Residential

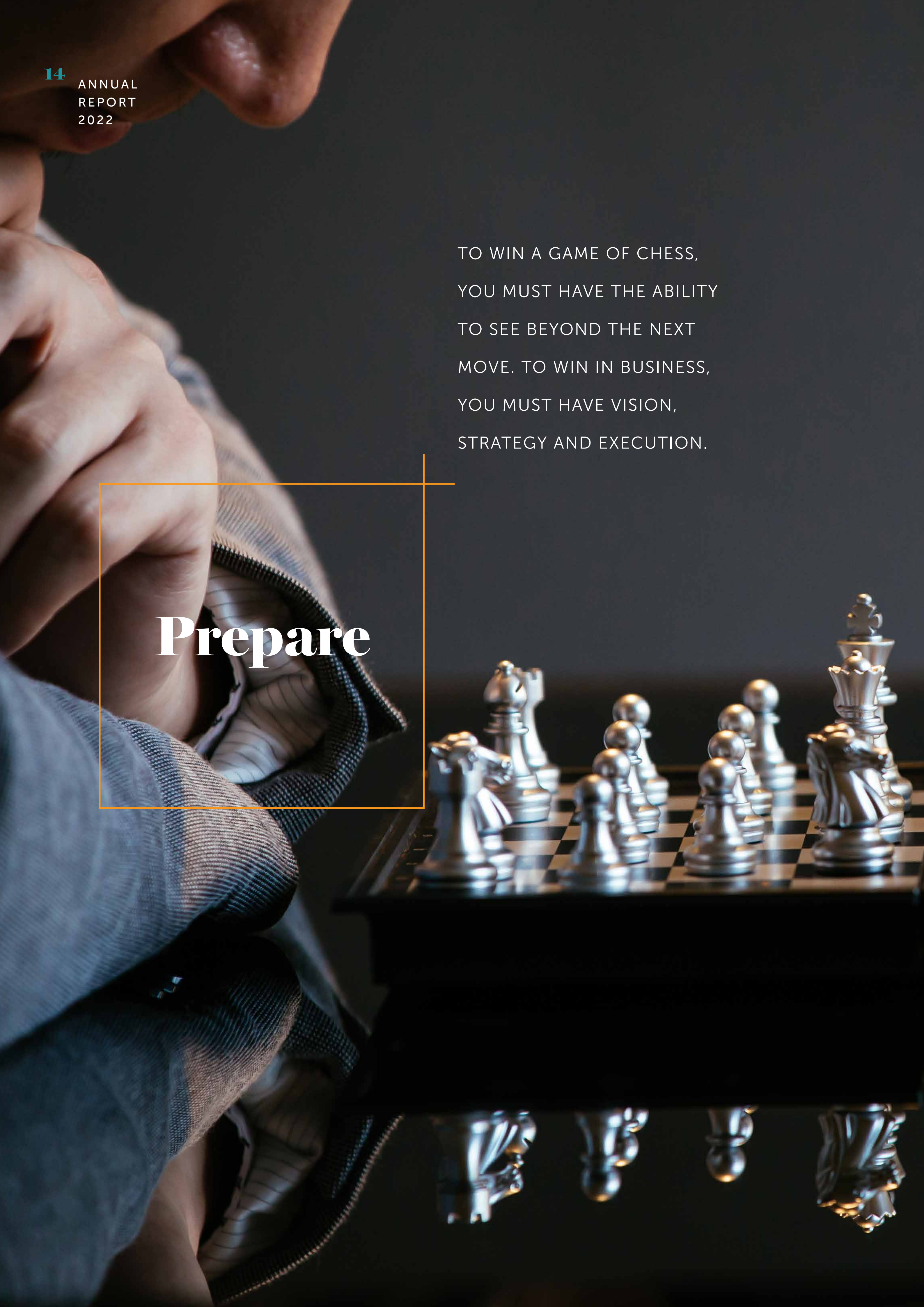
PROJECT	LOCATION	COMPLETION[1]
303 La Trobe[4]	Australia (Melbourne)	2019
Master Riveria Residences	China (Jiangsu)	2018
DP-Master-Vibrant Project 2: BT[3] Government housing	China (Jiangsu)	2016
DP-Master-Vibrant Project 1: BT[3] Government housing	China (Jiangsu)	2015

[1] Refers to year of construction completion

[2] BTS: Built-to-Suit facility

[3] BT: Build and Transfer

[4] 303 La Trobe was sold in 2019 before construction commencement



TO WIN A GAME OF CHESS, YOU MUST HAVE THE ABILITY TO SEE BEYOND THE NEXT MOVE. TO WIN IN BUSINESS, YOU MUST HAVE VISION, STRATEGY AND EXECUTION.

Prepare

Board of Directors

Lee Choong Hiong

Non-Executive Independent Chairman

MR LEE was appointed as Independent Director of the Company on 8 October 2013. On 22 January 2020, he was appointed as the Chairman and re-designated to Non-Executive Independent Chairman of the Company.

He is also currently the owner of LCH Quantity Surveying Pte. Ltd. which he started in 1986, that provides quantity surveying services, business and management consultancy services.

With more than 50 years of experience in quantity surveying, Mr Lee worked as a senior quantity surveyor at LT&Y from 1973 to 1981. Thereafter, he became a partner at Lim Chan Hoe & Partners, a company in the business of quantity surveying from 1981 to 1986.

Mr Lee holds a Bachelor of Science (Building) from the University of Singapore and is a member of The Singapore Institute of Surveyors and Valuers.

Siaw Ken Ket @ Danny Siaw

Managing Director

MR SIAW was appointed as Executive Chairman and Managing Director of the Company on 5 June 2013. On 22 January 2020, he was re-designated to Managing Director.

Primarily responsible for the business development and overall management of the Group, Mr Siaw started his career in November 1990 as a site engineer with Civil & Civic Pty Ltd, a wholly-owned subsidiary of Lend Lease Corporation Limited in Australia.

Following which, he was transferred to Bovis Lend Lease Pte Ltd (a design and build company) in Singapore in July 1993 as a project manager and rose through the ranks to become a business development manager. He went on to Magdecon Projects Pte Ltd in 1998 as an executive director in charge of business development and design. On the back of his stellar work performance, Mr Siaw was subsequently promoted to the post of managing director in 2004, a position he held until December 2010.

The following year, Mr Siaw joined Figtree Projects Pte. Ltd. as its managing director and subsequently became the director of Figtree Projects Sdn Bhd and Figtree Projects (Shanghai) Co., Ltd in the latter part of 2011. In 2013, Mr Siaw was also appointed as a director of Figtree Developments Pte. Ltd.

Mr Siaw holds a Bachelor of Planning and Design, as well as a Bachelor of Building, from the University of Melbourne, Australia. He is also the current Vice President of the Association of Catalist Companies.

Board of Directors

Tan Chew Joo

Executive Director & Cost Director

MR TAN was appointed as Executive Director and Cost Director of the Company on 5 June 2013.

He is primarily responsible for the overall management of costing and budgeting of projects for the Group. Mr Tan started his career in 1973 as a quantity surveyor with the Singapore Public Works Department before joining Soh Beng Tee Pte Ltd, a general building contractor, as its contracts manager in 1975. Five years later in 1980, Mr Tan joined Bovis Lend Lease Pte Ltd as its cost manager where he rose through the ranks to become senior director and general manager. Subsequently, he joined Magdecon Projects Pte Ltd in 1998 as its managing director and undertook the position of the executive chairman from 2004 to 2007. Following which, Mr Tan assumed the position of technical consultant for Magdecon Projects Pte Ltd from 2007 to 2009 and was also an executive director of Singa MP Corporation Pte Ltd, the holding company of Magdecon Projects Pte Ltd, from 2008 to 2009. In 2011, Mr Tan joined the Group and became the cost director for Figtree Projects Pte. Ltd. before becoming a director of Figtree Developments Pte. Ltd. in 2013.

Mr Tan holds a Bachelor of Science (Building) from the then University of Singapore. He is also a Member of the Singapore Institute of Surveyors and Valuers.

Francis Lee Fook Wah

Non-Executive Director

MR FRANCIS LEE was appointed as Non-Executive Director of the Company on 22 January 2020.

Mr Lee began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department, where he served as a senior investigation officer until 1993. Between 1993 and 1994, he joined OCBC Bank as an assistant manager. Between 1994 and 2001, he worked at Deutsche Morgan Grenfell Securities as a dealer's representative. He served at the Singapore branch of the Bank of China between 2001 and 2004 as an assistant manager. Between 2004 and 2005, he worked at AP Oil International Ltd as an investment and project manager. Between 2005 and 2011, he served as an executive director, finance director and chief financial officer of Man Wah Holdings Ltd, a company listed on the Hong Kong Stock Exchange. He also served as a non-independent, non-executive director of Man Wah Holdings Ltd between January 2011 and February 2012.

He was chief financial officer of OKH Global Ltd from March 2015 until December 2017. Currently Mr Lee is the chief financial officer and executive director of Vibrant Group Ltd, a listed company on the Main Board of the Singapore Stock Exchange.

He is an independent director of Joyas International Holdings Ltd, Asiaphos Ltd, Net Pacific Financial Holdings Ltd., and Pavillon Holdings Ltd.

He was also an independent director of Metech International Limited and Sheng Siong Group Ltd.

Mr Lee graduated from the National University of Singapore with a Bachelor of Business Administration (Accountancy) in 1990 and obtained a Master of Business Administration (Investment and Finance) from the University of Hull in 1993. He is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants. Mr Lee is also a member of the Singapore Institute of Directors.

Lee
Kim Huat

Non-Executive
Independent
Director

MR LEE was appointed as Lead Independent Director of the Company on 8 October 2013. On 22 January 2020, he was re-designated to Independent Director.

He is currently the Chairman and Director of Lee Global Capital Pte. Ltd. and its subsidiary, Enzo Global Brand Pte. Ltd, involved in the wholesale of parts and accessories for automobiles, including imports and exports of merchandise products, as well as that of investment holding. Between 2012 and 2019, Mr Lee was the chief operating officer and finance director of Nordic Global Holdings Pte. Ltd. which, together with its subsidiaries, are engaged in the sale, refurbishment, servicing and repair of container and material handlers, terminal tractors, heavy forklifts, quayside cranes and port equipment.

Mr Lee also has extensive experience in finance and accounting. From 2002 to 2009, he was the group chief financial officer of BBR Holdings (S) Ltd ("**BBR Holdings**"), a SGX Mainboard-listed company that engages in, amongst others, design and build as well as property development. He was responsible for the overall finance, administration and other operational matters within the group. Prior to Mr Lee's appointment as group chief financial officer, he was also the executive director responsible for finance, administration and other operational matters in several of BBR Holdings' main subsidiaries.

He was an independent director of Technics Oil & Gas Limited.

Mr Lee holds a Bachelor of Arts (Accounting) from Newport University, a Diploma in Business Studies from the City College of Higher Education (London) and a Post-graduate Diploma in Accounting and Finance from The London School of Economics and Political Science. He is an Associate of The Association of Cost and Executive Accountants and a Fellow Certified Corporate Executive Accountant of the Association of Certified Project Accountants.

Pong
Chen Yih

Non-Executive
Independent
Director

MR PONG was appointed as Independent Director of the Company on 8 October 2013.

Mr Pong is currently the chief operating officer of Novus Corporate Finance Pte. Ltd., a corporate finance firm licenced by both SGX-ST and the Monetary Authority of Singapore. Prior to joining Novus Corporate Finance Pte. Ltd., Mr Pong was the lead partner for the Singapore Capital Markets Group of Baker Mckenzie. Wong & Leow where he practiced law in the main areas of capital markets work, compliance, investments and mergers and acquisitions. Mr Pong has been in practice since May 2002 when he started his legal practice as an associate in Shook Lin & Bok LLP. He joined WongPartnership LLP as an associate in 2003 before becoming a partner in 2008. Mr Pong subsequently joined Baker Mckenzie. Wong & Leow in 2014 prior to taking up his current position in Novus Corporate Finance Pte. Ltd.

Mr Pong is also an independent director of Grand Venture Technology Limited and HRnetGroup Limited which are listed on the SGX-ST.

Mr Pong holds a Bachelor of Law from the National University of Singapore.

Senior Management

Ling Liong Kiong Audrea

Chief Financial Officer

MS LING joined our Group in February 2013 and is our Chief Financial Officer.

Responsible for all finance-related areas of the Group, Ms Ling first started her career in 1997 as an auditor in Ernst & Young LLP before leaving in 2002 to join BBR Holdings, a design and build construction and property development company listed on the Mainboard of the SGX-ST. She joined Adventus Holdings Limited, an advanced materials and solutions and commodities and resources company listed on Catalist, as the group finance manager in 2010.

Ms Ling holds a Bachelor of Commerce in Marketing and Accounting from the University of New South Wales and is also a Certified Practising Accountant of CPA Australia.

Fung Tze Ping

Project Director

MR FUNG is the Project Director for Figtree Projects Pte. Ltd. and is responsible for project management, project planning, management of budgeting and costing.

Mr Fung started his career in 2000 with Magdecon Projects Pte Ltd. He was promoted to project manager in 2004, where he started managing various projects involving utilities pipework hook-up for Hermes-Epitek as well as managing the design and construction of a chemicals warehouse for LTH Logistic (Singapore) Pte Ltd. In 2011, Mr Fung joined Figtree Projects Pte. Ltd. as Project Director.

Mr Fung holds a Diploma in Technology (Building) from Tunku Abdul Rahman College and a Master of Science in Construction Management (Project Management) from Heriot-Watt University.

Oei Tjhing Bo Robert

Technical Director

MR OEI is the Technical Director for Figtree Projects Pte. Ltd. and is responsible for the preparation of conceptual structural designs and evaluation of the final foundation and structural designs.

From 1971 to 1977, Mr Oei joined HDB and set up the civil structural engineering section of URA. From 1978 to 1998, Mr Oei took on various roles within the L&M group of companies, a specialist engineering contractor in Singapore, where he was the technical director of L&M Prestressing Pte Ltd, chief executive officer of L&M Geotechnic Pte Ltd and L&M Foundation Specialist Pte Ltd and country director for its subsidiaries in Brunei and Indonesia. Mr Oei joined Yongnam Engineering & Construction Pte Ltd as a technical manager for projects in Singapore, Hong Kong and India in 1999. Subsequently, he joined various other engineering and construction companies as technical director/consultant from 2003, before joining the Group in 2011.

Mr Oei holds a Bachelor of Engineering in Civil Engineering from the University of Sydney. He is a certified Professional Engineer, a registered Accredited Checker with the BCA in Singapore, and a member of the Institution of Engineers of Singapore and American Society of Civil Engineers.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

The Board of Directors (the "**Board**") of Figtree Holdings Limited, (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standard of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2022 ("**FY2022**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and its related practice guidance ("**PG**"), pursuant to Rule 710 of the Listing Manual Section B: Rules of the Catalist (the "**Catalist Rules**").

Guideline	Code and/or Guide Description and Company's Compliance or Explanation
General	**(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.** The Company has complied with the principles and guidelines as set out in the Code, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the provisions of the Code? Not applicable. The Company did not adopt any alternative corporate governance practices in FY2022.

Board Matters

The Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Company.

1.1
1204(10B)

What are the roles and duties of the Board?

At the date of this report, the Board has six (6) members and comprises the following:

Table 1.1 – Composition of the Board

Name of Director	Designation
Lee Choong Hiong	Non-Executive Independent Chairman and Director
Siaw Ken Ket @ Danny Siaw	Executive Director and Managing Director
Tan Chew Joo	Executive Director and Cost Director
Lee Kim Huat	Non-Executive Independent Director
Pong Chen Yih	Non-Executive Independent Director
Francis Lee Fook Wah	Non-Executive Director

	The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group and hold management accountable for performance. In addition to its statutory duties, the Board's principal functions are: • Supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction; • Formulating and approving financial objectives of the Group and monitoring its performance such as reviewing and approving of financial results announcements and financial statements; • Overseeing the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions; • Assuming responsibility for corporate governance and compliance with the Companies Act 1967 of Singapore and the rules and regulations of the relevant regulatory bodies; • Evaluating performance of the management; • Reviewing and approving the remuneration framework for the Directors and key executives; • Providing entrepreneurial leadership, setting strategic objectives and ensuring the necessary human and financial resources are well in place to meet the Group's objectives; • Establishing a prudent framework and effective controls so that risks can be assessed and managed, which include the safeguarding of shareholders' interests and the Group's assets; • Setting the Group's values and standards, including ethical standards, and ensuring that obligations to the shareholders are understood and met; and • Overseeing the Group's approach to sustainability including the integration of sustainability-related matters and monitoring of sustainability-related risks and opportunities to form long-term strategy. The Company has in place practices to address potential conflicts of interest. All Directors are required to notify the Company promptly of all conflicts of interest as soon as it is practicable after the relevant facts have come to his knowledge as well as when required and refresh the required declaration annually. Directors are required to recuse themselves from all deliberations/voting in relation to the matters which he has a conflict of interest in, unless the Board is of the opinion that the participation of the conflicted Director is of the best interest to the Company. Nonetheless, he shall abstain from voting in relation to the conflict-related matters.
1.2 406(3)(a)	**(a) Are new Directors given formal training? If not, please explain why.** All newly appointed Directors will undergo an orientation programme where the Director would be briefed by the Executive Director and Managing Director on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. All newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will attend the mandatory training as prescribed by the Exchange at the Singapore Institute of Directors ("**SID**") or any other relevant courses at the Company's expense within one year of appointment.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date? Directors are provided with opportunities to develop and maintain their skills and knowledge at the Company's expense. Briefings, updates and trainings for the Directors in FY2022 include: • the external auditors ("**EA**") briefed the Audit Committee ("**AC**") and the Board on changes or amendments to accounting standards and governance standards; • the Sponsors and Company Secretary briefed the Board on the regulatory updates; • the Directors are regularly briefed by the Executive Director and Managing Director on the business activities of the Group; and • all Directors underwent sustainability training courses organised by SID in FY2022.

1.3

What are the types of material transactions which require approval from the Board?

Matters that require the Board's approval are clearly communicated to the management in writing. Matters that require the Board's approval include, amongst others, the following:

- corporate strategy and business plans;
- material acquisitions and disposals of assets;
- corporate or financial restructuring;
- share issuance, proposal of dividends or changes in capital;
- budgets, financial results announcements, annual reports and audited financial statements; and
- material interested person transactions.

1.4
4.2
6.2
10.2
Catalist Rule 406(3)(e)

Has the Board delegated certain responsibilities to committees? If yes, please provide details.

The Board has delegated certain responsibilities to the AC, the Remuneration Committee (the "**RC**"), and the Nominating Committee (the "**NC**") (collectively, the "Board Committees"). The compositions of the **Board Committees** are as follows:

	AC(1)	NC(2)	RC(3)
Chairman	Lee Kim Huat	Pong Chen Yih	Lee Choong Hiong
Member	Lee Choong Hiong	Lee Kim Huat	Lee Kim Huat
Member	Pong Chen Yih	Tan Chew Joo	Pong Chen Yih

Notes:

(1) The AC comprises 3 members, all of whom, including the Chairman, are independent. All the members of the AC are non-executive Directors.

(2) The NC comprises 3 members, majority of them, including the Chairman, are independent. Majority members of the NC are non-executive Directors.

(3) The RC comprises 3 members, all of whom, including the Chairman, are independent. All the members of the RC are non-executive Directors.

The terms of reference of the AC, NC and RC are set out in Sections 10.1, 4.1 and 6.1 respectively.

1.5

Have the Board and Board Committees met in the last financial year?

The Board meets on a half-yearly basis, and as and when circumstances require. Directors with multiple Board representations ensure that sufficient time and attention are given to the affairs of each company. In FY2022, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.

