

2021 ANNUAL REPORT



ACCRELIST LTD.
亚联盛控股公司

UNEARTHING TOMORROW'S GEM
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This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd., (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

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

The contact person for the Sponsor is Mr Shervyn Essex - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

CORPORATE PROFILE

Accrelist Ltd. (“**Accrelist**”) seeks to create long-term value for our shareholders and business partners by unlocking and adding value to the companies we invest in. The Group continues to actively pursue new opportunities with a growing focus on medical aesthetics.

The Group’s wholly owned subsidiary corporations include the Accrelist Medical Aesthetics group of companies, branded as A.M Aesthetics, and A.M Skincare Pte. Ltd. (“**A.M Skincare**”).

A.M Aesthetics operates a chain of registered aesthetic medical clinics in Singapore and Malaysia which use state-of-the-art equipment and clinically proven solutions to deliver a wide range of highly reliable and effective treatments.

A.M Skincare is principally involved in the retail sale of pharmaceutical and medical goods. It develops and distributes its own original design manufacturer clinical skincare products (“**ODM**”) with support from South Korean dermatologists alongside other non-ODM products.

In addition, Accrelist holds a 65.82% controlling stake in Jubilee Industries Holdings Ltd. (“**Jubilee**”), a one-stop service provider with two main business segments:

1. Mechanical Business Unit (“**MBU**”) which is engaged primarily in precision plastic injection moulding and mould design and fabrication services; and
2. Electronics Business Unit (“**EBU**”) which distributes integrated electronic components.

Headquartered in Singapore, Jubilee’s production facilities span across Malaysia and Indonesia. Jubilee’s products are sold to customers in Singapore, Malaysia, Indonesia, Vietnam, India, the People’s Republic of China, the United States of America and various European countries.



MISSION STATEMENT

At Accrelist, our mission is to uncover new business opportunities and build sustainable businesses by developing creative strategies to unlock value and maximise long-term shareholder returns.

BUSINESS PHILOSOPHY

People are an integral part of our business and they are at the core of our business philosophy.

Led by a strong leadership team and guided by sound business ethics, we aim to deliver value for all our stakeholders.

VISION

Our vision is to deliver long-term value for shareholders through:

- > *Focused management expertise*
- > *Excellent market knowledge*
- > *An entrepreneurial spirit*

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of Accrelist Ltd. (“Accrelist” or the “Company”, together with its subsidiary corporations, the “Group”), I am pleased to present the Group’s latest annual report for the financial year ended 31 March 2021 (“FY2021”).



RESILIENT GROWTH

As COVID-19 continued to disrupt our world on an unprecedented scale during the first half of FY2021, the challenging business environment and the effect of restrictions to control the outbreak impacted our operations. Accrelist Medical Aesthetics Group of Companies (“**A.M Aesthetics**”) realigned its resources to meet the immediate challenges of the pandemic to optimise operations and ensure the safety and well-being of our customers and staff.

Shortly after the outbreak was brought under control, demand for medical aesthetic services returned to pre-pandemic levels. We are encouraged by the resilient demand and support from our customers as it reaffirms our continued belief in the long-term potential of the medical aesthetics business.

Despite facing significant challenges and an uncertain environment, A.M Aesthetics revenue increased by approximately S\$1.3 million or 26.0% from S\$5.0 million for FY2020 to S\$6.3 million for FY2021. A.M Aesthetics also successfully reversed its loss before tax of S\$0.3 million for FY2020 to achieve a profit before tax of S\$2.2 million for FY2021.

The turnaround of A.M Aesthetics was largely due to enhanced marketing and cost control efforts as well as the absence of set up costs in FY2021.

Amidst external headwinds faced by subsidiary Jubilee Industries Holdings Ltd. (“**Jubilee**”), both its Mechanical Business Unit (“**MBU**”) and Electronics Business Unit (“**EBU**”) successfully increased their revenue, contributing to the Group’s improved results.

BRIEF OVERVIEW OF FY2021

Overall, the Group’s revenue increased by approximately S\$12.4 million or 8.9% from S\$138.9 million for FY2020 to S\$151.3 million for FY2021.

The EBU’s revenue increased by S\$10.7 million or 9.8% from S\$109.2 million for FY2020 to S\$119.9 million for FY2021 largely due to a recovery in demand for semiconductors due to limited factory capacity and longer lead times. In addition, the EBU’s revenue from China picked up in tandem with the recovery in China’s manufacturing activity while the EBU successfully solicited new customers from emerging regions like Vietnam and India.