	Board	**AC**	**NC**	**RC**
Number of Meetings Held	2	2	1	1
Name of Director	**Number of Meetings Attended**			
Lee Choong Hiong	2	2	1*	1
Siaw Ken Ket @ Danny Siaw	2	2*	1*	1*
Tan Chew Joo	2	2*	1	1*
Lee Kim Huat	2	2	1	1
Pong Chen Yih	2	2	1	1
Francis Lee Fook Wah	2	2*	1*	1*

**By invitation*

The Company's Constitution allow for meetings to be held through audio-visual communication equipment.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

1.6

What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?

Table 1.6 – Types of information provided by key management personnel to Independent Directors

Information	Frequency
1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Whenever Applicable
2. Updates to the Group's operations and the markets in which the Group operates in	Quarterly
3. Budgets and forecasts (with variance analysis)	Half-Yearly
4. Consolidated management accounts (with financial ratios analysis)	Quarterly
5. Reports on on-going or planned corporate actions	Whenever Applicable
6. Internal auditors' ("**IA**") and EA's reports	Annually

Key management personnel will provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Monthly management accounts are made available to Directors when requested.

Board papers prepared for each meeting are normally circulated 4 to 5 days prior to each meeting to allow sufficient time for review by the Directors.

1.7

Do the Directors have separate and independent access to management, the company secretary and professional advisers?

Directors have separate and independent access to management and the company secretary at all times.

Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice from the Company Secretary and external advisers (where necessary) at the Company's expense where required. The appointment of such independent professional advisors is subject to approval of the Board.

The appointment and removal of the company secretary is a matter for the Board as a whole.

Board Composition and Guidance

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.

2.1
2.2
2.3
Code 2012 - Guideline 2.2

Does the Company comply with the provisions on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.

As at the date of this Annual Report, the Board comprises two Executive Directors, a Non-Executive Director and three Non-Executive Independent Directors.

2.1 2.2 2.3 Code 2012 - Guideline 2.2 (cont'd)	In view that the Chairman of the Company is a Non-Executive Independent Director and the independent directors make up more than one-third of the Board, there is a strong and independent element on the Board which provide independence of thought when making decisions which are in the best interest of the Company. The Company has complied with the relevant provisions as a majority of the Board members are non-executive directors. Mr Lee Choong Hiong is the Non-Executive Independent Chairman of the Company and as such there is currently no Lead Independent Director appointed in the Company. Mr Lee Chong Hiong makes himself available to shareholders if they have concerns relating to matters that contact through the Managing Director or the Chief Financial Officer ("**CFO**") has failed to resolve, or where such contact is inappropriate, as well as at the Company's general meetings.
2.1 4.4 Catalist Rule 406(3)(d)	**Has the independence of the Independent Directors been reviewed in the last financial year?** In determining the independence of the Independent Directors, the Board takes into account the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent. The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code, PG and Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code, PG and Catalist Rules. **(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.** **(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.** There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
Catalist Rule 406(3)(d)(iii) and Catalist Rule 406(3)(d)(iv)	**Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for / considering him independent.** With effect from 1 January 2022, Rule 406(3)(d)(iii) of the Catalist Rules states that a director will not be independent if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by: (a) all shareholders; and (b) shareholders, excluding the directors and the chief executive office and associates of such directors and chief executive officer. With effect from 11 January 2023, Rule 406(3)(d)(iv) of the Catalist Rules states that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. As announced in the Responses to Comments on Consultation Paper dated 11 January 2023, there will be a one-year transition period to the above-mentioned rule and as such, the nine-year limit will be implemented at the Company's AGMs held for the financial year ending on or after 31 December 2023.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

Catalist Rule 406(3)(d)(iii) and Catalist Rule 406(3)(d)(iv) (cont'd)

Mr Lee Choong Hiong, Mr Lee Kim Huat and Mr Pong Chen Yih were first appointed to the Board in October 2013 and have served on the Board beyond nine years from the date of their first appointment in October 2022. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules and the one-year transition period as mentioned above, Mr Lee Choong Hiong, Mr Lee Kim Huat and Mr Pong Chen Yih shall remain as independent Directors until the AGM to be held for financial year ending 31 December 2023. In the interim, the Board has subjected their independence to a rigorous review by all the other fellow Directors, and agreed that Mr Lee Choong Hiong, Mr Lee Kim Huat and Mr Pong Chen Yih had participated, deliberated and always expressed their views independently and objectively. The NC further noted that there were no relationships or circumstances which affected or likely to affect their independence or the discharge of their responsibilities as independent director.

The Board is able to exercise objective judgment independently from the Management and no individual or small group of individuals dominate the decisions of the Board.

2.4

(a) What is the Board's policy with regard to diversity in identifying director nominees?

(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender to avoid groupthink and foster constructive debate.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

	Number of Directors
Core Competencies	
– Accounting or finance	3
– Legal or corporate governance	1
– Relevant industry knowledge or experience	4
Gender	
– Male	6
– Female	0

(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?

The Board has approved its Board diversity policy (the "**Policy**") in FY2022. The Board is committed to establishing a diverse, inclusive and collaborative culture. The Board acknowledges and accepts the benefits of diversity on the Board, and views diversity at the Board level as being a critical and essential element in supporting the attainment of its strategic objectives and its sustainable development. A diverse Board will include and make good use of differences amongst Directors in terms of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board requires to be effective. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure diversity which would enhance the long-term success of the Group. The Board aims to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

2.4 (cont'd)

The NC reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors and/or the re-appointment of incumbent Directors. In reviewing Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including but not limited to those described above. When identifying suitable candidates for Board appointments, the NC will consider candidates based on merit against objective criteria and with due regard for the benefits of diversity on the Board. Diversity is a key criterion in the instructions to external search consultants.

The Board is satisfied with its current level of diversity. In anticipation of the forthcoming retirement of the current independent directors, the Board will maintain its above mentioned diversity policy with regard to the selection process for new independent directors.

The NC will monitor the implementation of this Policy and report annually in the Corporate Governance on the Board's composition in terms of diversity. The NC will review this Policy as and when appropriate to ensure the effectiveness of this Policy. The NC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

2.5 **Have the Non-Executive Directors and/or Independent Directors met in the absence of management in the last financial year?**

The Non-Executive Directors and/or Independent Directors, led by the Non-Executive Independent Chairman, held ad-hoc discussions to discuss concerns or matters such as the effectiveness of management. Such discussions are concluded in the absence of management.

For FY2022, the Non-Executive Directors and/or Independent Directors have met in the absence of management. The Chairman of such meetings provide feedback to the Board and/or Chairman as appropriate.

Chairman and Chief Executive Officer

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

3.1
3.2
3.3 **Are the duties between Chairman and CEO segregated?**

Mr Lee Choong Hiong is the Non-Executive Independent Chairman while Mr Siaw Ken Ket @ Danny Siaw is the Managing Director. The Non-Executive Independent Chairman and Managing Director are not related to each other. There is a clear division of responsibilities between the Non-Executive Independent Chairman and the Managing Director to ensure that there is an appropriate balance of power, accountability and sufficient capacity of the Board for independent decision-making.

The Non-Executive Independent Chairman is responsible for the workings of the Board, ensuring the integrity and effectiveness of its governance process. The Non-Executive Independent Chairman ensures that Board meetings are held as and when necessary and set the meeting agenda in consultation with the Managing Director and Executive Director. The Non-Executive Independent Chairman, with the assistance of the Managing Director, the Executive Director and Company Secretary, ensures that Board members are provided with adequate and timely information. The Non-Executive Independent Chairman assists to ensure procedures are introduced to comply with the Company's provisions on corporate governance. The Managing Director is responsible for the business and operational decisions of the Group.

3.1 3.2 3.3 (cont'd)	The Board is satisfied that there is sufficient transparency and accountability in view of the distinction of responsibilities. Mr Lee Choong Hiong is an independent Director and is also the Chairman of the Board. Hence, the Board is of the view that there is no need to appoint a lead independent director as there is a sufficiently strong independent element on the Board which enables the exercise of independent judgement with regards to the corporate affairs of the Group. Mr Lee Chong Hiong makes himself available to shareholders if they have concerns relating to matters that contact through the Managing Director or the CFO has failed to resolve, or where such contact is inappropriate, as well as at the Company's general meetings.
Board Membership	
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.	
4.1	**What are the duties of the NC?** The NC is guided by key terms of reference as follows: • Determine the criteria for the appointment and re-appointment of directors (including alternate directors, if any); • Review and recommend the nomination or re-nomination of the Directors having regard to the Director's contribution and performance; • Determine on an annual basis whether or not a Director is independent; • Develop the process and appraisal criteria for evaluation of Board's, Board Committee's and Directors' performance; • Review, as appropriate, the independence of any Director who has served on the Board beyond nine years from the date of his first appointment – pursuant to Rule 406(3)(d)(iv) of the Catalist Rules and the one-year transition period as mentioned above; • Review of the training and professional development programs for the Board; • Assess whether or not a Director is able to and has been adequately carrying out his duties; • Review and approve any new employment of related persons and the proposed terms of their employment; and • Review and recommend the succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel.

4.3
Catalist
Rule
720(4)

Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.

Table 4.3(a) – Process for the Selection and Appointment of New Directors

1. Determination of selection criteria	• The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills/experience/knowledge to complement and strengthen the Board and increase its diversity.
2. Search for suitable candidates	• The NC would consider candidates proposed by the Directors (tap on their personal contacts for recommendations), key management personnel or search companies / external help (for example, Singapore Institute of Directors), and may engage external search consultants where necessary.
3. Assessment of shortlisted candidates	• The NC would meet and interview the shortlisted candidates to assess their suitability.
4. Appointment of director	• The NC would recommend the selected candidate to the Board for consideration and approval.

Table 4.3(b) – Process for the Re-electing Incumbent Directors

1. Assessment of director	The NC would: • assess the performance of the Director in accordance with the performance criteria set by the Board; • review the annual evaluations done by the Board, Board Committees and individual Directors; and • assess the current needs of the Board.
2. Re-appointment of director	• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

Pursuant to the Constitution, at least one third of the Board (including the Chairman and Managing Director) is to retire from office by rotation and be subject to re-election at the Annual General Meeting ("**AGM**") of the Company. The Company's Constitution and Catalist Rules provide that all Directors shall submit themselves for re-nomination and re-election at regular intervals of at least once every three years.

Directors appointed by the Board during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

4.3 Catalist Rule 720(4) (cont'd)

After assessing their contribution and performance, the NC has recommended the following Directors who are retiring at the forthcoming AGM pursuant to the respective sections of the Company's Constitution, to be nominated for re-election:

Table 4.3(c) – Re-election of Directors retiring at the forthcoming AGM

Name	Designation	Pursuant to Article
Siaw Ken Ket @ Danny Siaw	Executive Director and Managing Director	98
Francis Lee Fook Wah	Non-Executive Director	98

The above Directors have offered themselves for re-election and the Board has accepted the recommendation.

With effect from 1 January 2022, Rule 406(3)(d)(iii) of the Catalist Rules states that a director will not be independent if he has been a director for an aggregate period of more than 9 years (whether before or after listing) and his continued appointment as an independent director has not been sought and approved in separate resolutions by: (a) all shareholders; and (b) shareholders, excluding the directors and the chief executive office and associates of such directors and chief executive officer.

With effect from 11 January 2023, Rule 406(3)(d)(iv) of the Catalist Rules states that a director will not be independent if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer. As announced in the Responses to Comments on Consultation Paper dated 11 January 2023, there will be a one-year transition period to the above-mentioned rule and as such, the nine-year limit will be implemented at issuers' AGMs held for the financial year ending on or after 31 December 2023.

Mr Lee Choong Hiong, Mr Lee Kim Huat and Mr Pong Chen Yih were first appointed to the Board in October 2013 and have served on the Board beyond nine years from the date of their first appointment in October 2022. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules and the one-year transition period as mentioned above, Mr Lee Choong Hiong, Mr Lee Kim Huat and Mr Pong Chen Yih shall remain as independent Directors until the AGM to be held for financial year ending 31 December 2023. In the interim, the Board has subjected their independence to a rigorous review by all the other fellow Directors, and agreed that Mr Lee Choong Hiong, Mr Lee Kim Huat and Mr Pong Chen Yih had participated, deliberated and always expressed their views independently and objectively. The NC further noted that there were no relationships or circumstances which affected or likely to affect their independence or the discharge of their responsibilities as independent director.

The Board is able to exercise objective judgment independently from the Management and no individual or small group of individuals dominate the decisions of the Board.

Further details on the Directors are set out on pages 137 to 143 of the Annual Report.

4.5

(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?

The Board has not capped the maximum number of listed company board representations each Director may hold.

4.5 (cont'd)

(a) If a maximum has not been determined, what are the reasons?

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. Save for Mr Pong Chen Yih & Mr Francis Lee Fook Wah who each have other listed board representations, the other Directors have no other listed board representations.

Table 4.5 – Listed company directorships and principal commitments of Directors

Director	Position	Present directorship in other listed companies	Present principal commitments
Lee Choong Hiong	Non-Executive Independent Chairman and Director	Nil	• LCH Quantity Surveying Pte. Ltd. • LCH Quantity Surveying Korea Co. Ltd • LCH Quantity Surveying Timor Unipessonal LDA
Siaw Ken Ket @ Danny Siaw	Executive Director and Managing Director	Nil	• Figtree Holdings Limited group of companies • Vice President Of The Association Of Catalist Companies • Vibrant Properties Pte. Ltd. • Fervent III Developments Pte Ltd • Vibrant Pucheng Holdings Pte Ltd • Vibrant Pucheng Investment Pte Ltd • Fervant IV Development Pte Ltd • Fervant V Development Pte Ltd • Vibrant Land Pte Ltd • DC Alliance Pte Ltd • DCA1 Pte Ltd • Vibrant Investment & Management (Shanghai) Co., Ltd. • Vibrant Pucheng Logistics (Chongqing) Co, Ltd • Vibrant Pucheng Property Management (Chongqing) Co., Ltd • Vibrant Pucheng Enterprise Management (Chongqing) Co., Ltd • Vibrant International Freight Management (Chongqing) Co., Ltd • Fervent Industrial Facility Development (Ningbo) Co., Ltd • Pier Dc Pty Ltd

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

4.5
(cont'd)

Table 4.5 – Listed company directorships and principal commitments of Directors (cont'd)

Director	Position	Present directorship in other listed companies	Present principal commitments
Tan Chew Joo	Executive Director and Cost Director	Nil	• Figtree Holdings Limited group of companies
Lee Kim Huat	Non-Executive Independent Director	Nil	• Lee Global Capital Pte Ltd • Enzo Global Brand Pte. Ltd.
Pong Chen Yih	Non-Executive Independent Director	• Grand Venture Technology Limited • HRnetGroup Limited	• Novus Corporate Finance Pte. Ltd. • Novus Investment Holdings Pte. Ltd. • Acumen Holdings Pte Ltd • Umbrella Ventures Pte. Ltd.
Francis Lee Fook Wah	Non-Executive Director	• Joyas International Holdings Ltd • Net Pacific Financial Holdings Limited • Asiaphos Limited • Pavillon Holdings Ltd.	• Wise Alliance Investments Limited • Vibrant Group Limited group of companies

(c) What are the specific considerations in deciding on the capacity of directors?

The considerations in assessing the capacity of Directors include the following:

- Expected and/or competing time commitments of Directors;
- Competencies of Directors;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

(d) Have the Directors adequately discharged their duties?

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2022.

The NC ensures that new directors are aware of their duties and obligations. There were no new directors appointed in FY2022.

PG 4

Are there alternate Directors?

The Company does not have any alternate directors.

Board Performance

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

5.1
5.2

What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by the Chairman and each Director to the effectiveness of the Board?

Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board to address how the Board has enhanced long-term shareholders' value:

Table 5 – Performance Criteria for Evaluating Board Effectiveness

Performance Criteria	Board and Board Committees	Individual Directors
Qualitative	1. Size and composition 2. Access to information 3. Board processes 4. Strategic planning 5. Board accountability 6. Risk management 7. Succession planning 8. Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference	1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence and objectivity 5. Integrity 6. Overall effectiveness 7. Track record in good decision making
Quantitative	1. Attendance at Board and Board Committee meetings	

No external facilitator was used in the evaluation process.

(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?

The review of the performance of the Board and the Board Committees is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

For FY2022, the review process was as follows:

1. The NC completed a board evaluation questionnaire on the effectiveness of the Board, the Board Committees, and all Directors individually completed a self-evaluation performance questionnaire based on criteria disclosed in Table 5;
2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman;
3. The NC discussed the report, addressing concerns that arose and concluded the performance results during the NC meeting; and
4. The results of the performance was submitted to the Board for discussion and determining areas for improvement and enhancement of the Board's effectiveness.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of their own performance.

No external facilitator was used in the evaluation process.

5.1 5.2 (cont'd)	**(b) Has the Board met its performance objectives?** Yes, based on the above evaluation process, the Board, the Board Committees and the Directors have met their performance objectives for FY2022.
Remuneration Matters	
Procedures for Developing Remuneration Policies	
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.	
6.1 6.3	**What is the role of the RC?** The RC is guided by key terms of reference as follows: • Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework; • Review annually the remuneration packages of employees who are related to any of the Directors or any substantial shareholder of the Group; • Review all aspect of remunerations, including termination clauses in the contracts of service for the executive directors and key management personnel (in the case of termination) to ensure they are fair and reasonable; • Administer the Figtree Employee Share Option Scheme; and • Investigate any matter within its terms of reference with expert advice within and/or outside the Company, where necessary. **Termination Clause** There is currently no amount for termination, retirement and post-employment benefits granted to Executive Directors, the Managing Director, and the top key management personnel (who are not Executive Directors or the Managing Director). **Claw-back mechanism** 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 and key management personnel owe a fiduciary duty to the Company. The Company avails itself to remedies against the Executive Directors and key management personnel in the event of such breach of fiduciary duties.
6.4	**Were remuneration consultants engaged in the last financial year?** No remuneration consultants were engaged by the Company in FY2022.

Level and Mix of Remuneration

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.

7.1
7.3

What is the Company's remuneration policy?

The Company's remuneration policy is one that seeks to attract, retain and motivate talents to achieve the Company's business vision and create long term sustainable value for its stakeholders. The policy articulates to staff that total compensation is linked to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2021. The remuneration policy for employees comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. To align the interests of the Directors and key management personnel of the Group with interests of shareholders, the Group also has adopted the Figtree Employee Share Option Scheme (the "**ESOS**").

The remuneration package of the Managing Director, Mr Siaw Ken Ket @ Danny Siaw ("**Mr Siaw**"), includes an incentive bonus. Mr Siaw had entered into a service agreement with the Company in which terms of his employment are stipulated. His initial term of employment was for a period of three (3) years from the date of admission of the Company to the Official List of the Catalist of the SGX-ST (the "**Initial Term**") on 11 November 2013. At the end of the Initial Term, his employment was automatically renewed on a year-on-year basis on such terms and conditions as may be agreed between the Company and Mr Siaw. For the current financial year, Mr Siaw's service agreement was automatically renewed and all terms and conditions remain the same.

Under the service agreement, Mr Siaw is entitled to an incentive bonus, to be paid within three months after the AGM of the Company approving the audited consolidated financial statements of the Group, subject to certain terms, based on the Group's audited consolidated profit before taxation and before profit sharing (excluding non-recurring exceptional items and extraordinary items) but before non-controlling interests of the Group for the relevant financial year. Based on the terms as set out in the Company's offer document dated 29 October 2013 ("**Offer Document**"), Mr Siaw was not entitled to an incentive bonus for FY2022.

7.1
7.3
(cont'd)

(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Table 7 – Incentive Performance Conditions

Performance Conditions	**Short-term Incentives** (such as performance bonus)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Job performance
Quantitative	1. Profit Before Tax[1]

[1] *Please refer to page 138 and 139 of the Offer Document for more detailed information.*

Share options may also be granted to all employees, including Executive Directors and key management personnel under the ESOS. Details of the ESOS are set out in Section 8.3. For such long-term incentives, the criteria taken into account include rank, responsibilities within the Group, past performance, years of service, etc.

(c) Were all of these performance conditions met? If not, what were the reasons?

Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2022.

7.2

Please describe how the remuneration received by Non-Executive Directors has been determined by the performance criteria.