The MBU’s revenue increased slightly by S\$0.4 million or 1.6% from S\$24.7 million for FY2020 to S\$25.1 million for FY2021, due to higher sales of consumer and medical products as well as customers who are shifting their source of purchase to the ASEAN region amidst continued US-China trade tensions.

The Group has implemented various cost saving measures to mitigate the impact of the pandemic. We were able to successfully decrease operating expenses from S\$20.3 million for FY2020 to S\$14.1 million for FY2021. Marketing and distribution expenses decreased by S\$0.6 million or 46.2% from S\$1.3 million for FY2020 to S\$0.7 million for FY2021 due to a reduction of sales agents’ commission payout as well the reduction of business travel, dining and entertainment expenses. Administrative expenses decreased by S\$4.8 million or 27.7% from S\$17.3 million for FY2020 to S\$12.5 million for FY2021 due to lower staff related costs.

Amidst the challenging environment, the Group successfully narrowed its net loss significantly from S\$12.9 million for FY2020 to S\$1.2 million for FY2021. The Group’s

CHAIRMAN'S MESSAGE

FY2021 earnings before interest, taxes, depreciation, and amortisation (“**EBITDA**”) amounted to S\$4.0 million, reversing from a loss of S\$6.7 million for FY2020.

OUTLOOK AND FUTURE PLANS

Singapore’s path to recovery hit a bump following the threat of new COVID-19 variants and the additional restrictions under Phase 2 (Heightened Alert). However, we are cautiously optimistic that there is light at the end of the tunnel as the Singapore government accelerates COVID-19 vaccinations and unveils its exit road map to return to normalcy.

Buoyed by the support of our customers and the resilient demand for medical aesthetic services, A.M Aesthetics has renewed its focus to sustainably grow the Group’s network of medical aesthetic clinics with a measured approach.

In April 2021, A.M Aesthetics’ launched its sixth local medical aesthetics clinic in Serangoon to complement its existing island wide network of clinics. At the time of writing, preparations are underway to launch A.M Aesthetics’ seventh clinic in Singapore which will be our premium flagship clinic.

In addition to its growing network of clinics, the Group also continues to expand its clinical skincare products through A.M Skincare Pte. Ltd. (“**A.M Skincare**”) to broaden its revenue stream.

Beyond Singapore, the global path to recovery remains uncertain and uneven. While some key markets like China have successfully contained the spread of COVID-19, other countries are experiencing recurring waves of the pandemic followed by the implementation of further restrictions which impact business sentiment and operations.

The extended state of lockdown in Malaysia and the worsening COVID-19 situation in Indonesia is expected to affect our operations in both countries. The operating environment remains challenging given the threat of further restrictions in the fight against COVID-19 and disruptions to business activities across all sectors.

Other external headwinds include pricing pressures from customers, raw material shortages, and foreign exchange volatility. The price of the MBU’s principal raw material, resin, has been affected by the weakening of the US Dollar and rising crude oil prices.

Our strategy is to maintain a diversified product portfolio and customer mix to ensure stability and business resilience for both the EBU and MBU. In line with this strategy the MBU is venturing into new products for the construction industry. We will continue to work on initiatives to better manage cost and operational efficiency with a focus on products with higher growth potential and longer life cycles.

The MBU is also well positioned to capture new opportunities amidst continued trade tensions between the US and China as customers shift their source of purchase to the ASEAN region.

Amidst the challenges and uncertain outlook, we remain committed to strengthening Accrelist’s resilience and building long-term value for shareholders.

A NOTE OF APPRECIATION

On behalf of the Group, I would like to take this opportunity to express my sincere gratitude to our valued shareholders and business partners who continue to show us their support during these challenging times.

The Group is also grateful for the Singapore government’s strong support for local businesses which include government grants extended to Accrelist to mitigate COVID-19’s impact.

I am also thankful for the dedication and sacrifices made by our colleagues as we work together to overcome the challenges facing the Group. All of us at Accrelist remain committed to the principles of integrity, commitment, and innovation as we seek to emerge stronger from this crisis.

Thank you.

MR TERENCE TEA YEOK KIAN

Executive Chairman and Managing Director
Accrelist Ltd.

FINANCIAL AND OPERATIONS REVIEW



Financial Performance

For the financial year ended 31 March 2021 (“**FY2021**”), Accrelist Ltd. (“**Accrelist**” and together with its subsidiary corporations, the “**Group**”) recorded a revenue of S\$151.3 million, representing an increase of approximately S\$12.4 million or 8.9% as compared to S\$138.9 million for the financial year ended 31 March 2020 (“**FY2020**”).

Accrelist Medical Aesthetics group of companies’ (“**A.M Aesthetics**”) revenue increased by S\$1.3 million or 26.0% from S\$5.0 million for FY2020 to S\$6.3 million for FY2021 due to enhanced marketing and cost control efforts as well as the absence of set up costs in FY2021.

Subsidiary Jubilee Industries Holdings Ltd’s (“**Jubilee**”) total revenue increased by S\$11.2 million or 8.4% from S\$133.8 million for FY2020 to S\$145.0 million for FY2021 largely due to an increase in sales from Jubilee’s Electronics Business Unit (“**EBU**”).

Revenue from EBU increased by S\$10.7 million or 9.8% from S\$109.2 million for FY2020 to S\$119.9 million for FY2021 due to a recovery in semiconductor demand as a result of limited factory capacity and longer lead times as well as progress into emerging regions such as Vietnam and India.

Revenue from Jubilee’s Mechanical Business Unit (“**MBU**”) increased by approximately S\$0.4 million or 1.6% from S\$24.7 million for FY2020 to S\$25.1 million for FY2021. The increase was due to higher sales of consumer and medical products as well as customers shifting their source of purchase to the ASEAN region amidst US-China trade tensions.

The Group’s gross profit increased by S\$0.7 million or 6.4% from S\$11.0 million for FY2020 to S\$11.7 million for FY2021 while gross profit margin decreased slightly from 7.9% in FY2020 to 7.7% in FY2021. The MBU’s gross profit margin declined slightly from 8.7% for FY2020 to 8.6% for FY2021 while the EBU’s gross profit margin remained steady due to a large part of sales having contract pricing arrangements, increasing slightly from 4.2% for FY2020 to 4.4% for FY2021.

The Group reversed its other losses of S\$2.3 million for FY2020 to other gains of S\$2.5 million for FY2021 largely due to government grants under COVID-19 support measures and the decrease in foreign exchange losses due to revaluation on foreign currencies in the EBU.

Operating expenses decreased by S\$6.2 million or 30.5% from S\$20.3 million for FY2020 to S\$14.1 million for FY2021. Marketing and distribution expenses decreased by S\$0.6 million or 46.2% from S\$1.3 million for FY2020 to S\$0.7 million for FY2021 due to a reduction of sales agents’ commission payout, lower staff and related costs from the reduction of sales, and lower business travelling and entertainment expenses amid the COVID-19 pandemic.

Administrative expenses decreased by S\$4.8 million or 27.7% from S\$17.3 million for FY2020 to S\$12.5 million for FY2021 mainly due to lower staff related costs as part of the various cost containment measures implemented by the Group to mitigate the impact and challenges of COVID-19. Finance costs decreased by S\$0.8 million or 47.1% from S\$1.7 million for FY2020 to S\$0.9 million for FY2021 due to lower borrowings.

As a result of the above, the Group significantly narrowed its net loss by S\$11.7 million or 90.7% from S\$12.9 million for FY2020 to S\$1.2 million for FY2021.

Financial Position

The Group’s non-current assets decreased by S\$11.5 million or 29.3% from S\$39.2 million as at 31 March 2020 to S\$27.7 million as at 31 March 2021. The decrease was mainly due to the disposal of shares in EG Industries Bhd and reclassification of EG Industries Bhd from investment in associated companies to financial assets due to loss of influence. In addition, amortisation charged during the year which resulted in the decrease in intangible assets, also contributed to the decrease in non-current assets.

Current assets increased by S\$11.2 million or 23.5% from S\$47.6 million as at 31 March 2020 to S\$58.8 million as at 31 March 2021. The increase was largely due to the disposal of shares in EG Industries Bhd and reclassification of EG Industries Bhd from investment in associated companies

FINANCIAL AND OPERATIONS REVIEW



to financial assets due to loss of influence of S\$9.2 million. In addition, the increase in inventories of S\$6.0 million as a result of buffering stocks to support current customers, also contributed to the increase in current assets. These were offset by the decrease in trade and other receivables of S\$1.6 million which was due to a change in customer mix with shorter payment terms by the EBU to offset longer payment terms for certain customers in the Group. Cash and cash equivalents had also decreased by S\$1.8 million which was used for the purchase of inventories.

Current liabilities increased by S\$1.3 million or 3.4% from S\$38.7 million as at 31 March 2020 to S\$40.0 million as at 31 March 2021 due to an increase in trade and other payables in line with the increase in inventories. This was offset by the repayment of borrowings and loans as well as by performing obligations of aesthetic services for aesthetic packages which reduced contract liabilities.