The Non-Executive Directors do not have any service agreements with the Company. Except for directors' fees, which have to be approved by shareholders at AGMs, the Non-Executive Directors do not receive any other forms of remuneration from the Company.

The fees for the financial year under review are determined in the current financial year, proposed by the management, submitted to the RC for review and thereafter recommended to the Board for approval.

The RC has reviewed and assessed that the remuneration of the Non-Executive Directors for FY2022 is appropriate, considering the effort, time spent and responsibilities of the said Directors.

Disclosure on Remuneration

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.

8.1

(a) Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

The breakdown for the remuneration of the Directors for FY2022 is as follows:

Table 8.1 – Directors' Remuneration

Name	Remuneration (S$'000)	Directors Fees[1] (%)	Salary (%)	Bonus[2] (%)	Benefits-in-kind[3] (%)	Total (%)
Siaw Ken Ket @ Danny Siaw	567	7.1	79.4	6.6	6.9	100
Tan Chew Joo	296	13.5	71.7	6.0	8.8	100
Lee Kim Huat	40	100	–	–	–	100
Lee Choong Hiong	40	100	–	–	–	100
Pong Chen Yih	40	100	–	–	–	100
Francis Lee Fook Wah	40	100	–	–	–	100

1. *Fees are subject to approval by shareholders as a lump sum at the AGM.*
2. *Bonus relates to annual wage supplement paid for FY2022.*
3. *Benefits-in-kind refer to benefits such as fixed allowances, share-based payments and payments in respect of Company's statutory contributions to the Singapore Central Provident Fund.*

(b) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/ fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

The Company only has three (3) top key management personnel.

8.1 (cont'd)

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the Managing Director) for FY2022 is as follows:

Table 8.2 – Remuneration of Key Management Personnel

	Salary (%)	Bonus[1] (%)	Benefits-in-kind[2] (%)	Total (%)
Above S$250,000 to S$500,000				
Oei Tjhing Bo Robert	82.9	6.9	10.2	100
Fung Tze Ping	78.3	6.5	15.2	100
Below S$250,000				
Ling Liong Kiong Audrea	77.9	6.5	15.6	100

1. *Bonus relates to annual wage supplement paid for FY2022.*
2. *Benefits-in-kind refer to benefits such as fixed allowances, share-based payments and payments in respect of Company's statutory contributions to the Singapore Central Provident Fund*

(c) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).

The total remuneration paid to the top three (3) key management personnel for FY2022 was S$657,246.

8.2

Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$100,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.

Mr Kevin Tan is the Development Manager of the Company and the Director of the Group's subsidiaries, Figtree Real Estate Pty Ltd, Figminna Pty Ltd and Figtree La Trobe Pty Ltd in Australia. He is the son of Mr Tan Chew Joo, the Executive Director and Cost Director of the Company, and his remuneration was between S$100,000 and S$150,000.

Save as disclosed above, there are no other employees who are substantial shareholders of the Company or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during FY2022.

8.3

Please provide details of the employee share scheme(s).

Figtree Share Option Scheme

The Company has a share option scheme under the ESOS which was approved by the shareholders at an extraordinary general meeting held on 8 October 2013. The ESOS will expire on 7 October 2023. The RC administers the ESOS in accordance with the rules of the ESOS.

Under the rules of the ESOS, Executive Directors and Non-Executive Directors (including Independent Directors) and confirmed full time employees of the Group are eligible to participate in the ESOS. Executive Directors, Non-Executive Directors and confirmed full time employees of the Group who are also controlling shareholders or associates of a controlling shareholder are also eligible to participate in the ESOS, provided that (a) the participation of, and (b) the terms of any options to be granted and the actual number of shares to be granted under the ESOS, to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in separate resolutions for each such person.

8.3
(cont'd)

Figtree Share Option Scheme (cont'd)

The total number of new shares over which options may be granted pursuant to the ESOS, when added to the number of shares issued and issuable under such other share-based incentive plans (where applicable) of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant of the options.

The number of options to be offered to a participant shall be determined at the discretion of the RC which shall take into account criteria such as rank, responsibilities within the Group, past performance, years of service and potential for future development of that participant. However, in relation to controlling shareholders or associates of controlling shareholders, the aggregate number of shares which may be granted shall not exceed 25% of the total number of shares available under the ESOS and the aggregate number of shares which may be granted to any individual controlling shareholders or associate of a controlling shareholder shall not exceed 10% of the total number of shares available under the ESOS.

The options that are granted under the ESOS may have exercise prices that are, at the RC's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for the shares on the Official List of Catalist over the five consecutive Market Days immediately preceding the relevant date of grant of the relevant option; or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the ESOS will expire upon the tenth anniversary of the date of grant of that option.

The ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

In FY2022, the Company did not grant any options to eligible participants to the ESOS.

In accordance with Rule 851(l)(b) of the Catalist Rules, the following table sets out the options granted to the following Director:

Name of Director	Options granted in FY2022	Aggregate options granted since the commencement of the ESOS till the end of FY2022	Aggregate options exercised since the commencement of the ESOS till the end of FY2022	Aggregate options outstanding as at the end of FY2022
Tan Chew Joo	–	880,000	230,000	650,000

Further details of the ESOS are set out in the Offer Document.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

Accountability and Audit

Risk Management and Internal Controls

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.

9.1 9.2 Catalist Rule 1204 (10)	**(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.** The Board, with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2022. The bases for the Board's view are as follows: 1. Assurance has been received from the Managing Director and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; 2. The Board has received the assurance from the Managing Director and other key management personnel regarding the adequacy and effectiveness of the Company's risk management and internal control systems; 3. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 4. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and 5. Discussions were held between the AC and the IA in the absence of the key management personnel to review and address any potential concerns. The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise. In addition, the Company has ongoing efforts to achieve and meet best practices set by industry standards for projects, in particular to environmental and workplace safety standards; this has been affirmed by the Group's receipt of several accreditations and awards, such as the BCA Green & Gracious Builder Award and the bizSAFE Star for FY2022.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above? Yes, the Board has obtained such assurance from the Managing Director and CFO in respect of FY2022 (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2022.

Audit Committee

The Board has an AC which discharges its duties objectively.

10.1 **What is the role of the AC?**

The AC is guided by the following key terms of reference:

- Review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the EA so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- Review and report to the Board at least annually on the adequacy and effectiveness of the Group's internal controls and risk management, including financial, operation, compliance and information technology risks;
- Review the effectiveness and adequacy of the Group's internal audit function;
- Review the scope and results of the external audit, and the independence and objectivity of the EA;
- Make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and approve the remuneration and terms of engagement of the EA;
- Review the system of internal controls and management of financial risks with the IA and the EA;
- Review the co-operation given by the management to the EA and IA, where applicable;
- Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time;
- Review and approve any interested person transactions;
- Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- Review the risk management framework, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET;
- Investigate any matters within its terms of reference;
- Review the policy and arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up;
- Review the assurance from the Managing Director and CFO on the financial records and financial statements;
- Undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and
- Oversight and monitoring of whistleblowing reports.

Does the Company have a whistle-blowing policy?

Yes. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report through the Company's website https://www.figtreeasia.com/ or directly to https://tinyurl.com/figtreewhistleblow. The Company is committed in ensuring that no person should suffer reprisal or unfair treatment as a result of reporting a genuine concern made in good faith, even if they turn out to be mistaken.

The AC is responsible for oversight and monitoring of whistleblowing reports. The AC, upon receipt of complaints or allegations from any employee, determines if an investigation is necessary. The identity of whistleblower is kept confidential at all times. If an investigation should be carried out, it will direct an independent investigation to be conducted on the complaint received. The AC and the Board will receive a report on that complaint and findings of any investigations as well as a follow-up report on actions taken.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

<table>
<tr><td>Catalist Rules
1204(6)(a)
1204(6)(b)</td><td>Has the AC reviewed the independence of the EA?

The AC has reviewed and is satisfied that the EA is independent, and has recommended the re-appointment of the EA at the forthcoming AGM.</td></tr>
<tr><td></td><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.

Table 10.1 – Fees Paid to the EA for FY2022
<table><tr><th></th><th>S$</th><th>% of total</th></tr><tr><td>Audit fees</td><td>123,000</td><td>100</td></tr><tr><td>Non-audit fees</td><td>–</td><td>–</td></tr><tr><td>Total</td><td>123,000</td><td>100</td></tr></table>
(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.

There were no non-audit services rendered during FY2022.</td></tr>
<tr><td>10.2</td><td>Qualification of the AC members

The Board considers Mr Lee Kim Huat, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. Mr Pong Chen Yih of the AC has relevant experience in corporate finance and law. Mr Lee Choong Hiong has regulatory and industrial background.

Further details on the key information and profile of the AC members, including academic and professional qualifications, are presented under the Director's Profiles section of this annual report.

The members of the AC collectively have strong accounting and related financial management expertise and experiences and are appropriately qualified to discharge their responsibilities.</td></tr>
<tr><td>10.3</td><td>Exclusion from membership of AC

None of the AC members are a former partner or director of the Company's existing auditing firm or audit corporation within the last two years and none of the AC members hold any financial interest in the external audit firm.</td></tr>
</table>

10.4
Catalist
Rules
719(3)
1204(10C)

Please provide details of the Company's internal audit function, if any.

The Company's internal audit function is outsourced to NLA Risk Consulting Pte Ltd that reports directly to the AC Chairman and administratively to the Managing Director. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or audit firm or corporation which the internal audit function of the Company is outsourced to.

The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA function is independent, effective (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and adequately resourced, has unfettered access to all of the Company's documents, records, properties and personnel, including to the AC and has the appropriate standing in the Company to discharge its duties effectively.

10.5

Has the AC met with the EA and IA in the absence of key management personnel?

Yes, the AC has met with the IA and the EA in the absence of key management personnel in FY2022.

Shareholders Rights and Engagement

Shareholder Rights and Conduct Of General Meetings

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.

11.1

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date with the strategies and goals of the Group. E-copies of the Annual Report, the notice of AGM and circular and notice pertaining to any extraordinary general meetings of the Company are made available on the SGXNet and the Company's corporate website where Shareholders could easily access.

To facilitate participation by the shareholders, the Constitution allows the shareholders to attend and vote at general meetings of the Company or to appoint not more than two proxies, other than a relevant intermediary (as defined in section 181(6) of the Companies Act) to attend and vote on their behalf. A relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the general meetings.

Due to the COVID-19 situation, the AGM in 2022 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**COVID-19 Temporary Measures Order**"). Shareholders could not attend the meeting in person and alternative arrangement was made for them to attend virtually via live audio-visual webcast or live audio only stream. Shareholders were allowed to vote by submitting proxy forms appointing Chairman of the meeting as their proxy. Shareholders were requested to submit their questions ahead of the meetings. Questions raised by the shareholders were addressed ahead of the meetings and published on the Company's corporate website and on SGXNET.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

11.1 (cont'd)	The Company will be conducting the forthcoming annual general meeting, in a wholly physical format, at the Company's registered office, located at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Thursday, 29 June 2023 ("**AGM 2023**") pursuant to the COVID-19 Temporary Measures Order. There will be no option for shareholders to participate virtually. Arrangements relating to attendance at the AGM 2023, submission of questions to the Chairman of the Meeting in advance of, or at, the AGM 2023, and voting at the AGM 2023 by shareholders or their duly appointed proxy(ies), are set out in a separate announcement released on SGXNET on 14 June 2023. The shareholders can appoint proxy(ies) other than the Chairman of Meeting to attend, speak and vote at the AGM on their behalf.
11.2	Separate resolutions on each distinct issue are requisite unless they are closely related and are more appropriately tabled together. Reasons, and implications of why resolutions are bundled will be set out in the circulars sent out.
11.3	At the AGM, the EA as well as all Directors (including the respective chairman of the Board Committees) are present to attend to and to answer queries from shareholders. Shareholders are given the opportunity at the general meetings of the Company to air their views and query the Directors and the management on matters relating to the Group and its operations. All the Directors attended the AGM for the financial year ended 31 December 2021 held in 2022. The Company views the AGM as a principal forum of dialogue and interaction with all shareholders. The Company will consider the use of other forums set out in the Code as and when such needs arise.
11.4	Voting in absentia such as voting via mails, electronic mails or facsimile at the general meetings may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.
11.5	The Company prepares minutes of general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with responses from the Board and management. During FY2022, the minutes of the general meeting was announced on the SGXNet within one month from the general meeting. For the general meetings to be held during financial year ending 31 December 2023, minutes of such general meetings will be published on the SGXNet and the Company's website as soon as practicable after each general meeting, no later than one month from the date of such general meeting.
11.6	**Does the Company have a dividend policy?** The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration. **Is the Company paying dividends for the financial year? If not, please explain why.** The Board did not declare or recommend any dividends for FY2022 as the Group intends to conserve cash for working capital requirements.

Engagement with Shareholders

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.

12.1
12.2
12.3

Please disclose if the Company has an investor policy in place.

In line with continuous disclosure obligations, the Company is committed to regular and proactive communication with its shareholders.

All announcements are released via SGXNET including the half year and full year financial results, distribution of notices, press releases and other major developments. Price sensitive information to shareholders is publicly released on an immediate basis where required under the Catalist Rules. All shareholders will receive the annual report which is made available on the SGXNET and on the Company's website.

The Company solicits feedback from and addresses the concerns of shareholders via the following:

- general meetings held; and
- a dedicated external investor relations team

(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?

The Company strives to communicate regularly with its shareholders and meets shareholders, investors and media who wish to seek a better understanding of the Group's operations as and when necessary and appropriate.

(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?

The Company outsources its investor relations function to a team of investor relations specialists at August Consulting who focuses on facilitating communications with and by all shareholders and other stakeholders as well as analysts and the media. To enable ease of contact, the details of the investor relations personnel are set out in this Annual Report:

August Consulting
Tel: +65 6733 8873
Silvia Heng, silviaheng@august.com.sg

(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?

Apart from the SGXNET announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website at http://www.figtreeasia.com. Shareholders are also able to contact the Company via its corporate website.

Corporate Governance

Disclosure Table For Compliance To The Code Of Corporate Governance 2018 And Catalist Rules

Managing Stakeholders Relationship

Engagement with Stakeholders

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.

13.1 13.2 13.3	The Company undertakes an annual review in identifying its material stakeholders through various medium and channels to understand their needs and expectations, address their concerns so as to improve services and product's standards, as well as to align the business interest with those of the stakeholders and ultimately to generate sustainable value in the long-run. It assesses the material environmental, social and governance factors that affects the Group. Please refer to the Company's latest sustainability report for the assessment process and how such relationships with stakeholders are managed. The sustainability report in relation to FY2022 will be released by 29 June 2023 and will be publicly accessible through the Company's website as well as on SGXNET.

Compliance with Applicable Catalist Rules

Catalist Rule	**Rule Description and Company's Compliance or Explanation**
712, 715	**Appointment of Auditors** The Company confirms its compliance to the Catalist Rules 712 and 715.
1204(8)	**Material Contracts** On 22 September 2022, a controlling shareholder, Singapore Enterprises Pte Ltd, extended a loan of S$2.0 million to the Group for working capital purposes. The loan is unsecured, repayable in four months, and bears an interest rate of 5.63% per annum. On 20 December 2022, Mr Siaw Ken Ket @ Danny Siaw, the Managing Director of the Group, and Mr Tan Chew Joo, the Executive Director and Cost Director of the Group, extended loans of S$0.25 million each to the Group for working capital purposes. The loans are unsecured, repayable in six months, and each bears an interest rate of 5.63% per annum. Save for the transactions as disclosed above and under 1204(17), if any, as below, there were no other material contracts entered into by the Group involving the interests of the Managing Director, any Director, or controlling shareholder, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	**Confirmation of adequacy of internal controls** The Board and the AC are of the opinion that the internal controls are adequate and effective to address the financial, operational and compliance and information technology control and risks management systems based on the following: • internal controls and the risk management system established by the Company; • work performed by the IA and the EA; • assurance from the Managing Director and CFO; and • reviews done by the various Board Committees and key management personnel.

1204(17)	**Interested Persons Transaction ("IPT")** The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. There were no IPTs with value of or more than S$100,000 transacted during FY2022.
1204(19)	**Dealing in Securities** The Company has adopted an internal policy which prohibits the Directors and officers from dealings in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements, and ending on the date of the announcement of the relevant results. In addition, Directors and key management personnel are expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period.
1204(21)	**Non-sponsor fees** No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2022.
Practice Note 7F	**Update on Sustainability Report** The Group recognises the importance of sustainability that creates long-term value to our stakeholders by embracing opportunities and managing risks derived from the environment, social developments and governance. The Group is committed towards implementing sustainable practices in order to achieve the right balance between the needs of the wider community and the requirements of stakeholders and business growth. The Group's sustainability report will be prepared in accordance with the Global Reporting Initiative Standards, Core Option and in line with the requirements of the Catalist Rules on sustainability reporting. The report will highlight the economic, environmental and social factors such as economic performance, environmental compliance, employment and training and education. The Company's Sustainability Report for FY2022, which will be subject to internal assurance, will be released by 29 June 2023. The Sustainability Report will be publicly accessible through the Company's website as well as on SGXNET.

Contents

47 Directors' Statement
53 Independent Auditor's Report
56 Consolidated Income Statement
57 Consolidated Statement of Comprehensive Income
58 Balance Sheets
60 Statements of Changes in Equity
63 Consolidated Cash Flow Statement
65 Notes to the Financial Statements

Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of Figtree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, subject to matters disclosed in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Lee Choong Hiong	(Non-Executive Independent Chairman)
Siaw Ken Ket @ Danny Siaw	(Executive Director and Managing Director)
Tan Chew Joo	(Executive Director and Cost Director)
Francis Lee Fook Wah	(Non-Executive Director)
Lee Kim Huat	(Non-Executive Independent Director)
Pong Chen Yih	(Non-Executive Independent Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

Directors' Statement

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares of the Company and related corporations (other than wholly owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Siaw Ken Ket @ Danny Siaw	87,000,633	87,000,633	303,229	303,229
Tan Chew Joo	35,879,472	35,879,472	14,399,675	14,399,675
Lee Kim Huat	2,016,281	2,016,281	–	–
Share options of the Company				
Tan Chew Joo	650,000	650,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and on 21 January 2023.

By virtue of Section 7 of the Singapore Companies Act 1967, Siaw Ken Ket @ Danny Siaw is deemed to have interests in the shares held by the Company in its subsidiaries.

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

SHARE OPTIONS

The Company has a share option scheme under the Figtree Employee Share Option Scheme (the "2013 ESOS") which was approved by the shareholders at an extraordinary general meeting held on 8 October 2013. The scheme is administered by the Remuneration Committee ("RC"), comprising three Independent Non-Executive Directors, one of whom is also the Chairman of the Committee. The members of the RC are:

Lee Choong Hiong (Chairman)
Lee Kim Huat
Pong Chen Yih

Directors' Statement

SHARE OPTIONS (CONT'D)

Under the rules of the 2013 ESOS:

- Executive Directors and Non-Executive Directors (including Independent Directors) and confirmed full time employees of the Group are eligible to participate in the 2013 ESOS. Executive Directors, Non-Executive Directors and confirmed full time employees of the Group who are also controlling shareholders or associates of a controlling shareholder are also eligible to participate in the 2013 ESOS, provided that (a) the participation of, and (b) the terms of any options to be granted and the actual number of shares to be granted under the 2013 ESOS, to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in separate resolutions for each such person.

- The total number of new shares over which options may be granted pursuant to the 2013 ESOS when added to the number of shares issued and issuable under such other share-based incentive plans (where applicable) of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant of the options.

- The number of options to be offered to a participant shall be determined at the discretion of the RC which shall take into account criteria such as rank, responsibilities within the Group, past performance, years of service and potential for future development of that participant. However, in relation to controlling shareholders or associates of controlling shareholders, the aggregate number of shares which may be granted shall not exceed 25% of the total number of shares available under the 2013 ESOS and the aggregate number or shares which may be granted to any individual controlling shareholders or associate of a controlling shareholder shall not exceed 10% of the total number of shares available under the 2013 ESOS.