Non-current liabilities decreased by S\$0.1 million or 1.7% from S\$5.8 million as at 31 March 2020 to S\$5.7 million as at 31 March 2021 largely due to a decrease in deferred income tax liabilities.

The Group's working capital increased significantly by S\$10.0 million from S\$8.9 million as at 31 March 2020 to S\$18.9 million as at 31 March 2021 due to the disposal of shares in EG Industries Bhd and reclassification of EG Industries Bhd from investment in associates to financial assets due to loss of influence.

As a result of the above, the Group's net assets decreased by S\$1.4 million or 3.3% from S\$42.3 million as at 31 March 2020 to S\$40.9 million as at 31 March 2021.

In view of the COVID-19 situation, the Group has reviewed and assessed the impairment for its property, plant and equipment, intangible assets, other assets, trade and other receivables and inventories. Bank obligations are met and there are no going concern issues noted.

Cash Flow Statement

Net cash generated by operating activities for FY2021 was S\$7.0 million, comprising of operating cash flows before working capital changes of S\$3.0 million and working capital inflow of S\$4.2 million. The working capital inflow was mainly due to the decrease in trade and other receivables and contract assets of S\$2.0 million and the increase in trade and other payables and contract liabilities of S\$9.0 million. These were offset by the increase in inventories and other assets of S\$6.7 million and S\$0.1 million respectively.

Net cash generated from investing activities of S\$1.2 million for FY2021 was mainly due to the disposal of investment in associated company of S\$1.3 million and proceeds from disposal of property, plant and equipment of S\$0.4 million. This was offset by the acquisition of property, plant and equipment of S\$0.5 million.

Net cash used in financing activities of S\$9.0 million for FY2021 was largely due to the repayment of bank loans, lease liabilities, loan payable and payment of interest totalling S\$9.2 million. These repayments were offset with the release of fixed deposit of S\$0.2 million.

As a result of the above, the Group's cash and cash equivalents decreased by S\$0.8 million from S\$7.2 million as at 31 March 2020 to S\$6.4 million as at 31 March 2021.

BOARD OF DIRECTORS



MR TERENCE TEA YEOK KIAN, 53
Executive Chairman & Managing Director

Academic and professional qualifications:

Ph.D. in Business Administration (Honorary) from Honolulu University
Diploma in Electronics and Electrical Engineering from Singapore Polytechnic

Date of first appointment as director: 11 March 2013

Date of last re-election as director: 26 November 2020

Length of service: 8 years 0 months (as of 31 March 2021)

SERVED ON THE FOLLOWING BOARD COMMITTEE:

Member - Nominating Committee

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

Executive Chairman and Chief Executive Officer – Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)

PRESENT PRINCIPAL COMMITMENTS

Executive Chairman and Managing Director - Accrelist Ltd.

Executive Chairman and Chief Executive Officer – Jubilee Industries Holdings Ltd.

DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING FIVE YEARS

Executive Chairman – EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)

BACKGROUND AND EXPERIENCE:

Mr Terence Tea Yeok Kian (“Mr Tea”) is responsible for the overall growth of the Group and his main role is to determine the strategic direction of the Group, acquiring and nurturing new businesses with a view of taking them to greater heights.

Mr Tea brings to the Group a wealth of experience in the corporate world, providing key inputs to the Board and has been instrumental in advising on corporate matters. He drives the formulation and implementation of business plans and strategies for the Group.

Mr Tea’s comprehensive knowledge and experience of the industry has aided the Group to spot growth opportunities, especially during the restructuring period of 2013 to 2017. Mr Tea’s keen vision within the business model has allowed him a comparative advantage in the Group’s advancement. In addition, Mr Tea’s tenacity has been reflected in his leadership to harness the unrealised prospects of both Accrelist Ltd and Jubilee Industries Holdings Ltd. Both companies are still venturing to explore their fullest potentials.

Mr Tea is also an honorary patron of the Nee Soon East Constituency, Sembawang Citizen’s Consultative Committee and Singapore Productivity Association, as well as a council member of the Singapore Hokkien Huay Kuan and Chairman of Eng Yong Tong Tay Si Association. He was awarded the Public Service Medal (PBM) by the President of the Republic of Singapore, as well as the Long Service Award (MOE) by Singapore’s Ministry of Education. He is also the Singapore Small Medium Business Association TOP Entrepreneur. Mr Tea was also conferred the title of Dato.

BOARD OF DIRECTORS



MR NG LI YONG, 49
Lead Independent Director

Academic and professional qualifications:

Postgraduate Diploma in Singapore Law from National University of Singapore
Bachelor of Law from the University of Kent
Member of Law Society of Singapore
Member of Singapore Academy of Law

Date of first appointment as director: 11 June 2013

Date of last re-election as director: 26 July 2018

Length of service: 7 years 9 months (as at 31 March 2021)

SERVED ON THE FOLLOWING BOARD COMMITTEE:

Chairman – Nominating Committee
Chairman – Remuneration Committee
Member – Audit Committee

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

Nil

PRESENT PRINCIPAL COMMITMENTS

Director – WNLEX LLC

DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING FIVE YEARS

Director - C&G Environmental Protection Holdings Limited

BACKGROUND AND EXPERIENCE:

Mr Ng Li Yong (“Mr Ng”) is a lawyer with more than 20 years of experience and is currently a Director of WNLEX LLC, a full-service law firm. His area of practice includes corporate, commercial and intellectual property. Mr Ng sits on the board of various private companies.

BOARD OF DIRECTORS



MR LIM YEOW HUA, 59
Independent Non-Executive Director

Academic and professional qualifications:

Master of Business Administration, National University of Singapore
Bachelor of Accountancy, National University of Singapore
Fellow Member of Institute of Singapore Chartered Accountants
Accredited Tax Advisor of Singapore Chartered Tax Professionals
Member of Singapore Institute of Directors

Date of first appointment as director: 11 October 2017

Date of last re-election as director: 26 July 2018

Length of service: 3 year 5 months (as at 31 March 2021)

SERVED ON THE FOLLOWING BOARD COMMITTEE:

Chairman – Audit Committee
Member – Nominating Committee
Member – Remuneration Committee

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

Director – KSH Holdings Limited
Director – NauticAWT Limited
Director – Oxley Holdings Limited

PRESENT PRINCIPAL COMMITMENTS

Nil

DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING FIVE YEARS

Director – Advanced Integrated Manufacturing Limited
Director – China Minzhong Food Corporation Limited
Director – Eratat Lifestyle Limited
Director – KTL Global Limited
Director – Ying Li International Real Estate Limited

BACKGROUND AND EXPERIENCE:

Mr Lim Yeow Hua (“Mr Lim”) is a chartered accountant and accredited tax advisor (income tax & GST) with more than 29 years of experience in taxation, financial services and business advisory. Mr Lim sits on the boards of various companies listed in the SGX.

BOARD OF DIRECTORS



DATO' ALEX KANG PANG KIANG, 49
Non-Independent and Non-Executive Director

Academic and professional qualifications:

Double degree in Bachelor of Commerce and Bachelor of Science from University of Auckland, New Zealand
Chartered Accountant of Malaysian Institute of Accountants
Associate Chartered Accountant of Chartered Accountant Association, New Zealand

Date of first appointment as director: 24 December 2019

Date of last re-election as director: 26 November 2020

Length of service: 15 months (as at 31 March 2021)

SERVED ON THE FOLLOWING BOARD COMMITTEE:

Member – Audit Committee

Member – Remuneration Committee

PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)

EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Thong Guan Industries Berhad (Listed on Bursa Malaysia, Malaysia)

PRESENT PRINCIPAL COMMITMENTS

CEO – EG Industries Berhad

DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING FIVE YEARS

Nil

BACKGROUND AND EXPERIENCE:

DATO' Alex Kang Pang Kiang (“DATO' Kang”) is the CEO of EG Industries Berhad and holds the helm for full responsibility on the overall planning and operations since July 2014. With more than 20 years of expertise in financial management, planning, corporate restructuring exercises, risk management and investor relations, he plays a key role in formulating and providing solutions for EG Industries Berhad's strategic positioning and business expansion.

For his outstanding entrepreneurship and enthusiasm, he has been awarded the Best Chief Executive Officer and Best Investor Relations Professional by Malaysian Investor Relations Association under the Micro-cap category of “The Investor Relations Awards 2015”. On top of that, in appreciation of his dedication to the business and social community, he was conferred the title of datukship in 2018. Persatuan Kebajikan Keluarga Bekas Polis dan Tentera (“POLTERA”) in 2019 appointed DATO' Kang as an honorable POLTERA life V.I.P in honor and appreciation of his kind support, cooperation and contribution towards POLTERA's goal achievements.

In 2020, he was also appointed as a distinguished “Adjunct Professor” by AIMST University to share his business and industry insights with the future workforce and as the honorary advisor of Malaysia-China Chamber of Commerce in recognition for his rich expertise and experience in the manufacturing business globally.