- The options that are granted under the 2013 ESOS may have exercise prices that are, at the RC's discretion, set at a price (the "Market Price") equal to the average of the last dealt prices for the shares on the Official List of Catalist over the five consecutive Market Days immediately preceding the relevant date of grant of the relevant option; or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the 2013 ESOS will expire upon the tenth anniversary of the date of grant of that option.

- The 2013 ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Further details of the 2013 ESOS are set out in the Company's offer document dated 29 October 2013.

During the financial year, there were no share options granted under the 2013 ESOS.

Directors' Statement

SHARE OPTIONS (CONT'D)

Details of all the options to subscribe for ordinary shares of the Company pursuant to the 2013 ESOS as at 31 December 2022 are as follows:

Expiry date	Exercise price (cents)	Number of options
29 August 2023	12.00	2,090,000
29 August 2023	14.00	2,010,000
29 August 2024	11.00	2,110,000
Total		6,210,000

Details of the options to subscribe for ordinary shares of the Company granted to (a) participants who are also the Directors of the Company; and (b) participants who receive 5% or more of the total number of options available, pursuant to the 2013 ESOS are as follows:

Name of participant	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options expired since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Director:					
Tan Chew Joo	–	880,000	230,000	–	650,000
Participants who receive 5% or more of the total number of options:					
Fung Tze Ping	–	880,000	230,000	–	650,000
Oei Tjhing Bo Robert	–	880,000	–	230,000	650,000
	–	1,760,000	230,000	230,000	1,300,000

Since the commencement of the 2013 ESOS till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates.
- No participant other than the participants mentioned in the table above has received 5% or more of the total options available under the 2013 ESOS.
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.
- No options were granted at a discount to the market price of the shares at the time of the grant, except for those granted during the financial year in 2016, 2017 and 2018.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option, except as described in the preceding paragraphs.

Directors' Statement

AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following three independent directors:

Lee Kim Huat (Chairman)
Lee Choong Hiong
Pong Chen Yih

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors.
- Reviewed the annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors.
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance, information technology controls and risk management via reviews carried out by the internal auditor.
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual, Section B: Rules of Catalist.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

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

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

Directors' Statement

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Siaw Ken Ket @ Danny Siaw
Director

Tan Chew Joo
Director

Singapore
14 June 2023

Independent Auditor's Report

For the financial year ended 31 December 2022
To the Members of Figtree Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the financial statements of Figtree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2022, statements of changes in equity of the Group and Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer of Opinion

Use of the going concern assumption

The Group incurred a net loss of S$8,359,564 and recorded net operating cash outflows of S$6,022,292 for the financial year ended 31 December 2022. As at that date, the Group's total borrowings amounted to S$13,322,498, of which S$11,338,571 were classified as current liabilities. The Group's net current assets of $9,243,964 as at 31 December 2022 includes $4,528,303 of bank balances pledged to a financial institution (Note 18) and $5,142,873 of unsold development properties (Note 19). The cash and cash equivalents at end of the year stands at $729,938 and the Group has approached certain shareholders for short-term funding for working capital purpose. The Company's current liabilities of S$606,378 have also exceeded the Company's cash and cash equivalents of S$18,922. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company and Group's ability to continue as a going concern.

Notwithstanding the above, the directors have prepared the financial statements on a going concern basis for reasons disclosed in Note 2.1. However, based on the information available to us, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves whether the use of the going concern assumption in the preparation of these financial statements is appropriate because the ability of the Group and the Company to remain as going concern and meet its liabilities as when they fall due are dependent on certain assumptions that are premised on future events, the outcome of which are inherently uncertain and could also affect the timing of anticipated cash flows.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify its non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to these financial statements.

Independent Auditor's Report

For the financial year ended 31 December 2022
To the Members of Figtree Holdings Limited

Basis for Disclaimer of Opinion (cont'd)

Impairment of investments in and loans to associates
Impairment and classification of amounts due from subsidiaries

As disclosed in Note 38 to the financial statements, the net carrying amounts of the Group's interests in and loans to Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng"), an associate, amounted to S$1,000,000 and S$13,051,438 respectively as at 31 December 2022.

As disclosed in Note 38, a contractor of Vibrant Pucheng has applied to the People's Republic of China court to enforce its rights against the immovable property of Vibrant Pucheng. In order to protect the Group's assets and legal position, the Group similarly initiated legal proceedings against Vibrant Pucheng subsequent to the year end. Management has assessed and concluded that the carrying value of the Group's interest in the associate and the related loans as at 31 December 2022 is recoverable. We are unable to determine the reasonableness of this basis given the inherent uncertainty arising from the ongoing legal actions involving the associate.

In addition, as disclosed in Note 12, the Group's interests in DC Alliance Pte Ltd as at 31 December 2022 amounted to S$2,299,417. Management has assessed the recoverable value and concluded that no impairment charge is necessary as at 31 December 2022. However, based on the limited information available to us, we are unable ascertain the reasonableness of the assumptions used in the assessment of the recoverable amount. As a result, we are unable to establish the appropriateness of the carrying value of the Group's interests in this associate as at 31 December 2022.

As a result, based on the information available to us, we are unable to obtain sufficient appropriate evidence on the appropriateness of the carrying value of the Group's interests in and loans to associates and the Group's share of results of associates for the current financial year. We were unable to perform alternative audit procedures to determine if any adjustments were necessary.

Additionally, as further disclosed in Note 13, as the loans were extended to the associates via a subsidiary of the Company, we were also unable to assess if the recoverable amount and classification of the amounts due from subsidiaries as current assets in the balance sheet of the Company is appropriate due to the above matters.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and the Singapore Financial Reporting Standards in Singapore (International) ("SFRS(I)"), 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.

Independent Auditor's Report

For the financial year ended 31 December 2022
To the Members of Figtree Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In view of the significance of the matters referred in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

14 June 2023

Consolidated Income Statement

For the financial year ended 31 December 2022

	Note	Group 2022 S$	 2021 S$
Revenue	4	**42,610,268**	15,346,876
Cost of sales		**(38,777,638)**	(15,911,019)
Gross profit/(loss)		**3,832,630**	(564,143)
Other income	5	**808,318**	1,938,865
General and administrative expenses		**(9,514,707)**	(5,551,025)
Impairment of trade receivables and contract assets	16	**(1,845,209)**	(1,041,236)
Finance costs	6	**(421,427)**	(145,135)
Share of results of associates		**(1,019,497)**	382,876
Loss before taxation	7	**(8,159,892)**	(4,979,798)
Tax expense	8	**(199,672)**	(257,436)
Loss for the year		**(8,359,564)**	(5,237,234)
Attributable to:			
Owners of the Company		**(8,436,445)**	(5,142,951)
Non-controlling interests		**76,881**	(94,283)
		(8,359,564)	(5,237,234)
Loss per share (cents)			
Basic	9	**(2.35)**	(1.44)
Diluted	9	**(2.35)**	(1.44)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement Of Comprehensive Income

For the financial year ended 31 December 2022

	Note	Group 2022 S$	 2021 S$
Loss for the year		**(8,359,564)**	(5,237,234)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(1,980,193)**	1,139,529
Item that will not be reclassified to profit or loss:			
Share of net change in fair value of equity investments at fair value through other comprehensive income ("FVOCI") of an associate		**(140,770)**	–
Other comprehensive income for the year, net of tax		**(2,120,963)**	1,139,529
Total comprehensive income for the year		**(10,480,527)**	(4,097,705)
Attributable to:			
Owners of the Company		**(10,557,408)**	(4,003,422)
Non-controlling interests		**76,881**	(94,283)
		(10,480,527)	(4,097,705)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2022

		Group		Company	
	Note	2022 S$	2021 S$	2022 S$	2021 S$
Non-current assets					
Property, plant and equipment	10	**2,480,912**	2,649,359	**–**	–
Right-of-use assets	31	**147,077**	158,121	**–**	–
Investments in subsidiaries	11	**–**	–	**9,152,597**	9,152,597
Interests in associates	12	**11,247,728**	16,563,969	**–**	–
Loans to associates	13	**13,051,438**	10,499,908	**–**	–
		26,927,155	29,871,357	**9,152,597**	9,152,597
Current assets					
Development properties	19	**5,142,873**	4,388,026	**–**	–
Loans to associates	13	**9,323,605**	11,763,720	**–**	–
Amounts due from subsidiaries	14	**–**	–	**23,130,725**	23,374,219
Amounts due from an associate	15	**16,050**	16,050	**16,050**	16,050
Prepayments		**25,031**	19,296	**10,826**	7,501
Contract assets	4	**15,837,840**	1,852,715	**–**	–
Trade receivables	16	**3,539,689**	2,616,822	**–**	–
Other receivables	17	**1,730,902**	879,780	**–**	–
Cash and bank balances	18	**5,258,241**	9,352,117	**18,922**	135,405
		40,874,231	30,888,526	**23,176,523**	23,533,175
Current liabilities					
Contract liabilities	4	**–**	161,638	**–**	–
Trade and other payables	20	**20,281,013**	6,462,428	**599,275**	499,326
Borrowings	21	**11,338,571**	6,521,345	**–**	–
Provision for taxation		**10,683**	10,972	**7,103**	9,437
		31,630,267	13,156,383	**606,378**	508,763
Net current assets		**9,243,964**	17,732,143	**22,570,145**	23,024,412
Non-current liabilities					
Deferred tax liabilities	22	**686,531**	511,176	**157**	41
Borrowings	21	**1,983,927**	3,111,136	**–**	–
		2,670,458	3,622,312	**157**	41
Net assets		**33,500,661**	43,981,188	**31,722,585**	32,176,968

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheets

As at 31 December 2022

		Group		Company	
	Note	2022 S$	2021 S$	2022 S$	2021 S$
Equity attributable to owners of the Company					
Share capital	23	**31,841,572**	31,841,572	**31,841,572**	31,841,572
Accumulated profits/(losses)		**10,862,410**	19,298,855	**(418,284)**	36,099
Merger deficit	24	**(8,152,595)**	(8,152,595)	**–**	–
Share option reserve	25	**299,297**	299,297	**299,297**	299,297
Foreign currency translation reserve	26	**(1,458,819)**	521,374	**–**	–
Fair value reserve	28	**(140,770)**	–	**–**	–
Other reserves	27	**368,750**	368,750	**–**	–
		33,619,845	44,177,253	**31,722,585**	32,176,968
Non-controlling interests		**(119,184)**	(196,065)	**–**	–
Total equity		**33,500,661**	43,981,188	**31,722,585**	32,176,968

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity

For the financial year ended 31 December 2022

	Attributable to owners of the Company										
	Share capital (Note 23) S$	Accumulated profits S$	Merger deficit (Note 24) S$	Share option reserve (Note 25) S$	Foreign currency translation reserve (Note 26) S$	Other reserves (Note 27) S$	Fair value reserve (Note 28) S$	Total reserves S$	Total equity attributable to owners of the Company S$	Non-controlling interests S$	Total equity S$
Group											
2022											
At 1 January 2022	31,841,572	19,298,855	(8,152,595)	299,297	521,374	368,750	–	12,335,681	44,177,253	(196,065)	43,981,188
Loss for the year	–	(8,436,445)	–	–	–	–	–	(8,436,445)	(8,436,445)	76,881	(8,359,564)
Other comprehensive income											
Foreign currency translation	–	–	–	–	(1,980,193)	–	–	(1,980,193)	(1,980,193)	–	(1,980,193)
Share of net change in fair value of equity investments at FVOCI of an associate	–	–	–	–	–	–	(140,770)	(140,770)	(140,770)	–	(140,770)
Total comprehensive income for the year	–	(8,436,445)	–	–	(1,980,193)	–	(140,770)	(10,557,408)	(10,557,408)	76,881	(10,480,527)
At 31 December 2022	31,841,572	10,862,410	(8,152,595)	299,297	(1,458,819)	368,750	(140,770)	1,778,273	33,619,845	(119,184)	33,500,661

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity

For the financial year ended 31 December 2022

	Attributable to owners of the Company									
	Share capital (Note 23) S$	Accumulated profits S$	Merger deficit (Note 24) S$	Share option reserve (Note 25) S$	Foreign currency translation reserve (Note 26) S$	Other reserves (Note 27) S$	Total reserves S$	Total equity attributable to owners of the Company S$	Non-controlling interests S$	Total equity S$
Group										
2021										
At 1 January 2021	31,663,870	25,153,630	(8,152,595)	299,297	(618,155)	368,750	17,050,927	48,714,797	(101,782)	48,613,015
Loss for the year	–	(5,142,951)	–	–	–	–	(5,142,951)	(5,142,951)	(94,283)	(5,237,234)
<u>Other comprehensive income</u>										
Foreign currency translation	–	–	–	–	1,139,529	–	1,139,529	1,139,529	–	1,139,529
Total comprehensive income for the year	–	(5,142,951)	–	–	1,139,529	–	(4,003,422)	(4,003,422)	(94,283)	(4,097,705)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares (Note 29)	212,721	(711,824)	–	–	–	–	(711,824)	(499,103)	–	(499,103)
Share issuance expense	(35,019)	–	–	–	–	–	–	(35,019)	–	(35,019)
Total contributions by and distributions to owners	177,702	(711,824)	–	–	–	–	(711,824)	(534,122)	–	(534,122)
At 31 December 2021	31,841,572	19,298,855	(8,152,595)	299,297	521,374	368,750	12,335,681	44,177,253	(196,065)	43,981,188

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements Of Changes In Equity

For the financial year ended 31 December 2022

	Share capital (Note 23) S$	Accumulated profits S$	Share option reserve (Note 25) S$	Total equity S$
Company				
2022				
At 1 January 2022	31,841,572	36,099	299,297	32,176,968
Loss, representing total comprehensive income for the year	–	(454,383)	–	(454,383)
At 31 December 2022	31,841,572	(418,284)	299,297	31,722,585
2021				
At 1 January 2021	31,663,870	1,144,232	299,297	33,107,399
Loss, representing total comprehensive income for the year	–	(396,309)	–	(396,309)
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares (Note 29)	212,721	(711,824)	–	(499,103)
Share issuance expense	(35,019)	–	–	(35,019)
Total transactions with owners in their capacity as owners	177,702	(711,824)	–	(534,122)
At 31 December 2021	31,841,572	36,099	299,297	32,176,968

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2022

		Group	
	Note	2022 S$	2021 S$
Cash flows from operating activities			
Loss before taxation		**(8,159,892)**	(4,979,798)
Adjustments for:			
Bad debts written off	7	**150,000**	–
Depreciation of property, plant and equipment	10	**96,970**	109,389
Depreciation of right-of-use assets	31	**65,442**	58,352
Gain on disposal property, plant and equipment	7	**(21,045)**	(33,065)
Write off of property, plant and equipment	7	**31**	–
Gain on disposal of a subsidiary	5	**(23,280)**	(831,533)
Impairment of an associate	12	**2,318,339**	200,000
Impairment of trade receivables and contract assets	7	**1,845,209**	1,041,236
Impairment of property, plant and equipment	10	**160,000**	300,000
(Write-back of)/provision for foreseeable losses	4(b)	**(604,441)**	604,441
Finance costs	6	**421,427**	145,135
Share of results of associates		**1,019,497**	(382,876)
Interest income	5	**(647,158)**	(599,570)
Unrealised exchange loss/(gain)		**2,130,669**	(7,557)
Operating cash flows before changes in working capital		**(1,248,232)**	(4,375,846)
(Increase)/decrease in:			
Development properties		**(1,054,815)**	(124,267)
Trade receivables and contract assets		**(16,298,760)**	(97,117)
Other receivables and prepayments		**(1,023,296)**	41,916
(Decrease)/increase in:			
Contract liabilities		**(161,638)**	(4,586,275)
Trade and other payables		**13,784,363**	1,301,890
Cash flows used in operations		**(6,002,378)**	(7,839,699)
Income tax paid		**(24,606)**	(20,943)
Interest received		**4,692**	5,236
Net cash flows used in operating activities		**(6,022,292)**	(7,855,406)
Cash flows from investing activities			
Purchases of property, plant and equipment	10	**(88,862)**	(19,383)
Proceeds from disposal of property, plant and equipment		**21,045**	33,562
Proceeds from disposal of subsidiaries	11, 17	**233,806**	729,050
Capital contribution of an associate	12	**(540,696)**	–
Loans to an associate		**(185,359)**	–
Net cash flows (used in)/generated from investing activities		**(560,066)**	743,229

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2022

	Note	Group 2022 S$	 2021 S$
Cash flows from financing activities			
Dividends paid on ordinary shares	29	–	(499,103)
Share issuance expense	23	–	(35,019)
Proceeds from bank borrowings	21	**2,545,019**	4,200,000
Repayment of bank borrowings	21	**(2,492,013)**	(790,649)
Repayment of lease liabilities	21	**(67,848)**	(76,176)
Proceeds from loans from shareholders and other borrowings	21	**4,552,000**	525,740
Repayment of other borrowings	21	**(935,047)**	(76,670)
Interest paid		**(346,378)**	(145,135)
Bank deposits pledged		–	(434,515)
Net cash flows generated from financing activities		**3,255,733**	2,668,473
Net decrease in cash and cash equivalents		**(3,326,625)**	(4,443,704)
Cash and cash equivalents at beginning of the year		**4,491,543**	8,632,315
Effects of exchange rates on cash and cash equivalents		**(434,980)**	302,932
Cash and cash equivalents at end of the year	18	**729,938**	4,491,543

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes To The Financial Statements

For the financial year ended 31 December 2022

1. CORPORATE INFORMATION

Figtree Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on Catalist board of the Singapore Exchange.

The registered office and the principal place of business of the Company is located at 8 Jalan Kilang Barat, #03-01, Central Link, Singapore 159351.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries and associates are disclosed in Note 11 and Note 12 respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "S$") unless otherwise stated.

Going concern assumption

The Group incurred a net loss of S$8,359,564 and recorded net operating cash outflows of S$6,022,292 for the financial year ended 31 December 2022. As at that date, the Group's total borrowings amounted to S$13,322,498, of which S$11,338,571 were classified as current liabilities. The Group's net current assets of $9,243,964 as at 31 December 2022 includes $4,528,303 of bank balances pledged to a financial institution (Note 18) and $5,142,873 of unsold development properties (Note 19). The cash and cash equivalents at end of the year stands at $729,938 and the Group has approached certain shareholders for short-term funding for working capital purpose. The Company's current liabilities of S$606,378 have also exceeded the Company's cash and cash equivalents of S$18,922. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company and Group's ability to continue as a going concern.

Notwithstanding the above, the directors are of the view that the use of going concern assumption in the preparation of the financial statements is appropriate having considered the following:

(a) The net losses incurred by the Group of S$8,359,564 included the following significant charges:

- Impairment of an associate of S$2,318,339
- Impairment of property, plant and equipment of S$160,000
- Impairment of trade receivables and contract assets of S$1,845,209
- Depreciation of Australia dollar against Singapore dollar which resulted in a foreign exchange loss of approximately S$1,800,812

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Going concern assumption (cont'd)

(b) The Group and the Company are still in net current assets of S$9,243,964 and S$22,570,145 respectively

(c) Based on the cash flow forecast, the Group is able to generate positive cash flows from its operations; and

(d) The Company is evaluating various options to raise additional working capital.

(e) Subsequent to year end, the Company's shareholders have provided another S$900,000 loan for working capital purpose.

The directors have reasons to believe that the Group and the Company will be able to generate sufficient positive cash flow from its operation and raise the necessary fundings to meet its obligations as and when they fall due. As such, the directors have determined that it is appropriate for the Group and the Company to adopt the going concern assumption in preparing the financial statements.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify its non-current assets as current assets and non-current liabilities as current liabilities. No such adjustments have been made to these financial statements.

2.2 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on 1 January 2022. The adoption of these standards did not have any material effect on the financial performance of the Group.

2.4 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.6 Business combination involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investment in associates using the equity method from the date on which it becomes an associate.