CORPORATE MANAGEMENT

MR LOH ENG LOCK KELVIN

Chief Financial Officer

Accrelist Ltd.

Mr Loh Eng Lock Kelvin (“Mr Loh”) is the Chief Financial Officer (“CFO”) of the Company and is responsible for the finance department of the Group. He is also responsible for management reporting and oversees the financial and internal controls of the Group.

Mr Loh joined the Company, previously known as WesTech Group, in November 2008 as the Finance Manager and assisted the then CFO in the overall direction and control of the Group, including the financial and management of accounts, legal matters, credit control, internal and external auditing and financial planning and analysis. He was then promoted to Vice President of Finance on 2011 and subsequently to CFO on 2013 to oversee the Group’s finance department. In October 2014, Mr Loh was appointed as CFO to Jubilee Industries Holdings Ltd. (“Jubilee”), a subsidiary listed company of Accrelist Ltd. Following the Company and Group’s new plans for expansion and expertise required in November 2016, he was transferred back to Accrelist Ltd.

Mr Loh has more than 10 years of experience in audit and accounting and holds a Bachelor of Business (Accounting) from the Queensland University of Technology and is a member of CPA Australia.

MS SNG EE LIAN, ELIANE

Group Financial Controller

Jubilee Industries Holdings Ltd.

Ms Sng Ee Lian, Eliane (“Ms Sng”) is the Group Financial Controller and heads the finance department for the daily finance functions of the Group. Ms Sng is a senior executive with 20 years of work experience in finance, public accounting, administration and costing in electronics contract manufacturing and wholesale electronics distribution industries. She held the position of Group Finance Manager of the Plexus Group and was a Senior Corporate Finance Controller with ACT Manufacturing Inc, a company then listed on NASDAQ.

Ms Sng holds a Bachelor of Accountancy from Bentley College, USA and LLB from University of London.

MR LEE SANG SUP

Senior Vice President

Jubilee Industries Holdings Ltd.

Mr Lee Sang Sup (“Mr Lee”) joined the Group as Senior Vice President of WE Components Pte. Ltd. on 1 March 2018, heading the Electronics Business Unit (EBU) for the business operations, sales and marketing activities of the unit.

Mr Lee has more than 30 years of experience in the semiconductor industry in Asia holding key positions in sales and marketing roles with organizations such as SK Hynix - a global leader in the semiconductor market.

Mr Lee holds a bachelor degree in International Economics Law & English from HANKUK University of Foreign Studies in South Korea.

MILESTONES

FY2021

- A.M Aesthetics bounced back from the initial impact of COVID-19 with increased revenue and a return to profitability amidst continued demand for medical aesthetic services

FY2020

- A.M Aesthetics expanded locally and regionally with the opening of its fifth clinic in Singapore and its first two clinics in Malaysia
- The Group ventured into the distribution of medical aesthetics products through A.M Skincare
- A.M Aesthetics entered into a strategic collaboration with South Korea's Ozhean Skin and Plastic Surgery

FY2019

- Net profit for Accrelist and Jubilee more than tripled
- Accrelist acquired four medical aesthetics clinics in Singapore
- Medical aesthetics business rebranded as A.M Aesthetics, gross profit nearly doubles under the Group's management

FY2018

- Terence Tea identified medical aesthetics as a new area of growth for the Group
- Accrelist increased its stake in Jubilee by converting the outstanding loan into Jubilee shares
- Jubilee returned to black, turnaround supported by Accrelist's strategic guidance

FY2017

- Accrelist extended a convertible loan to Jubilee to support its growth

FY2016

- Terence Tea ensured Accrelist's survival by arranging a placement of new shares which raised urgently needed funds to repay creditor banks

CORPORATE DIRECTORY

SINGAPORE

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PEOPLE'S REPUBLIC OF CHINA

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CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Accrelist Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining a high standard of corporate governance within the Company and the Group. The Company understands that good corporate governance is an integral element of a sound corporation and enables it to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect the interest of the Company’s shareholders (the “**Shareholders**”). This also helps the Company to create long-term value and return for its shareholders. This report sets out the Group’s corporate governance practices (“**Report**”).

The Company is committed to uphold and adhere to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). This report outlines the Company’s corporate governance practices for the financial year ended 31 March 2021 (“**FY2021**”) with specific reference made to the principles and provisions of the Code issued on 6 August 2018, and the accompanying practice guidance that was issued in August 2018, which formed part of the continuing obligations of the Listing Manual – Section B: Rules of the Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Company will continue to enhance its corporate governance practices in line with the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Catalist Rules of the SGX-ST.

For easy reference, sections of the Code under discussion are specifically identified. However, this report should be read as a whole as other sections of this report may also have an impact on the specific disclosures.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

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

The primary function of the Board is to protect and enhance long-term value and returns for its Shareholders. The Board has put in place a code of conduct and ethics, appropriate tone-from-the top and desired organisational culture, and ensures proper accountability within the Group. Besides carrying out its statutory responsibilities, the Board oversees the formulation of the Group’s long-term strategic objectives and directions, reviews and approves the Group’s annual business and strategic plans and monitors the achievement of the Group’s corporate objectives. It also oversees the Management’s business affairs and conducts periodic reviews of the Group’s financial performance. Where the Director faces a conflict of interest, he would recuse himself from discussions and decisions involving the issues of conflict.

In addition to statutory duties and responsibilities, the Board’s principal functions include the following:

1. Reviewing and approving the Group’s strategic plans, key operational initiatives, major investments, divestments and funding requirements;
2. Reviewing and approving the annual budget, reviewing the performance of the business and approving the release of the financial results of the Group to Shareholders;
3. Providing guidance in the overall management of the business and affairs of the Group;
4. Overseeing the processes for risk management, financial reporting and compliance;
5. Reviewing and approving major transactions including investments, divestments, acquisitions and capital expenditure;
6. Reviewing and approving corporate and/or financial restructuring and share issuance; and
7. Assuming responsibility for the corporate governance of the Group.

To ensure smooth operations, proper controls and to facilitate decision-making, the Board has established an Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively, “**Board Committees**”). Each Board Committee has its own defined terms of reference and operating procedures, which are reviewed on a regular basis by the Board. The effectiveness of each Board Committee is also constantly reviewed by the Board. The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. In particular, the NC reviews the effectiveness of the Board, AC, and RC, as well as each individual Director annually, while the Board reviews the effectiveness of the NC annually.

CORPORATE GOVERNANCE REPORT

The Board meets on a periodic basis or when necessary to address any specific matter. The Company's Constitution provides for the meetings to be convened via teleconferencing or videoconferencing. Where a decision has to be made before a Board meeting or Board Committees' meeting is convened, Directors' resolutions in writing are circulated in accordance with the Constitution of the Company and the Directors are also provided with all relevant information and documents to allow them to make informed decisions.

The Board has put in place internal guidelines for matters reserved for the Board's approval. Specifically, matters and transactions that require the Board's approval include, among others, the following:

- release of the half year and full year results announcements;
- annual report and financial statements;
- annual budgets and financial plans of the Company;
- business, strategy and capital expenditure budgets;
- convening of shareholders' meetings, circulars to shareholders and related announcements to be submitted to the SGX-ST;
- overall corporate strategy and changes to the corporate structure;
- acquisitions, investments and disposals of assets exceeding a certain threshold;
- share issuances;
- recommendation/declaration of dividends;
- appointment of Directors and key management personnel, Company Secretary of the Company and terms of reference for the Board Committees;
- review of Directors and key management personnel's performance and remuneration packages;
- interested person transactions;
- material regulatory matters or litigation; and
- compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.

The number of Board, Board Committee meetings and all general meetings held during FY2021 and the attendance of each Director, where relevant, are as follows:

	Board	AC	RC	NC	AGM
No. of meetings held	3	3	3	3	1
Name of Director					
Mr Terence Tea Yeok Kian	3	3*	3*	3	1
Mr Ng Li Yong	3	3	3	3	1
Mr Lim Yeow Hua @ Lim You Qin	3	3	3	3	1
Mr Kang Pang Kiang	2	2	2	2*	1

*By invitation

A formal letter setting out the director's duties and obligations will be issued to newly appointed directors upon their appointment.

All newly appointed Directors are given briefings by the Management on the history, business operations and corporate governance practices of the Group. Newly appointed Directors also attend courses, seminars and trainings which may have a bearing on their duties and contributions to the Board, organised by the professional bodies, regulatory institutions, to keep themselves updated on the latest developments concerning the Group. Directors who have no prior experience as a director of a listed company will be provided training in areas such as accounting, legal and industry-specific knowledge as may be appropriate. To keep pace with regulatory changes, the Directors attend sponsored seminars conducted by external

CORPORATE GOVERNANCE REPORT

professionals, including any changes in legislation and financial reporting standards, government policies, and regulations and guidelines from SGX-ST that affect the Company and/or the directors in discharging their duties. The Directors are informed of developments relevant to the Group, including changes in laws, regulations and risks that may impact the Group. Directors can apply to the Company for funding for any such courses, conferences and seminars that they wish to attend.