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

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operation of the associates. Distributions received from the associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the interest in the associates.

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

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

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Associates (cont'd)

Upon loss of significant influence over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group accounts for its share of the change of interest in the net assets of the associate as a result of the associate's equity transaction by reflecting it under "Other reserve" in the consolidated statement of changes in equity.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold properties	–	Leasehold period of 47 years
Leasehold improvements	–	5 years
Motor vehicles	–	4 years
Computers	–	3 – 4 years
Office equipment	–	3 – 4 years
Furniture and fittings	–	5 years

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

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

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

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

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

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

2.11 Impairment of non-financial assets

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

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

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Cost includes cost of land and building, amounts paid to contractors for construction, and other direct and related expenditure such as planning and design costs, costs of site preparation, professional fees for legal services and interest on borrowings incurred in developing the properties (if any). Interest and other related expenditure are capitalised as and when the activities that are necessary to get the asset ready for its intended development are in progress. Commissions paid to sales or marketing agents on the sale of real estate units are capitalised as part of the cost of development properties when incurred, and amortised to profit or loss as the Group expects to recognise the related revenue. Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses. Refer to Note 2.22(b) for revenue recognition of properties for sale under development.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

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

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

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Subsequent measurement

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

De-recognition

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

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

De-recognition

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

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Impairment of financial assets

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

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

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

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

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

2.15 Provisions

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Provisions (cont'd)

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.16 Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognise as expense the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss or deducted in reporting the related expenses.

2.17 Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Employee benefits (cont'd)

(c) Employee share option plan

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied. The share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.18 Cash and cash equivalents

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

2.19 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.20 Borrowing costs

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

– Office equipment : 5 years
– Office premises : 2 to 3 years
– Motor vehicles : 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in borrowings (see Note 21).

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Leases (cont'd)

Group as a lessee (cont'd)

(c) *Short-term leases and leases of low-value assets*

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

(a) *Contract revenue*

The Group recognises revenue from the provision of design and construction of warehouse and related installations over time as the Group's performance creates or enhances asset that the customer controls as the asset is created and enhanced.

Contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. The measure of progress is generally determined based on the proportion of contract costs incurred to date to the estimated total contract costs (the input method).

Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue (cont'd)

(a) Contract revenue (cont'd)

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I), these shall be accounted for in accordance with those other SFRS(I)s. If these are not within the scope of another SFRS(I), the Group will recognise these as contract assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Significant financing component

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

The Group has applied the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is one year or less.

Contract modifications

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification

(b) Sales of development properties under construction

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue (cont'd)

(b) Sales of development properties under construction (cont'd)

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. 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.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs primarily relate to cost incurred in fulfilling a specifically anticipated contract. Such costs generate or enhance resources of the entity that will be used to satisfy the Group's performance obligation in the future and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

Significant financing component

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

The Group has applied the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is one year or less.

(c) Project management and consultancy services

Revenue from project management and consultancy services are recognised upon the rendering of project management and consultancy services to and acceptance by customers. It is recognised over the period in which the service is provided based on the time elapsed.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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

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

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

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Taxes (cont'd)

(b) Deferred tax (cont'd)

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

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

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

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

Notes To The Financial Statements

For the financial year ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Share capital and share issuance expenses

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

2.26 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

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

2.27 Contingencies

A contingent liability is:

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

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

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

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

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

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

Notes To The Financial Statements

For the financial year ended 31 December 2022

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management makes judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements. Management is of the opinion that the instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- *Construction contracts*

  The Group recognises contract revenue based recognised over time by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the total estimated costs. The amount of revenue recognised and the corresponding profit or loss on contracts are affected by a variety of uncertainties that depend on the outcome of future events and precision of the cost estimation during the budgeting process. As such, significant judgement and use of estimates are required to determine the stage of completion, estimated contract costs and budgeted margin for the respective projects. The carrying amount of liabilities recognised from construction contracts at the end of each of the reporting periods are disclosed in Note 4 to the financial statements.

- *Expected credit losses (ECL) on loans to associates*

  The Group uses the general approach to calculate loss allowance provision on loans to associates. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The determination of expected credit losses requires management to exercise significant judgement and the use of estimates.

  The carrying amount of loans to associates as at 31 December 2022 is S$22,375,043 (2021: S$22,263,628). The information about the ECL on the Group's loans to associates is disclosed in Note 35(a).

Notes To The Financial Statements

For the financial year ended 31 December 2022

4. REVENUE

(a) Disaggregation of revenue

	Design and build 2022 S$	 2021 S$
Primary geographical markets:		
Singapore	**17,061,839**	14,618,806
People's Republic of China	**25,548,429**	728,070
	42,610,268	15,346,876
Major product or service lines:		
Commercial and industrial properties	**42,433,998**	15,311,959
Project management and consultancy services	**176,270**	34,917
	42,610,268	15,346,876
Timing of transfer of goods or services:		
Over time	**42,610,268**	15,346,876

(b) Contract balances

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Note	Group 31 December 2022 S$	 2021 S$	 1 January 2021 S$
Receivables from contracts with customers	16	**3,539,689**	2,616,822	1,805,258
Accrued receivables		**14,802,540**	780,136	1,012,404
Retention receivables		**1,035,300**	2,427,020	3,200,435
Less:				
– Provision for foreseeable losses		**–**	(604,441)	–
– Allowance for expected credit losses	16	**–**	(750,000)	–
Contract assets		**15,837,840**	1,852,715	4,212,839
Contract liabilities		**–**	161,638	4,747,913

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for design and build contracts. Contract assets are transferred to receivables when the right to payment become unconditional.

Notes To The Financial Statements

For the financial year ended 31 December 2022

4. REVENUE (CONT'D)

(b) Contract balances (cont'd)

The changes in contract assets are due to the differences between certified work completed and revenue recognised on the construction contracts.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers from the design and build contracts. Contract liabilities are recognised as revenue as the Group performs under the contract.

The significant changes in the contract liabilities are explained as below:

	Group	
	2022 S$	2021 S$
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**161,638**	4,747,913

The significant changes in provision for foreseeable losses are explained as below:

	Group	
	2022 S$	2021 S$
At 1 January	**604,441**	–
Charge for the year	**–**	604,441
Write-back	**(604,441)**	–
At 31 December	**–**	604,441

(c) Transaction price allocate to remaining performance obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	Group	
	2022 S$	2021 S$
Within one year	**12,143,102**	28,238,145

Notes To The Financial Statements

For the financial year ended 31 December 2022

5. OTHER INCOME

	Note	Group 2022 S$	 2021 S$
Government grants income	(a)	**49,388**	414,425
Interest income from fixed deposits and bank balances		**48,779**	5,236
Interest income from loans to associates		**598,379**	594,334
Management fees from an associate		**60,000**	60,000
Gain on disposal of a subsidiary	11, 17	**23,280**	831,533
Gain on disposal of property, plant and equipment		**21,045**	33,065
Others		**7,447**	272
		808,318	1,938,865

(a) Government grants income for the financial year ended 31 December 2022 and 2021 relate mainly to the Jobs Support Scheme, Job Growth Incentive and Wage Credit Scheme.

6. FINANCE COSTS

	Note	Group 2022 S$	 2021 S$
Interest expense on:			
– Bank and other borrowings		**413,547**	133,134
– Lease liabilities	21	**7,880**	12,001
		421,427	145,135

Notes To The Financial Statements

For the financial year ended 31 December 2022

7. LOSS BEFORE TAXATION

The following items have been charged/(credited) to loss before taxation:

		Group	
	Note	2022 S$	2021 S$
Audit fees:			
– Auditor of the Company		**123,000**	121,000
– Other auditors		**63,125**	41,299
Depreciation of:			
– Property, plant and equipment	10	**96,970**	109,389
– Right-of-use assets	31	**65,442**	58,352
Gain on disposal of property, plant and equipment		**(21,045)**	(33,065)
Gain on disposal of a subsidiary		**(23,280)**	(831,533)
Write off of property, plant and equipment		**31**	–
Employee benefits expense	A	**4,276,929**	4,204,475
Foreign exchange loss, net		**1,800,812**	392,042
Legal and professional fees		**342,933**	164,661
Lease expense	31	**–**	6,800
Travelling and transport expense		**91,387**	84,068
Impairment of an associate	12	**2,318,339**	200,000
Impairment of property, plant and equipment	10	**160,000**	300,000
Impairment of trade receivables and contract assets	16	**1,845,209**	1,041,236
Bad debts written off		**150,000**	–
Note A: Employee benefits expense			
Employee benefit expense (including directors):			
– Salaries, bonuses and other benefits		**4,081,059**	4,044,399
– Defined contribution plans		**195,870**	160,076
		4,276,929	4,204,475
Presented in the consolidated income statement as:			
– Cost of sales		**509,108**	622,898
– General and administrative expenses		**3,767,821**	3,581,577
		4,276,929	4,204,475

Notes To The Financial Statements

For the financial year ended 31 December 2022

8. TAX EXPENSE

Major component of income tax expense

The major components of tax expense for the years ended 31 December 2022 and 2021 are:

	Group	
	2022 **S$**	**2021** **S$**
Consolidated income statement:		
Current taxation:		
– Current income taxation	**18,869**	6,702
– Under/(over) provision in respect of prior years	**35**	(49,929)
	18,904	(43,227)
Withholding tax on foreign sourced interest income	**5,413**	5,021
Deferred taxation (Note 22):		
– Origination and reversal of temporary differences	**175,355**	295,642
Tax expense recognised in profit or loss	**199,672**	257,436

Relationship between tax expense and accounting loss

A reconciliation between income tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 are as follows:

	Group	
	2022 **S$**	**2021** **S$**
Loss before taxation	**(8,159,892)**	(4,979,798)
Tax at the domestic rates applicable to profits or loss in the countries where the Group operates	**(2,024,804)**	(1,069,465)
Adjustments:		
Expenses not deductible for tax purposes	**1,056,150**	58,437
Income not subject to tax	**(10,305)**	(159,143)
Deferred tax assets not recognised	**1,239,030**	1,155,875
Tax effect of Singapore statutory stepped income exemption and corporate income tax rebate	**(7,143)**	(9,139)
Under/(over) provision in respect of prior years	**35**	(49,929)
Withholding tax on foreign sourced interest income	**5,413**	5,021
Deferred tax on unremitted earnings of overseas subsidiaries of an associate and unremitted interest income	**74,148**	295,642
Share of results of associates	**(135,116)**	37,464
Others	**2,264**	(7,327)
Tax expense recognised in profit or loss	**199,672**	257,436

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

Notes To The Financial Statements

For the financial year ended 31 December 2022

9. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing loss for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

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

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	Group	
	2022	**2021**
Loss for the year attributable to owners of the Company used in computation of basic and diluted earnings per share (S$)	**(8,436,445)**	(5,142,951)
Weighted average number of ordinary shares for basic earnings per share computation	**359,387,934**	358,076,539
Effects of dilution:		
– Share options	**–**	–
Weighted average number of ordinary shares for diluted earnings per share computation	**359,387,934**	358,076,539
Basic loss per share (cents)	**(2.35)**	(1.44)
Diluted loss per share (cents)	**(2.35)**	(1.44)

6,210,000 (2021: 6,210,000) share options granted to employees under the existing employee share option plans have not been included in the calculation of diluted loss per share as they are anti-dilutive.

Notes To The Financial Statements

For the financial year ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$	Leasehold improvements S$	Motor vehicles S$	Computers S$	Office equipment S$	Furniture and fittings S$	Total S$
Group							
Cost							
At 1 January 2021	3,528,610	109,935	150,937	379,256	31,600	54,335	4,254,673
Additions	–	650	–	13,099	3,234	2,400	19,383
Disposals	–	–	(59,865)	(997)	–	–	(60,862)
Translation adjustment	–	428	7,308	896	941	(14)	9,559
At 31 December 2021 and 1 January 2022	3,528,610	111,013	98,380	392,254	35,775	56,721	4,222,753
Additions	–	1,839	64,271	22,752	–	–	88,862
Disposals	–	–	(80,898)	–	–	–	(80,898)
Write-offs	–	–	(584)	(6,910)	–	–	(7,494)
Translation adjustment	–	(794)	(8,436)	(1,846)	(1,748)	(23)	(12,847)
At 31 December 2022	3,528,610	112,058	72,733	406,250	34,027	56,698	4,210,376
Accumulated depreciation and impairment							
At 1 January 2021	544,308	102,148	137,177	352,334	26,959	53,027	1,215,953
Charge for the year	75,077	2,994	12,129	15,591	2,689	909	109,389
Disposals	–	–	(59,865)	(500)	–	–	(60,365)
Impairment loss	300,000	–	–	–	–	–	300,000
Translation adjustment	–	163	6,839	538	879	(2)	8,417
At 31 December 2021 and 1 January 2022	919,385	105,305	96,280	367,963	30,527	53,934	1,573,394
Charge for the year	67,335	2,626	6,906	16,663	2,656	784	96,970
Disposals	–	–	(80,898)	–	–	–	(80,898)
Impairment loss	160,000	–	–	–	–	–	160,000
Write-offs	–	–	(553)	(6,910)	–	–	(7,463)
Translation adjustment	–	(497)	(8,609)	(1,708)	(1,716)	(9)	(12,539)
At 31 December 2022	1,146,720	107,434	13,126	376,008	31,467	54,709	1,729,464
Net carrying amount							
At 31 December 2022	2,381,890	4,624	59,607	30,242	2,560	1,989	2,480,912
At 31 December 2021	2,609,225	5,708	2,100	24,291	5,248	2,787	2,649,359

Assets pledged as security

The Group's leasehold properties with a carrying amount of S$2,381,890 (2021: S$2,609,225) were mortgaged to secure the Group's bank borrowings (Note 21).

Notes To The Financial Statements

For the financial year ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment loss

During the financial year ended 31 December 2022, a subsidiary of the Group carried out a review of the recoverable amount of its leasehold properties. The Group estimated the fair value less costs of disposal of the leasehold properties, based on recent market prices of assets with similar location, age, size, and condition. The review led to the recognition of impairment loss of S$160,000 (2021: S$300,000) in "General and administrative expenses" line item of profit or loss for the financial year ended 31 December 2022, representing a write-down of the leasehold properties to the recoverable amount.

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 S$	2021 S$
Unquoted equity shares, at cost	**9,152,597**	9,152,597

The details of the Group's investments in subsidiaries are as follows:

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2022	2021
Held by the Company				
Figtree Projects Pte. Ltd. ("FPPL") *	Singapore	General contractors (building construction including major upgrading works) and providers of general building engineering services	**100**	100
Figtree Developments Pte. Ltd. ("FDPL") *	Singapore	Property development	**100**	100
Held through FPPL				
Figtree Projects (Shanghai) Co., Ltd ("FPSH") #	People's Republic of China ("PRC")	Project management service	**100**	100
Figtree Projects (Chongqing) Co., Ltd ("FPCQ") +	PRC	Project management service	**85**	85
Figtree Projects Sdn Bhd @	Malaysia	Project management service	**100**	100

Notes To The Financial Statements

For the financial year ended 31 December 2022

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2022	2021
Held through FPSH				
Figtree Construction (Jiangsu) Co., Ltd ("FCJS") +	PRC	Project management service	**85**	85
Held through FPCQ				
Figtree Construction (Chongqing) Co., Ltd +	PRC	Project management service	**–^**	100
Held through FDPL				
Figtree Real Estate Pty Ltd ("FREPL") +	Australia	Property development	**100**	100
Held through FREPL				
Figtree La Trobe Pty Ltd +	Australia	Property development	**–~**	100
Figminna Pty Ltd +	Australia	Property development	**100**	100

* Audited by Ernst & Young LLP, Singapore.

Audited by Shanghai Yuanzhi Certified Public Accountants, PRC.

@ Audited by Gow and Tan Chartered Accountants, Malaysia.

\+ Not required to be audited.

^ On 9 December 2022, FPCQ, a 85%-owned subsidiary of the Group, disposed of its 100%-owned subsidiary, Figtree Construction (Chongqing) Co., Ltd, to a third party for an amount of RMB120,000 (approximately S$23,000) and recorded a gain on disposal of a subsidiary amounting to S$23,280 (Note 5).

~ On 21 April 2022, Figtree La Trobe Pty Ltd, a dormant wholly-owned subsidiary of FREPL, was dissolved and hence ceased to be a subsidiary of the Group.

Notes To The Financial Statements

For the financial year ended 31 December 2022

12. INTERESTS IN ASSOCIATES

	Group	
	2022	**2021**
	S$	**S$**
Unquoted equity shares, at cost	**9,380,154**	8,839,458
Deemed capital contribution (1)	**1,842,397**	1,842,397
Accumulated share of profits	**4,401,657**	5,421,154
Accumulated share of translation and other reserves	**(1,858,141)**	660,960
	13,766,067	16,763,969
Less: Impairment loss	**(2,518,339)**	(200,000)
Net carrying amount	**11,247,728**	16,563,969
Comprising of:		
DC Alliance Pte Ltd ("DC Alliance")	**2,299,417**	2,913,424
Vibrant Properties Pte Ltd ("VPPL")	**7,835,492**	9,295,658
Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng Logistics")	**1,000,000**	4,176,471
Others	**112,819**	178,416
Net carrying amount	**11,247,728**	16,563,969

(1) Relates to the fair value of interest-free loans granted to an associate (Note 13).

Impairment loss

During the financial year ended 31 December 2022, the Group carried out a review of the recoverable amount of its interests in associates that have suffered further operating losses during the current financial year and recognised an impairment loss of S$2,318,339 (2021: S$200,000) in "General and administrative expenses" line item of profit or loss for the financial year ended 31 December 2022, based on the Group's share of the associates' residual net asset value adjusted for its fair value.

Capital contribution of an associate

On 24 January 2022, an indirect-associate, DC Alliance Pte Ltd ("DC Alliance") increased its share capital by A$1,500,000. The Group subscribed for A$520,000 (approximately S$540,696) new ordinary shares in DC Alliance, thereby increasing its investment in DC Alliance from A$2,750,000 (approximately S$2,801,425) to A$3,270,000 (approximately S$3,342,121). Accordingly, the Group's ownership in DC Alliance has increased from 26.99% to 27.75%.

Notes To The Financial Statements

For the financial year ended 31 December 2022

12. INTERESTS IN ASSOCIATES (CONT'D)

The details of the Group's interests in associates are as follows:

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2022	2021
Held through FDPL				
Vibrant Properties Pte. Ltd. ("VPPL") *	Singapore	Investment holding	**40**	40
Vibrant Land Pte. Ltd. ("VLPL") *	Singapore	Investment holding	**40**	40
Vibrant Pucheng Logistics (Chongqing) Co., Ltd. ("Vibrant Pucheng Logistics") ^	PRC	Logistics services	**20**	20
Vibrant Pucheng Holdings Pte. Ltd. ("VPHPL") *	Singapore	Investment holding	**23.52**	23.52
Vibrant Pucheng Investment Pte. Ltd. ("VPIPL") *	Singapore	Investment holding	**39.2**	39.2
Held through FREPL				
DC Alliance Pte Ltd ("DC Alliance") ~	Singapore	Investment holding	**27.75**	26.99
Held through DC Alliance				
DCA1 Pte Ltd ("DCA1") +	Singapore	Investment holding	**100**	100
Held through DCA1				
Pier DC Pty Ltd ("Pier DC") +	Australia	Design, build and operate tier-certified data centres	**100**	100
Held through Pier DC				
DCA Networks Pty Ltd +	Australia	Computer system design and related services	**100**	–

Notes To The Financial Statements

For the financial year ended 31 December 2022

12. INTERESTS IN ASSOCIATES (CONT'D)

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2022	Proportion (%) of ownership interest 2021
Held through VPPL				
Fervent Industrial Development (Suzhou) Co., Ltd ^	PRC	Development of industrial and storage facilities	**80**	80
Held through VLPL				
Vibrant Investment & Management (Shanghai) Co., Ltd ("VIM") +	PRC	Investment holding	**100**	100
Fervent IV Development Pte. Ltd. ("Fervent IV") *	Singapore	Investment holding	**100**	100
Fervent V Development Pte Ltd ("Fervent V") +	Singapore	Investment holding	**100**	100
Held through VIM				
Vibrant Development (Changshu) Co., Ltd +	PRC	Investment holding	**100**	100
Fervent Property Management (Changshu) Co., Ltd +	PRC	Property investment and management	**100**	100
Vibrant Suzhou Energy Technology Co., Ltd +	PRC	Produce and supply energy	**100**	100
Held through Fervent V				
Fervent Logistics Infrastructure Development (Changzhou) Co., Ltd +	PRC	Development, leasing, sale and management of industrial facility	**100**	100

Notes To The Financial Statements

For the financial year ended 31 December 2022

12. INTERESTS IN ASSOCIATES (CONT'D)

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2022	Proportion (%) of ownership interest 2021
Held through VPHPL				
Vibrant Pucheng Enterprise Management (Chongqing) Co., Ltd ("VPEM") ^	PRC	Corporate and logistic operation management, warehousing service provider and IT development	**85**	85
Held through VPEM				
Vibrant International Freight Forwarding (Chongqing) Co., Ltd ^	PRC	Freight and logistics management, warehousing service provider and logistics data management	**80**	80
Vibrant Pucheng Property Management (Chongqing) Co., Ltd ^	PRC	Property management and leasing, machinery repair and facility management services	**100**	100
Held through VPIPL				
Vibrant Pucheng Pte. Ltd. *	Singapore	Investment holding	**100**	100

~ Audited by Ernst & Young LLP, Singapore

* Audited by Foo Kon Tan LLP, Singapore.

^ Audited by RSM China CPA LLP, China.

\+ This company is not required to be audited.

Notes To The Financial Statements

For the financial year ended 31 December 2022

12. INTERESTS IN ASSOCIATES (CONT'D)

The summarised financial information in respect of DC Alliance and its subsidiaries ("DC Alliance Group"), VPPL and its subsidiaries ("VPPL Group") and Vibrant Pucheng Logistics based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet:

	DC Alliance Group		VPPL Group		Vibrant Pucheng Logistics	
	2022 **S$'000**	**2021** **S$'000**	**2022** **S$'000**	**2021** **S$'000**	**2022** **S$'000**	**2021** **S$'000**
Non-current assets	**14,859**	16,560	**91,336**	101,904	**59,115**	64,960
Current assets (including cash and cash equivalents of S$3,545,000; (2021: S$6,086,454)	**710**	1,016	**2,975**	1,623	**4,504**	4,736
Total assets	**15,569**	17,576	**94,311**	103,527	**63,619**	69,696
Non-current liabilities	**4,733**	1,670	**31,897**	45,489	**5,625**	6,366
Current liabilities	**2,551**	5,113	**39,748**	31,143	**54,618**	56,827
Total liabilities	**7,284**	6,783	**71,645**	76,632	**60,243**	63,193
Net assets	**8,285**	10,793	**22,666**	26,895	**3,376**	6,503
Less: Non-controlling interests	**–**	–	**(7,683)**	(8,260)	**–**	–
Net assets attributable to parent	**8,285**	10,793	**14,983**	18,635	**3,376**	6,503
Proportion of the Group's ownership	**27.75%**	26.99%	**40.0%**	40.0%	**20.0%**	20.0%
Group's share of net assets	**2,299**	2,913	**5,993**	7,454	**675**	1,301
Deemed capital contribution	**–**	–	**1,842**	1,842	**–**	–
Goodwill	**–**	–	**–**	–	**325**	2,875
Carrying amount of the investments	**2,299**	2,913	**7,835**	9,296	**1,000**	4,176

Notes To The Financial Statements

For the financial year ended 31 December 2022

12. INTERESTS IN ASSOCIATES (CONT'D)

Summarised statement of comprehensive income:

	DC Alliance Group		VPPL Group		Vibrant Pucheng Logistics	
	2022 S$'000	**2021 S$'000**	**2022 S$'000**	**2021 S$'000**	**2022 S$'000**	**2021 S$'000**
Revenue	**695**	615	**6,931**	6,201	**10,343**	2,823
Profit/(loss) after tax, attributable to parent	**(2,134)**	(1,804)	**642**	2,677	**(2,706)**	(802)
Other comprehensive income	**(374)**	(764)	**(4,294)**	2,239	**(421)**	326
Total comprehensive income, attributable to parent	**(2,508)**	(2,568)	**(3,652)**	4,916	**(3,127)**	(476)

13. LOANS TO ASSOCIATES

	Group	
	2022 S$	**2021 S$**
Loans to associates:		
– Interest-free loans	**9,323,605**	11,763,720
– Interest-bearing loans	**13,051,438**	10,499,908
	22,375,043	22,263,628
Presented as:		
Current	**9,323,605**	11,763,720
Non-current	**13,051,438**	10,499,908
	22,375,043	22,263,628

These loans that were extended to the associates through a subsidiary of the Company were included in the amounts due from subsidiaries in Note 14.

Interest-free loans

Interest-free loans are unsecured and repayable between January 2023 and December 2023 (2021: between January 2022 and December 2022). The loans are denominated in Singapore dollars, except for an amount of S$5,612,339 (2021: S$5,647,937) which are denominated in United States dollars. Subsequent to year end, the loan repayable on January 2023 has been extended to June 2023.

Interest-bearing loans

The loans are unsecured, bear fixed interest at 6% (2021: 6%) per annum, repayable in July 2030 (2021: July 2030) and are to be settled in cash. The loans are denominated in Singapore dollars.

Notes To The Financial Statements

For the financial year ended 31 December 2022

14. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2022 S$	2021 S$
Amounts due from subsidiaries	**31,712,155**	31,277,605
Amounts due to a subsidiary	**(8,581,430)**	(7,903,386)
	23,130,725	23,374,219

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Such amounts include management fees charged to the subsidiaries and payments made on behalf of the subsidiaries. There is an arrangement to off-set the amounts due from/due to subsidiaries regularly.

15. AMOUNTS DUE FROM AN ASSOCIATE

Amounts due from an associate are unsecured, non-interest bearing and repayable on demand. Such amounts relate to management fees charged to the associate.

16. TRADE RECEIVABLES

	Group	
	2022 S$	2021 S$
Trade receivables	**6,134,898**	2,908,058
Less: Allowance for expected credit losses	**(2,595,209)**	(291,236)
	3,539,689	2,616,822

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' term. These are recognised at their original invoice amounts which represent their fair values on initial recognition.

Related party balances

Included in trade receivables and contract assets are amounts due from related parties amounting to S$700,000 (2021: S$850,000).

Notes To The Financial Statements

For the financial year ended 31 December 2022

16. TRADE RECEIVABLES (CONT'D)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follows:

	Group Trade receivables S$	Contract assets S$	Total S$
At 1 January 2021	–	–	–
Charge for the year	291,236	750,000	1,041,236
At 31 December 2021 and 1 January 2022	291,236	750,000	1,041,236
Charge for the year	1,845,209	–	1,845,209
Reclassification during the year	750,000	(750,000)	–
Amount utilised during the year	(291,236)	–	(291,236)
At 31 December 2022	2,595,209	–	2,595,209

17. OTHER RECEIVABLES

	Group 2022 S$	2021 S$
Refundable deposits	**1,540,432**	536,660
Receivable arising from disposal of a subsidiary	**–**	210,526
Sundry receivables	**146,383**	132,594
Interest receivables	**44,087**	–
	1,730,902	879,780

Receivable arising from disposal of a subsidiary

During financial year ended 31 December 2021, the Group disposed its wholly-owned subsidiary, Fervent III Pte Ltd, and its subsidiary company to a third party for an amount of RMB4,500,000 (approximately S$939,576) and recorded a gain on disposal of a subsidiary amounting to S$831,533 (Note 5). The considerations were to be settled in cash and to be received in two instalments. As at 31 December 2021, an amount of S$729,050 has been received and the remaining balance of S$210,526 was subsequently received in January 2022.

Notes To The Financial Statements

For the financial year ended 31 December 2022

18. CASH AND BANK BALANCES

	Group		Company	
	2022 **S$**	**2021** **S$**	**2022** **S$**	**2021** **S$**
Cash at banks and on hand	**729,938**	4,491,543	**18,922**	135,405
Short-term fixed deposits	**4,528,303**	4,860,574	**–**	–
Total cash and bank balances	**5,258,241**	9,352,117	**18,922**	135,405

Short-term bank deposits earn an average interest rate of 1% (2021: 1%) per annum. These short-term fixed deposits have been pledged to banks to secure certain bank facilities.

For the purpose of presenting the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the financial year:

	Group		Company	
	2022 **S$**	**2021** **S$**	**2022** **S$**	**2021** **S$**
Cash and bank balances	**5,258,241**	9,352,117	**18,922**	135,405
Less: Bank deposits pledged	**(4,528,303)**	(4,860,574)	**–**	–
Cash and cash equivalents in the consolidated cash flow statement	**729,938**	4,491,543	**18,922**	135,405

Cash and bank balances denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2022 **S$**	**2021** **S$**	**2022** **S$**	**2021** **S$**
United States dollars	**906**	13,487	**–**	–
Australian dollars	**4,569,308**	5,069,928	**11,739**	95,262

Notes To The Financial Statements

For the financial year ended 31 December 2022

19. DEVELOPMENT PROPERTIES

	Group	
	2022 S$	**2021 S$**
Freehold land	**3,378,470**	3,626,370
Development costs	**1,764,403**	761,656
	5,142,873	4,388,026

Particulars of the development property are set out below:

Description	**Location**	**Tenure**	**Site area (square metre)**	**Gross floor area (square metre)**	**Approximate percentage of completion**	**Expected date of completion**	**Proportion of ownership interest**
Residential	1-3 Minna Street, Blackburn, Victoria	Freehold	1,436	2,123	30%	4Q 2023	100%

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 S$	**2021 S$**	**2022 S$**	**2021 S$**
Trade payables	**15,870,699**	3,501,638	**56,686**	47,993
Accrued subcontractors' costs	**2,143,766**	1,827,090	**–**	–
Accrued operating expenses	**1,062,739**	901,631	**534,663**	444,906
GST payables	**987,322**	47,369	**7,926**	6,427
Sundry payables	**205,743**	173,956	**–**	–
Amount due to an associate	**10,744**	10,744	**–**	–
	20,281,013	6,462,428	**599,275**	499,326

Trade payables/sundry payables

These amounts are non-interest bearing. Trade payables are normally settled on 30-60 days' terms while sundry payables have an average term of 2 months.

Notes To The Financial Statements

For the financial year ended 31 December 2022

21. BORROWINGS

		Group	
	Maturity	**2022** **S$**	**2021** **S$**
Current:			
Lease liabilities		**54,053**	50,564
SGD loan at SORA+0.75% per annum	2023	**4,095,000**	4,200,000
SGD Revolving Credit Facility loan at 2.5% per annum + bank's cost of funds for 1 month	On demand	**1,200,000**	–
Current portion of temporary bridging loans at 2.50% per annum	2025	**1,171,771**	1,093,071
Shareholders' loan at 5.63% per annum	2023	**3,032,947**	–
Other borrowings	2023	**1,784,800**	1,177,710
		11,338,571	6,521,345
Non-current:			
Lease liabilities		**97,047**	103,562
Temporary bridging loans at 2.50% per annum	2025	**1,886,880**	3,007,574
		1,983,927	3,111,136
		13,322,498	9,632,481

SGD loan at SORA+0.75% per annum

The loan is secured by a pledged fixed deposits (Note 18) and a corporate guarantee provided by the Company.

SGD Revolving Credit Facility ("RCF") loan at 2.5% per annum + bank's cost of funds for 1 month

The loan is secured by a legal mortgage of the Group's leasehold properties, 8 Jalan Kilang Barat, #03-01/02/09, Central Link, Singapore 159351 (Note 10) and a corporate guarantee provided by the Company.

Temporary Bridging Loans under Enterprise Financing Scheme at 2.50% per annum

The Temporary Bridging Loans were provided to a wholly owned subsidiary in Singapore to finance their working capital requirements. The loans are repayable over 60 months from the date of the first drawdown and secured by a corporate guarantee provided by the Company.

Shareholders' loan at 5.63% per annum

The loans are unsecured and provided by shareholders of the Company for working capital purpose.

Other borrowings

Other borrowings of S$334,800 (2021: S$1,177,710) relate to an interest-free, unsecured loan from director of a wholly owned subsidiary in China for working capital purposes. The remaining other borrowings of S$1,450,000 (2021: S$Nil) relate to unsecured loans from a related party bearing interest rate at 6% per annum. These loans are denominated in Renminbi.

Notes To The Financial Statements

For the financial year ended 31 December 2022

21. BORROWINGS (CONT'D)

A reconciliation of liabilities arising from financing activities is as follows:

	2021 S$	Cash flows S$	Non-cash changes Accretion of interests S$	Non-cash changes New lease (Note 31) S$	Other S$	2022 S$
Lease liabilities						
– Current	50,564	(67,848)	7,880	–	63,457	54,053
– Non-current	103,562	–	–	72,788	(79,303)	97,047
Bank borrowings						
– Current	5,293,071	(1,292,013)	–	–	2,465,713	6,466,771
– Non-current	3,007,574	1,345,019	–	–	(2,465,713)	1,886,880
Loans from shareholders	–	3,000,000	32,947	–	–	3,032,947
Other borrowings	1,177,710	616,953	–	–	(9,863)	1,784,800
	9,632,481	3,602,111	40,827	72,788	(25,709)	13,322,498

	2020 S$	Cash flows S$	Non-cash changes Accretion of interests S$	Non-cash changes New lease (Note 31) S$	Other S$	2021 S$
Lease liabilities						
– Current	29,301	(76,176)	12,001	–	85,438	50,564
– Non-current	21,229	–	–	179,772	(97,439)	103,562
Bank borrowings						
– Current	790,038	(790,649)	–	–	5,293,682	5,293,071
– Non-current	4,101,256	4,200,000	–	–	(5,293,682)	3,007,574
Other borrowings	728,640	449,070	–	–	–	1,177,710
	5,670,464	3,782,245	12,001	179,772	(12,001)	9,632,481

The 'Other' column includes the effect of reclassification of non-current portion of bank borrowings and lease liabilities to current due the passage of time and the effects of foreign exchanges differences.

Notes To The Financial Statements

For the financial year ended 31 December 2022

22. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2022 S$	2021 S$	2022 S$	2021 S$	2022 S$	2021 S$
Gross deferred tax liabilities:						
Undistributed earnings of overseas subsidiaries held by an associate	**(484,300)**	(410,268)	**(74,032)**	(194,768)	**–**	–
Unremitted interest income	**(202,231)**	(100,908)	**(101,323)**	(100,874)	**(157)**	(41)
Net deferred tax liabilities	**(686,531)**	(511,176)			**(157)**	(41)
Deferred income tax expense (Note 8)			**(175,355)**	(295,642)		

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately S$19,493,994 (2021: S$14,064,955) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).

Notes To The Financial Statements

For the financial year ended 31 December 2022

23. SHARE CAPITAL

	Group and Company			
	2022		2021	
	No. of shares	S$	No. of shares	S$
Issued and fully paid ordinary shares:				
At 1 January	**359,387,934**	**31,841,572**	355,912,100	31,663,870
Issuance of ordinary shares as scrip dividend	**–**	**–**	3,475,834	212,721
Share issuance expense	**–**	**–**	–	(35,019)
At 31 December	**359,387,934**	**31,841,572**	359,387,934	31,841,572

During the financial year 31 December 2021, the Company issued 3,475,834 new ordinary shares for the value of S$212,721 to eligible shareholders who have elected to participate in the Scrip Dividend Scheme in respect of the dividend declared and paid for the preceding financial year.

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. The ordinary shares have no par value.

The Company has an employee share option plan under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

24. MERGER DEFICIT

The merger deficit records the difference between the purchase consideration and the share capital of the subsidiary restructured under common control.

Notes To The Financial Statements

For the financial year ended 31 December 2022

25. SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to employees under Figtree Employee Share Option Scheme (the "2013 ESOS"). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these awards. There were no cancellations or modifications to the 2013 ESOS in both 2022 and 2021. Details of the 2013 ESOS are included in the Directors' Statement.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2022		2021	
	Number '000	**WAEP cents**	**Number '000**	**WAEP cents**
Outstanding at 1 January	**6,210**	**12.32**	6,725	12.37
Expired	**–**	**–**	(515)	13.06
Outstanding at 31 December	**6,210**	**12.32**	6,210	12.32

- During the financial year ended 31 December 2022 and 2021, there are no share options granted.
- The range of exercise prices for the share options outstanding at the end of the year was between 11.00 and 14.00 (2021: 11.00 and 14.00) cents.
- The weighted average remaining contractual life for these options is 1.04 years (2021: 2.0 years).

26. FOREIGN CURRENCY TRANSLATION RESERVE

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

Notes To The Financial Statements

For the financial year ended 31 December 2022

27. OTHER RESERVES

This reserve represents the difference between the amount by which non-controlling interest is adjusted and the fair value of consideration paid or received arising from a change in the ownership interest of a subsidiary held by an associate, without a loss of control.

28. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes, net of tax, of equity securities at fair value through other comprehensive income until they are disposed of or impaired.

29. DIVIDENDS

	Group and Company	
	2022 S$	2021 S$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
Final exempt (one-tier) dividends for 2021: Nil (2020: 0.20) cents per share		
– Cash payment	**–**	499,103
– Issue of scrip dividend (Note 23)	**–**	212,721
	–	711,824
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final tax-exempt (one-tier) dividends for 2022: Nil (2021: Nil) cents per share	**–**	–

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Sales and purchases of services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2022 S$	2021 S$
Interest income from loans to associates	**598,379**	594,334
Management fees from an associate	**60,000**	60,000
Interest expenses on shareholders and other related party loans	**32,947**	–

Notes To The Financial Statements

For the financial year ended 31 December 2022

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) *Compensation of key management personnel*

	Group	
	2022 **S$**	**2021** **S$**
Salaries and bonuses	**1,375,930**	1,374,890
Defined contributions plans	**56,657**	55,623
Directors' fees	**240,000**	240,000
Other short-term benefits	**7,704**	7,704
Total compensation paid to key management personnel	**1,680,291**	1,678,217
Comprise amounts paid to:		
– Directors of the Company	**1,023,045**	1,022,025
– Other key management personnel	**657,246**	656,192
Total compensation paid to key management personnel	**1,680,291**	1,678,217

The remuneration of key management personnel is determined by the directors having regard to the performance of individuals and market trends.

Directors' interests in the 2013 ESOS

During the financial year, there were no share options granted to the Company's Executive Directors under the 2013 ESOS (Note 25).

At the end of the reporting period, the total number of outstanding share options granted by the Company to a director under the 2013 ESOS amounted to 650,000 (2021: 650,000). No share options have been granted to the Company's Non-Executive Directors.

31. LEASES

The Group has lease contracts for various items of motor vehicles, office equipment and office premises. Leases of motor vehicles and office equipment generally have lease terms of 5 years, while office premises generally have lease terms between 2 and 3 years. These lease contracts do not include extension and termination options and variable lease payments.

The Group also has certain leases of office equipment and office premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Notes To The Financial Statements

For the financial year ended 31 December 2022

31. LEASES (CONT'D)

Carrying amount of right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Motor vehicles S$	Office premises S$	Other equipment S$	Total S$
As at 1 January 2021	–	21,221	14,700	35,921
Depreciation	(15,285)	(32,401)	(10,666)	(58,352)
Additions	156,970	22,802	–	179,772
Translation adjustment	(249)	1,030	(1)	780
As at 31 December 2021 and 1 January 2022	141,436	12,652	4,033	158,121
Depreciation	(35,910)	(25,499)	(4,033)	(65,442)
Additions	–	72,788	–	72,788
Translation adjustment	(10,304)	(8,086)	–	(18,390)
As at 31 December 2022	95,222	51,855	–	147,077

Lease liabilities

The carrying amount of lease liabilities (included under borrowings) and the movements during the year are disclosed in Note 21. The maturity analysis of lease liability is disclosed in Note 36(b).

Amounts recognised in profit or loss

The following are the amounts recognised in profit or loss:

	2022 S$	2021 S$
Depreciation of right-of-use assets	**65,442**	58,352
Interest expense on lease liabilities	**7,880**	12,001
Lease expense not capitalised in lease liabilities:		
– Expense relating to short-term leases	**–**	6,800
– Expense relating to low-value assets	**–**	–
	–	6,800

Total cash outflow

The Group had total cash outflows for leases of S$67,848 (2021: S$76,176) and non-cash additions to right-of-use assets and lease liabilities of S$72,788 (2021: S$179,772) in 2022.

Notes To The Financial Statements

For the financial year ended 31 December 2022

32. CONTINGENT LIABILITIES

The Company has provided the following guarantees at the end of the reporting period:

- It has provided corporate guarantees to certain banks in respect of banking facilities of S$32,650,000 (2021: S$32,650,000) offered to a subsidiary; and
- It has provided a corporate guarantee to a bank for the performance of a contract for a subsidiary. No liability is expected to arise (2021: S$Nil).

A subsidiary of the Company has extended corporate guarantees to certain bank in respect of banking facilities of S$5,820,000 (2021: S$6,366,000) offered to an associate.

33. SEGMENT INFORMATION

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

• Design and build:	Design and build commercial and industrial facilities. The scope of services covers the full spectrum of the project development process, including land search and authority liaison, feasibility studies, design and construction.
• Property development:	Construct, develop, sell and/or lease out of residential, commercial and industrial properties.
• Corporate:	Involved in Group-level corporate services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit margins of the products and services.

Notes To The Financial Statements

For the financial year ended 31 December 2022

33. SEGMENT INFORMATION (CONT'D)

	Design and build 2022 S$	2021 S$	Property development 2022 S$	2021 S$	Corporate 2022 S$	2021 S$	Per consolidated financial statements 2022 S$	2021 S$
Revenue:								
Sales to external customers and a related party, representing total revenue	**42,610,268**	15,346,876	**–**	–	**–**	–	**42,610,268**	15,346,876
Results:								
Interest income	**–**	–	**–**	–	**(647,158)**	(599,570)	**(647,158)**	(599,570)
Interest expense	**–**	–	**–**	–	**421,427**	145,135	**421,427**	145,135
Bad debts written off	**150,000**	–	**–**	–	**–**	–	**150,000**	–
Depreciation of property, plant and equipment	**96,904**	109,320	**66**	69	**–**	–	**96,970**	109,389
Depreciation of right-of-use assets	**54,652**	45,765	**10,790**	12,587	**–**	–	**65,442**	58,352
Impairment of an associate	**–**	–	**2,318,339**	200,000	**–**	–	**2,318,339**	200,000
Impairment of property, plant and equipment	**160,000**	300,000	**–**	–	**–**	–	**160,000**	300,000
Impairment of trade receivables and contract assets	**1,845,209**	1,041,236	**–**	–	**–**	–	**1,845,209**	1,041,236
(Write-back of)/ provision for foreseeable losses	**(604,441)**	604,441	**–**	–	**–**	–	**(604,441)**	604,441
Share of results of associates	**–**	–	**1,019,497**	(382,876)	**–**	–	**1,019,497**	(382,876)
Income tax expense/ (credit)	**17,166**	(47,629)	**175,239**	295,635	**7,267**	9,430	**199,672**	257,436
Segment (loss)/profit, before tax	**(2,761,932)**	(4,806,772)	**(3,902,562)**	1,211,083	**(1,495,398)**	(1,384,109)	**(8,159,892)**	(4,979,798)
Assets:								
Interests in associates	**–**	–	**11,247,728**	16,563,969	**–**	–	**11,247,728**	16,563,969
Additions to property, plant and equipment	**88,862**	19,383	**–**	–	**–**	–	**88,862**	19,383
Segment assets	**40,608,243**	15,078,821	**27,147,344**	45,522,106	**45,799**	158,956	**67,801,386**	60,759,883
Liabilities:								
Segment liabilities	**32,810,776**	15,699,139	**883,413**	570,752	**606,536**	508,804	**34,300,725**	16,778,695

Notes To The Financial Statements

For the financial year ended 31 December 2022

33. SEGMENT INFORMATION (CONT'D)

Geographical information

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

	Revenue		Non-current assets	
	2022 **S$**	**2021** **S$**	**2022** **S$**	**2021** **S$**
Singapore	**17,061,839**	14,618,806	**14,746,149**	29,705,644
China	**25,548,429**	728,070	**12,151,357**	152,146
Australia	**–**	–	**29,649**	13,567
	42,610,268	15,346,876	**26,927,155**	29,871,357

Non-current assets information presented above consists of property, plant and equipment, right-of-use assets, interests in associates and loans to associates as presented in the consolidated balance sheet.

34. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

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

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade receivables (Note 16), other receivables (Note 17), loans to associates (Note 13), amounts due from subsidiaries (Note 14), amounts due from an associate (Note 15), cash and bank balances (Note 18), trade and other payables (Note 20) and borrowings (Note 21)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The fair values of the Group's interest-bearing loans and borrowings are determined using the DCF method using discount rate that reflects the issuer's borrowing rates at the end of the reporting period. The non-performance risks as at 31 December 2022 was assessed to be insignificant.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk, credit risk, foreign currency risk and interest rate risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

It is, and has been throughout the current and previous financial year, the Group's policy not to engage in foreign exchange and/or derivatives speculation or trading for profit purpose. It is not in the interest of the Group to engage in trading for profit or to speculate or trade in treasury instruments.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, loans to associates, loans to a subsidiary, amounts due from subsidiaries and an associate and cash and bank balances. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to credit risk exposure. The Group trades only with recognised and creditworthy third parties. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

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

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

(i) Debt instruments at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis of recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

The Group assessed the qualitative and quantitative factors that are indicative of the risk of default based on experienced credit judgement. These exposures are considered to have low risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis. There was no loss allowance provision made on debt instruments carried at amortised cost.

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

(ii) Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates, adjusted for factors that are specific to the debtors, as well as forward looking information as at the reporting date.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix:

		Trade receivables					
	Contract assets S$	Current S$	1 to 30 days past due S$	More than 30 days past due S$	More than 60 days past due S$	More than 90 days past due S$	Total S$
2022							
Gross carrying amount	**15,837,840**	**930,566**	**1,589,114**	**–**	**–**	**3,615,218**	**21,972,738**
Loss allowance provision	**–**	**–**	**–**	**–**	**–**	**(2,595,209)**	**(2,595,209)**
2021							
Gross carrying amount	2,602,715	–	1,596,814	–	1,311,244	–	5,510,773
Loss allowance provision	(750,000)	–	–	–	(291,236)	–	(1,041,236)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised in the balance sheet.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the balance sheet date is as follows:

	Group			
	2022		2021	
	S$	% of total	S$	% of total
By country:				
Singapore	**4,358,435**	**22**	4,204,065	94
China	**15,019,094**	**78**	265,472	6
	19,377,529	**100**	4,469,537	100

(b) Liquidity risk

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

To manage liquidity risk, the Group monitors and maintains a level of cash and bank balances deemed adequate by management to finance the Group's and the Company's operations and mitigate the effect of fluctuations in cash flows.

At date of this financial statement, the Group has no available undrawn facility. In 2021, the Group has undrawn facility of S$2,1500,000 that is secured by a legal mortgage of a subsidiary's leasehold property and corporate guarantee by the Company.

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less S$	One to five years S$	Five years or more S$	Total S$
Group				
2022				
Financial assets:				
Loans to associates	**10,106,692**	**3,134,491**	**15,066,008**	**28,307,191**
Amounts due from an associate	**16,050**	–	–	**16,050**
Trade receivables	**3,539,689**	–	–	**3,539,689**
Other receivables	**1,730,902**	–	–	**1,730,902**
Cash and bank balances	**5,258,241**	–	–	**5,258,241**
Total undiscounted financial assets	**20,651,574**	**3,134,491**	**15,066,008**	**38,852,073**
Financial liabilities:				
Trade and other payables (excluding GST payables)	**19,293,691**	–	–	**19,293,691**
Borrowings (excluding lease liabilities)	**11,627,759**	**1,927,599**	–	**13,555,358**
Lease liabilities	**58,442**	**116,544**		**174,986**
Total undiscounted financial liabilities	**30,979,892**	**2,044,143**	–	**33,024,035**
Total net undiscounted financial (liabilities)/assets	**(10,328,318)**	**1,090,348**	**15,066,008**	**5,828,038**

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

	One year or less S$	One to five years S$	Five years or more S$	Total S$
Group				
2021				
Financial assets:				
Loans to associates	12,393,715	3,151,695	12,120,632	27,666,042
Amounts due from an associate	16,050	–	–	16,050
Trade receivables	2,616,822	–	–	2,616,822
Other receivables	879,780	–	–	879,780
Cash and bank balances	9,352,117	–	–	9,352,117
Total undiscounted financial assets	25,258,484	3,151,695	12,120,632	40,530,811
Financial liabilities:				
Trade and other payables (excluding GST payables)	6,415,059	–	–	6,415,059
Borrowings (excluding lease liabilities)	6,596,648	3,113,441	–	9,710,089
Lease liabilities	58,442	116,544	–	174,986
Total undiscounted financial liabilities	13,070,149	3,229,985	–	16,300,134
Total net undiscounted financial assets/(liabilities)	12,188,335	(78,290)	12,120,632	24,230,677

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

	One year or less S$	One to five years S$	Total S$
Company			
2022			
Financial assets:			
Amounts due from subsidiaries	**23,130,725**	**–**	**23,130,725**
Amounts due from an associate	**16,050**	**–**	**16,050**
Cash and bank balances	**18,922**	**–**	**18,922**
Total undiscounted financial assets	**23,165,697**	**–**	**23,165,697**
Financial liabilities:			
Trade and other payables (excluding GST payables), representing total undiscounted financial liabilities	**591,349**	**–**	**591,349**
Total net undiscounted financial assets	**22,574,348**	**–**	**22,574,348**
2021			
Financial assets:			
Amounts due from subsidiaries	23,374,219	–	23,374,219
Amounts due from an associate	16,050	–	16,050
Cash and bank balances	135,405	–	135,405
Total undiscounted financial assets	23,525,674	–	23,525,674
Financial liabilities:			
Trade and other payables (excluding GST payables), representing total undiscounted financial liabilities	492,899	–	492,899
Total net undiscounted financial assets	23,032,775	–	23,032,775

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities (Note 32). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	One year or less S$	One to five years S$	Total S$
Company			
2022			
Corporate guarantees	**–**	**32,650,000**	**32,650,000**
2021			
Corporate guarantees	–	32,650,000	32,650,000

(c) Foreign currency risk

The Group has transactional currency exposures arising from loans to associates that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and Renminbi (RMB). The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD).

The Group and the Company also hold cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD and Australian Dollar (AUD or A$).

Sensitivity analysis for foreign currency risk

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

	Group	
	2022 S$ Loss before tax	2021 S$ Loss before tax
	Increase/(decrease)	
USD/SGD – strengthened 5% (2021: 5%)	**(280,662)**	(283,071)
– weakened 5% (2021: 5%)	**280,662**	283,071
AUD/SGD – strengthened 5% (2021:5%)	**(228,465)**	(253,496)
– weakened 5% (2021: 5%)	**228,465**	253,496

Notes To The Financial Statements

For the financial year ended 31 December 2022

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

		Group	
		2022	**2021**
		S$	**S$**
		Loss before tax	**Loss before tax**
		(Increase)/decrease	
SGD loan	– increase in 50 basis points	**(20,475)**	(21,000)
	– decrease in 50 basis points	**20,475**	21,000

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Notes To The Financial Statements

For the financial year ended 31 December 2022

36. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is the carrying amount of each of the categories of the Group's and the Company's financial instruments that are carried in the financial statements:

		Group		Company	
	Note	Financial assets carried at amortised cost S$	Financial liabilities carried at amortised cost S$	Financial assets carried at amortised cost S$	Financial liabilities carried at amortised cost S$
2022					
Assets					
Loans to associates	13	**22,375,043**	**–**	**–**	**–**
Amounts due from subsidiaries	14	**–**	**–**	**23,130,725**	**–**
Amounts due from an associate	15	**16,050**	**–**	**16,050**	**–**
Trade receivables	16	**3,539,689**	**–**	**–**	**–**
Other receivables	17	**1,730,902**	**–**	**–**	**–**
Cash and bank balances	18	**5,258,241**	**–**	**18,922**	**–**
Liabilities					
Trade and other payables [(1)]	20	**–**	**19,293,691**	**–**	**591,349**
Borrowings	21	**–**	**13,322,498**	**–**	**–**
		32,919,925	**32,616,189**	**23,165,697**	**591,349**
2021					
Assets					
Loans to associates	13	22,263,628	–	–	–
Amounts due from subsidiaries	14	–	–	23,374,219	–
Amounts due from an associate	15	16,050	–	16,050	–
Trade receivables	16	2,616,822	–	–	–
Other receivables	17	879,780	–	–	–
Cash and bank balances	18	9,352,117	–	135,405	–
Liabilities					
Trade and other payables [(1)]	20	–	6,415,059	–	492,899
Borrowings	21	–	9,632,481	–	–
		35,128,397	16,047,540	23,525,674	492,899

(1) Exclude GST payables

Notes To The Financial Statements

For the financial year ended 31 December 2022

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 2021.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. The Group regards total debt to comprise trade and other payables and borrowings and total capital to comprise equity attributable to the owners of the Company. The Group's policy is to keep the gearing ratio below 3.00 times.

The following table reflects the Group's total debt and total capital:

		Group	
	Note	2022 S$	2021 S$
Trade and other payables	20	**20,281,013**	6,462,428
Borrowings	21	**13,322,498**	9,632,481
Total debt		**33,603,511**	16,094,909
Equity attributable to owners of the Company		**33,619,845**	44,177,253
Debt to equity (times)		**1.00**	0.36

The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

Notes To The Financial Statements

For the financial year ended 31 December 2022

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) *Receipt of legal proceedings by an associate*

As announced on 25 February 2022, 4 May 2022 and 27 December 2022 in relation to the legal proceedings commenced by a contractor (the "Plaintiff") against the Company's 20%-owned associate, Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng"), Vibrant Pucheng was, on 28 April 2022, served with a judgement from the People's Republic of China Court (the "Court") dated 14 April 2022. Pursuant to the judgment, the Court had ordered that:

a. The agreement entered into between the Plaintiff and Vibrant Pucheng on 2 August 2019 in relation to the construction of the Multi-Modal Logistic Distribution Centre (the "Project") located in Chongqing, People's Republic of China be terminated;

b. Vibrant Pucheng be required to pay the Plaintiff the amount owed to the Plaintiff, being the sum of (i) RMB59,385,282 (the "Contract Liability") and (ii) interest accrued on such principal amount to be calculated based on the People's Republic of China Bank Lending Rate from 12 November 2021 up to the date the Contract Liability is repaid, within 10 days from the effective date of judgement;

c. In the event the Project is disposed of at a discount or pursuant to an auction for a price not exceeding the Contract Liability, the Plaintiff shall have priority in receiving any compensation;

d. All other claims made by the Plaintiff were rejected; and

e. Vibrant Pucheng be required to pay court fees and property preservation fees amounting to RMB354,323.

On 19 May 2023, the Company further announced that the contractor has applied to the Court to enforce its rights against Vibrant Pucheng's immovable property due to its failure to comply with the terms of the previous court order and the Group is currently unable to quantify the financial impact, if any, arising from the latest development in view of the uncertainty of the outcome of the notice.

(b) *Legal proceedings against an associate*

In connection to the above, to protect the assets and legal position of the Group, the Company has on 13 February 2023 and 28 April 2023 announced that, legal proceedings have been commenced by Figtree Projects (Shanghai) Co., Ltd ("Figtree Shanghai"), a wholly-owned subsidiary of the Company against Vibrant Pucheng. The People's Republic of China Court has issued a mediation consent order setting out the following:

a. Vibrant Pucheng be required to repay Figtree Shanghai an aggregate amount of RMB67,323,536 ("Aggregate Repayment Amount"), being the sum of the principal amount of RMB61,168,572 owed to Figtree Shanghai, (ii) interest amounting to RMB5,966,227, calculated at the rate of 6% per annum up to 10 January 2023, and (iii) court fees of RMB188,737, in the manner as set out in (b) below;

b. Vibrant Pucheng shall repay Figtree Shanghai RMB5,000,000 by 30 April 2023, and thereafter, RMB10,000,000 at the end of each month until the Aggregate Repayment Amount has been repaid to Figtree Shanghai in full,

Notes To The Financial Statements

For the financial year ended 31 December 2022

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) Legal proceedings against an associate (cont'd)

c. In the event Vibrant Pucheng fails to make repayment of any instalment in accordance with the repayment schedule set up above, Figtree Shanghai shall have the right to enforce its rights against Vibrant Pucheng and to demand for immediate repayment of the Aggregate Repayment Amount together with any interest accrued from 11 January 2023 up to the full repayment date, calculated at the rate of 6% per annum; and

d. Figtree Shanghai agrees to waive all other claims it has or may have against Vibrant Pucheng.

In the event the Group does not succeed in the above claims or the Group succeeds in the claims but does not recover the full amounts owed by Vibrant Pucheng, there may be a material impact on the financial performance of the Group for the financial year ending 31 December 2023. The net carrying amount of the Group's interests in and loans to Vibrant Pucheng amounted to S$1,000,000 and S$13,051,438 respectively as at 31 December 2022. Notwithstanding the above, management assessed that the carrying amount of the Group's interest in the associate and the related loans are recoverable based on the valuation of property held by Vibrant Pucheng.

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 14 June 2023.

Shareholding Statistics

As at 15 May 2023

Class of shares	No. of shares	%
Ordinary	359,387,934	100.0
Treasury	Nil	0.0
Total Issued Shares	359,387,934	100.0
Subsidiary Holdings	Nil	0.0

Voting Rights	On a poll : One vote for each ordinary share

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 15 May 2023, 15.24% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Siaw Ken Ket @ Danny Siaw	87,000,633	24.21	303,229(1)	0.08
Singapore Enterprises Pte Ltd	83,459,593(2)	23.22	–	–
Tan Chew Joo	35,879,472	9.98	14,399,675(3)	4.01
Fung Tze Ping	31,896,445	8.88	–	–
Wong Pei Yi (Huang PeiYi)	27,165,750	7.56		
Oei Tjhing Bo Robert	22,500,000	6.26	–	–

Notes:

(1) Mr Siaw Ken Ket @ Danny Siaw has a deemed interest in the shareholdings held by his wife, Ms Tay Guek Nah.

(2) Vibrant Group Limited is deemed to be interested in 83,459,593 shares held by Singapore Enterprises Private Limited ("SEPL") by virtue of its shareholding interest in SEPL.

(3) Mr Tan Chew Joo has a deemed interest in the shareholdings held by his daughter, Ms Eileen Tan.

Shareholding Statistics

As at 15 May 2023

DISTRIBUTION OF SHAREHOLDERS AS AT 15 MAY 2023

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	37	7.22	1,680	0.00
100 – 1,000	28	5.47	12,356	0.00
1,001 – 10,000	101	19.73	682,076	0.19
10,001 – 1,000,000	331	64.65	28,551,886	7.95
1,000,001 and above	15	2.93	330,139,936	91.86
Total	**512**	**100.00**	**359,387,934**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 15 MAY 2023

	Shareholder's Name	No of Shares	%
1	DBS NOMINEES PTE LTD	96,917,180	26.97
2	SINGAPORE ENTERPRISES PTE LTD	83,459,593	23.22
3	TAN CHEW JOO	35,879,472	9.98
4	FUNG TZE PING	31,896,445	8.88
5	WONG PEI YI (HUANG PEIYI)	27,165,750	7.56
6	OEI TJHING BO ROBERT	22,500,000	6.26
7	EILEEN TAN	12,763,153	3.55
8	RAMESH S/O PRITAMDAS CHANDIRAMANI	4,874,981	1.36
9	RAFFLES NOMINEES (PTE) LIMITED	3,548,663	0.99
10	GOH GUAN SIONG (WU YUANXIANG)	2,879,475	0.80
11	PHILLIP SECURITIES PTE LTD	2,326,595	0.65
12	CITIBANK NOMINEES SINGAPORE PTE LTD	1,935,822	0.54
13	WONG CHENG YONG	1,447,006	0.40
14	LAU KOK SENG (LIU GUOCHENG)	1,337,000	0.37
15	YEOW TIK HONG	1,208,801	0.34
16	NG HOCK KON	1,000,000	0.28
17	LIEW YANN MIN	911,000	0.25
18	LAM CHIN SIEW	900,249	0.25
19	MRS WONG YAT SUN NEE TAY LEE TIANG	637,915	0.18
20	SNG LILY	616,395	0.17
	Total	**334,205,495**	**93.00**

Notice Of Annual General Meeting

FIGTREE HOLDINGS LIMITED
Registration No. 201315211G
(Incorporated in the Republic of Singapore)

This Notice has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs https://www.sgx.com/securities/company-announcements and https://www.figtreeasia.com*, respectively. A printed copy of this Notice will NOT be despatched to members.*

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Figtree Holdings Limited (the "Company") will be convened and held at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Thursday, 29 June 2023 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the audited financial statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon. **[Resolution 1]**

2. To re-elect Mr Siaw Ken Ket @ Danny Siaw retiring pursuant to Article 98 of the Constitution of the Company. **[Resolution 2]**

   Mr Siaw Ken Ket @ Danny Siaw will, upon re-election as Director of the Company, remain as the Executive Director and Managing Director of the Company. Information of Mr Siaw Ken Ket @ Danny Siaw can be found on page 137 of the Annual Report. There are no relationships including immediate family relationships between Mr Siaw Ken Ket @ Danny Siaw and other Directors or its 5% shareholders.

3. To re-elect Mr Francis Lee Fook Wah retiring pursuant to Article 98 of the Constitution of the Company. **[Resolution 3]**

   Mr Francis Lee Fook Wah will, upon re-election as Director of the Company, remain as the Non-Executive Director of the Company. Information of Mr Francis Lee Fook Wah can be found on page 137 of the Annual Report. Mr Francis Lee Fook Wah is the Chief Financial Officer of Vibrant Group Limited, which wholly-owns Singapore Enterprises Private Limited. Singapore Enterprises Private Limited is a controlling shareholder that has a shareholding interest of 23.22% in the Company. Save for as disclosed, there are no relationships including immediate family relationships between Mr Francis Lee Fook Wah and other Directors or its 5% shareholders.

4. To approve Directors' fees of S$240,000 for the financial year ended 31 December 2022. [2021 :S$240,000] **[Resolution 4]**

5. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 5]**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

Notice Of Annual General Meeting

SPECIAL BUSINESS

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

7. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act 1967 (the "Act") and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company ("Shares") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuant of any Instruments made or granted by the Directors while this Resolution was in force,

provided always that:

(i) the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro-rata* basis to existing shareholders of the Company does not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:-

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising of share options or vesting of share awards which are outstanding and/or subsisting at the time this Resolution is passed, provided the share options and share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

Notice Of
Annual General Meeting

Any adjustments made in accordance with sub-paragraphs (ii)(a) or (ii)(b) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (See Explanatory Note 1) **[Resolution 6]**

8. Authority to offer and grant options and to allot and issue shares pursuant to the Figtree Employee Share Option Scheme.

"That pursuant to Section 161 of the Act, the Directors of the Company be authorised (i) to offer and grant options in accordance with the provisions of the Figtree Employee Share Option Scheme (the "Scheme"); and (ii) to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Scheme, provided always that the aggregate number of new Shares to be allotted and issued pursuant to the Scheme (including options granted under the Scheme and all outstanding options or awards granted under such other share-based incentive schemes of the Company) shall not at any time exceed 15% of the issued Shares (including treasury shares and subsidiary holdings) on the date preceding the grant of the option." (See Explanatory Note 2) **[Resolution 7]**

By Order of the Board
Lee Bee Fong
Company Secretary
14 June 2023
Singapore,

Notice Of Annual General Meeting

EXPLANATORY NOTES ON THE SPECIAL BUSINESS TO BE TRANSACTED:

(1) **Resolution 6,** if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company. The number of Shares and convertible securities which the Directors may allot and issue under this Resolution would not exceed 100% of the issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing this Resolution. For issue of Shares other than on a *pro-rata* basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(2) **Resolution 7,** if passed, will empower the Directors of the Company to offer and grant options from the date of this Annual General Meeting until 7 October 2023 and to allot and issue Shares pursuant to the exercise of options granted from the date of this Annual General Meeting until the next Annual General Meeting under the Figtree Employee Share Option Scheme (the "Scheme"). The Scheme which was approved by the Shareholders at an Extraordinary General Meeting held on 8 October 2013, will expire on 7 October 2023. The maximum number of new Shares to be issued under the Scheme (including options granted under the Scheme and all outstanding options or awards granted under such other share-based incentive schemes of the Company) shall not exceed 15% of the issued Shares (including treasury shares and subsidiary holdings) from time to time. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Notes:

1. Participation:

The Annual General Meeting ("**AGM**") is being convened, and will be held, in a wholly physical format, at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Thursday, 29 June 2023 at 10.00 a.m. (Singapore time), pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually**. Printed copies of this Notice of AGM, the Company's Annual Report 2022 and Proxy Form will not be despatched to members. Instead, this Notice of AGM, the Company's Annual Report 2022 and Proxy Form will be made available via publication on the SGX website at the URL https://www.sgx.com/securities/company-announcements and on the Company's corporate website at the URL https://www.figtreeasia.com.

Each of the resolutions to be put to the vote of members at the AGM (and at any adjournment thereof) will be voted on by way of a poll.

A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

Notice Of Annual General Meeting

A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

A proxy need not be a member of the Company. The Chairman of the AGM, as proxy, need not be a member of the Company.

2. **Submission of Proxy Form:**

The instrument appointing a proxy(ies) must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised

The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

(a) if in hard copy by post, be lodged at the registered office of the Company, at 8 Jalan Kilang Barat, #03-01 Central-Link, Singapore 159351; or

(b) if by email, be received by agm@figtreeasia.com

in either case, no later than **10.00 a.m. on 27 June 2023**.

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

Members are strongly encouraged to submit completed Proxy Forms via email to the email address provided above.

The instrument appointing the proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective SRS approved banks or depository agents) to submit their voting instructions by **10.00 a.m. on 19 June 2023** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **10.00 a.m. on 27 June 2023**.

Notice Of Annual General Meeting

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, 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(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy(ies)).

In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing a proxy(ies) lodged if such member is not shown to have Shares entered against his/her/ its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

3. **Submission of Questions**:

A member who wishes to ask questions in advance of the AGM related to the resolutions to be tabled for approval at the AGM, must submit their questions by **10.00 a.m. on 22 June 2023** via email to agm@figtreeasia.com. When sending in your questions, provide your full name, address, contact details and the manner in which you hold shares in the Company (eg via CDP, CPF or SRS).

The Company will endeavour to address all substantial and relevant questions received from Shareholders in advance of the AGM via SGXNet and on the Company's corporate website at the URLs https://www.sgx.com/securities/company-announcements and https://www.figtreeasia.com **no later than 10.00 a.m. on 25 June 2023**.

The Company will endeavour to, within one (1) month after the date of the AGM, publish the minutes on the SGX website at the URL https://www.sgx.com/securities/company-announcements and on the Company's corporate website at the URL https://www.figtreeasia.com.

4. **Annual Report and other documents**:

The Annual Report for the financial year ended 31 December 2022 ("**FY2022 Annual Report**") which was issued on 14 June 2023 can be accessed at the SGXNet at the URL https://www.sgx.com/securities/company-announcements and at the Company's website at the URL https://www.figtreeasia.com.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) 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.

Disclosure Of Information On Directors Seeking Re-Election

Mr Siaw Ken Ket @ Danny Siaw and Mr Francis Lee Fook Wah are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 June 2023 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Mr Siaw Ken Ket @ Danny Siaw	**Mr Francis Lee Fook Wah**
Date of Appointment	5 June 2013	22 January 2020
Date of last re-appointment	29 May 2020	29 May 2020
Age	57	57
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Siaw Ken Ket @ Danny Siaw as the Executive Director and Managing Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr Francis Lee Fook Wah as the Non-Executive Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Primarily responsible for the business development and overall management of the Group.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director	Non-Executive Director
Professional qualifications	• Bachelor of Planning and Design, University of Melbourne, Australia • Bachelor of Building, University of Melbourne, Australia	• Bachelor of Accountancy, National University of Singapore • MBA (Finance & Investment), University of Hull, United Kingdom • Chartered Accountant and non-practising member, Institute of Singapore Chartered Accountants

Disclosure Of Information On Directors Seeking Re-Election

	Mr Siaw Ken Ket @ Danny Siaw	**Mr Francis Lee Fook Wah**
Working experience and occupation(s) during the past 10 years	2011 to Present: Figtree Projects Pte. Ltd., Managing Director Figtree Projects Sdn Bhd, Director Figtree Projects (Shanghai) Co., Ltd, Director 2013 to Present: Figtree Developments Pte. Ltd., Director Figtree Holdings Limited, Managing Director	July 2005 to January 2011: Man Wah Holdings Ltd, Chief Financial Officer and Finance Director October 2014 to March 2015 OKH Global Ltd, Advisor to Chief Executive Officer March 2015 to December 2017: OKH Global Ltd, Chief Financial Officer April 2019 to Present: Vibrant Group Limited – Chief Financial Officer
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 87,000,633 shares, representing 24.77% Deemed Interest: 303,229 shares, representing 0.09%	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	No	Mr Francis Lee Fook Wah is currently the Chief Financial Officer of Vibrant Group Limited, which is the holding company of Singapore Enterprises Pte Ltd, a substantial shareholder of the company.
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	1. Master (Jiangyin) Real Estate Development Co., Ltd 2. Master Real Estate (Jiangyin) Co., Ltd 3. Master Developments (Suzhou) Co., Ltd 4. Figtree La Trobe Pty Ltd. 5. Vibrant Investment & Management (Shanghai) Co., Ltd. 6. Figtree Projects Chongqing Co., Ltd 7. Fervent III developments Pte Ltd 8. Figminna Pty Ltd. 9. Fervent Industrial Facility Development (Ningbo) Co., Ltd 10. Vibrant Development	1. Metech International Ltd 2. Glory Capital Pte Ltd 3. Sheng Siong Group Ltd 4. Blackgold Megatrade Pte Ltd 5. Tenda Industrial Property (Suzhou) Co. Ltd 6. Fervent Industrial Development (Ningbo) Co. Ltd 7. Freight Links Co. Ltd 8. Fervent III Development Pte Ltd 9. Freight Links M&S (H.K.) Ltd 10. Lee Thong Hung Trading & Transport Sdn Bhd 11. Wise Alliance Investments Limited

Disclosure Of Information On Directors Seeking Re-Election

	Mr Siaw Ken Ket @ Danny Siaw	**Mr Francis Lee Fook Wah**
Other Principal Commitments Including Directorships (cont'd)		
Present	1. Figtree Developments Pte. Ltd. 2. Figtree Projects (Shanghai) Co., Ltd. 3. Figtree Projects Pte. Ltd. 4. Figtree Projects Sdn Bhd 5. Figtree Real Estate Pty. Ltd. 6. Vibrant Pucheng Logistics (Chongqing) Co, Ltd 7. Vibrant Pucheng Property Management (Chongqing) Co., Ltd 8. Vibrant Pucheng Holdings Pte Ltd 9. Vibrant Pucheng Investment Pte Ltd 10. Fervent IV Development Pte Ltd 11. Fervent V Development Pte Ltd 12. Vibrant Land Pte Ltd 13. Vibrant Pucheng Enterprise Management (Chongqing) Co., Ltd 14. Vibrant International Freight Forwarding (Chongqing) Co., Ltd 15. Vice President of the Association of Catalist Companies 16. Fervent Industrial Development (Suzhou) Co., Ltd 17. Vibrant Suzhou Energy Technology Co., Ltd	1. Figtree Holdings Limited 2. Net Pacific Financial Holdings Limited 3. Asiaphos Limited 4. LTH Logistics (Singapore) Pte Ltd 5. Shentoncil Pte. Ltd. 6. Vibrant DB2 Pte. Ltd. 7. Sentosa Capital Pte Ltd 8. Sinolink Financial Leasing Co., Ltd 9. Sinolink Finance International Limited 10. Fervent Industrial Development (Suzhou) Co., Ltd 11. Vibrant Land Pte Ltd 12. Fervent IV Development Pte Ltd 13. Fervent V Development Pte Ltd 14. Fervent Logistics Infrastructure (Changzhou) Co., Ltd 15. Ececil Pte Ltd 16. Celestine Management Private Limited 17. Saujana Tiasa Sdn Bhd 18. Vibrant Pucheng Logistics (Chongqing) Co., Ltd 19. Vibrant Pucheng Property Management (Chongqing) Co., Ltd 20. Vibrant Pucheng Enterprise Management (Chongqing) Co., Ltd 21. Vibrant International Freight Forwarding (Chongqing) Co., Ltd 22. Vibrant Megatrade Pte. Ltd. 23. Freight Links Express Pte Ltd 24. Vibrant Pucheng Investment Pte Ltd 25. Vibrant Properties Pte Ltd 26. Vibrant Pucheng Pte Ltd 27. Singapore Enterprises Private Limited 28. Freight Links Properties Pte Ltd 29. Freight Links Logistics Pte Ltd 30. Freight Links E-logistics Technopark Pte Ltd 31. Freight Links Express Logisticpark Pte Ltd 32. Freight Links Express Logisticentre Pte Ltd 33. Crystal Freight Services Distripark Pte Ltd

Disclosure Of Information On Directors Seeking Re-Election

	Mr Siaw Ken Ket @ Danny Siaw	Mr Francis Lee Fook Wah
Other Principal Commitments Including Directorships (cont'd)		
		34. Crystal Freight Services Pte Ltd 35. Freight Links Express International Co., Ltd 36. Vibrant Suzhou Energy Technology Co. Ltd 37. Hub & Port Services Pte Ltd 38. Vibrant Group Limited 39. Joyas International Holdings Limited 40. Pavillion Holdings Ltd
Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
(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, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

Disclosure Of Information On Directors Seeking Re-Election

	Mr Siaw Ken Ket @ Danny Siaw	Mr Francis Lee Fook Wah
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
(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
(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

Disclosure Of Information On Directors Seeking Re-Election

	Mr Siaw Ken Ket @ Danny Siaw	Mr Francis Lee Fook Wah
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
(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
(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	Yes. He was the manager of a corporation investigated by the CAD for a breach of regulatory requirements/laws governing corporations in Singapore. To the best of his knowledge and as far as he is aware, the investigations involved or were related to certain other directors of the corporate and not himself.
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

Disclosure Of Information On Directors Seeking Re-Election

	Mr Siaw Ken Ket @ Danny Siaw	**Mr Francis Lee Fook Wah**
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
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
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Prior Experience as a Director of a Listed Company on the Exchange		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. 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
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of a director	Not applicable. This is a re-election of a director

FIGTREE HOLDINGS LIMIED
Company Registration No. 201315211G
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

1. Members who hold shares through the relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including SRS investors and holders under depository agents) and who wish to appoint the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including SRS approved banks or depository agents) to submit their votes by 10.00 a.m. on 19 June 2023.
2. By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 June 2023.
3. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a member's proxy to vote on his/her/ its behalf at the AGM.

This form of proxy has been made available on SGXNet and the Company's corporate website and may be accessed at the URLs https://www.sgx.com/securities/company-announcements and https://www.figtreeaisa.com respectively. A printed copy of this proxy form will NOT be despatched to members.

I/We ________________________________ NRIC/Passport No. ____________________

of ____ (Address)

being a member/members of **FIGTREE HOLDINGS LIMITED** (the "**Company**") hereby appoint

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

and/or (delete as appropriate)

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

or failing him/her/them, the Chairman of the Annual General Meeting, as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting ("AGM" or the "Meeting") of the Company to be held at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Thursday, 29 June 2023 at 10.00 a.m. (Singapore time) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions Relating To:	VOTING		ABSTAIN FROM VOTING
		FOR	AGAINST	
	ORDINARY BUSINESS			
1	Adoption of Directors' Statement, Independent Auditor's Report and the Audited Financial Statements for the financial year ended 31 December 2022			
2	Re-election of Mr Siaw Ken Ket @ Danny Siaw as a Director of the Company			
3	Re-election of Mr Francis Lee Fook Wah as a Director of the Company			
4	Approval of Directors' Fees of S$240,000 for the financial year ended 31 December 2022			
5	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company			
	SPECIAL BUSINESS			
6	Authority for Directors of the Company to allot and issue new shares			
7	Authority for Directors of the Company to offer and grant options and to allot and issue new shares pursuant to the Figtree Employee Share Option Scheme			

* Please indicate your vote "For" or "Against" or "Abstain" with an "X" within the boxes provided.

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this ____________ day of ____________ 2023

Total No. of Shares	No. of Shares Held
In CDP Register	
In Register of Members	

____

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

IMPORTANT NOTES TO PROXY FORM :

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 who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be presented by each proxy in the instrument appointing a proxy or proxies. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

3. A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. A proxy need not to be a member of the Company. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

5. A proxy need not be a member of the Company. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the registered office of the Company, at 8 Jalan Kilang Barat, #03-01 Central-Link, Singapore 159351; or

   (b) if by email, be received by agm@figtreeasia.com

   in either case, no later than **10.00 a.m. on 27 June 2023**.

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

   Members are strongly encouraged to submit completed Proxy Forms via email to the email address provided above.

6. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where an instrument appointing a proxy(ies) is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or

   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   Where an instrument appointing a proxy(ies) is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy(ies), failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing a proxy(ies) 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(ies) (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy(ies)). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing a proxy(ies) lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, 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 Annual General Meeting dated 14 June 2023.

Affix
postage
stamp
here

FIGTREE HOLDINGS LIMITED
8 Jalan Kilang Barat,
#03-01 Central Link,
Singapore 159351

Corporate Information

Company Registration Number 201315211G

Registered Office

8 Jalan Kilang Barat
#03-01 Central Link
Singapore 159351
Tel: (65) 6278 9722
Fax: (65) 6278 9747
Website: www.figtreeasia.com

Directors

Lee Choong Hiong
(Non-Executive Independent Chairman)

Siaw Ken Ket @ Danny Siaw
(Managing Director)

Tan Chew Joo
(Executive Director and Cost Director)

Francis Lee Fook Wah
(Non-Executive Director)

Lee Kim Huat
(Non-Executive Independent Director)

Pong Chen Yih
(Non-Executive Independent Director)

Audit Committee

Lee Kim Huat (Chairman)
Lee Choong Hiong
Pong Chen Yih

Nominating Committee

Pong Chen Yih (Chairman)
Lee Kim Huat
Tan Chew Joo

Remuneration Committee

Lee Choong Hiong (Chairman)
Lee Kim Huat
Pong Chen Yih

Company Secretary

Lee Bee Fong

Share Registrar

Tricor Barbinder
Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00
Singapore 068898

Principal Bankers

DBS Bank Ltd.
United Overseas Bank Limited
Australia and New Zealand Banking Group Limited
Maybank Singapore Limited

Independent Auditor

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge :
Ng Boon Heng
Date of appointment :
Since financial year
ended 31 December 2020

Sponsor

PrimePartners
Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

Figtree

FIGTREE HOLDINGS LIMITED

8 Jalan Kilang Barat / #03-01 Central Link
Singapore 159351

FIGTREE HOLDINGS LIMITED

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ANNUAL REPORT 2022