To enable the Directors to better understand the Group's business as well as for them to discharge their respective duties, Management will provide regular updates to the Directors during board meetings. In addition, in order to ensure that each Director is able to contribute in a meaningful manner during Board Meeting, each Director is provided with complete and adequate information to be discussed at each Board Meeting in a timely manner. The Management circulates copies of the minutes of the Board meetings to all members of the Board to keep them informed of on-going developments within the Group. Board papers are generally sent to Directors before each meeting and these would include financial management reports, reports on performance of the Group against the budget with notes on any significant variances, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues and strategic plans and developments in the Group.

The Board has separate and independent access to the Management and the Company Secretary at all times. Should the Directors, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the concurrence of the Chairman or the Chairman of the Board Committee requiring such advice) will be appointed at the Company's expense.

The Company Secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. The Company Secretary assists senior management in ensuring that the Company complies with rules and regulations which are applicable to the Company. The appointment and removal of the Company Secretary is decided by the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

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

The Board comprises of one (1) Executive Director, two (2) Independent and Non-Executive Directors and one (1) Non-Independent and Non-Executive Director, who as a group, provides core competencies and diversity of experience which enable them to effectively contribute to the Company.

As at the date of this report, the Board notes that Independent Directors do not make up a majority of the Board as two of the four Directors are Independent Directors. The Board wishes to highlight that it is of the view that the appointment of Lead Independent Director ensures a sufficient balance of power and authority in the Board. In addition, the Board notes that the Independent Directors are experienced professionals with diverse expertise and skills, including strategic planning, management, legal, finance and accounting experience. Accordingly, the combined wealth and diversity of expertise and skills of all the Directors enable them to contribute effectively to the strategic growth and governance of the Group. Notwithstanding the above, the Board may consider appointing one additional Independent Director when a suitable candidate is identified in the interest of embracing recommended best practices.

As at the date of this Report, the Board of Directors comprises of the following members:

Name of Directors	Designation	AC	RC	NC
Terence Tea Yeok Kian	Executive Chairman and Managing Director	–	–	Member
Ng Li Yong	Lead Independent Director	Member	Chairman	Chairman
Lim Yeow Hua @ Lim You Qin	Independent and Non-Executive Director	Chairman	Member	Member
Kang Pang Kiang	Non-Independent and Non-Executive Director	Member	Member	–

CORPORATE GOVERNANCE REPORT

The Board is supported by the Board Committees, namely, the NC, the AC and the RC, whose functions are described below. The Board is able to exercise objective judgement independently from the Management and no individual or small group of individuals dominate the decisions of the Board.

On an annual basis or upon notification by an Independent Director of a change in circumstances, the NC will review the independence of each Independent Director based on the criteria for independence defined in the Code and recommend to the Board as to whether the Director is to be considered independent.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules which will take effect from 1 January 2022, provides that a Director will not be independent if he/ she has been a Director for an aggregate period of more than nine (9) years and his/ her 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 Officer of the company and their respective associates (the "Two-Tier Voting"). Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the Director or (ii) the conclusion of the next AGM of the Company following the passing of the resolutions. In anticipation to the Rule 406(3)(d)(iii), Mr Ng Li Yong, an Independent Director, would have served as a Director of the Company for more than nine (9) years from the date of his first appointment come 1 January 2022, will require Two-Tier Voting to remain as an Independent Director.

Non-Executive Directors make up a majority of the Board. The Non-Executive Directors contribute to the Board by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide different perspectives to the Group's business. While challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions, involving conflicts of interest and other complexities. The Non-Executive Directors will meet to discuss on specific matter without the presence of Management and if necessary, to provide feedback to the Board. To ensure that Non-Executive Directors are well supported by accurate, complete and timely information, Non-Executive Directors have unrestricted access to Management.

The Board constantly examines its size and, with a view to determining the impact of the number upon effectiveness, decides what is considered an appropriate size for the Board, which facilitates effective decision-making. The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board, is appropriate for effective decision making. The Board noted that gender diversity on the Board of Directors is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

The NC is of the view that the Board comprises persons who, as a group, provide the necessary core competencies and includes experienced professionals with legal, accounting, business and management experience.

Information on the Board members is provided under the section "Board of Directors" in the Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

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

Mr Terence Tea Yeok Kian is the Executive Chairman and Managing Director of the Company. As the Executive Chairman, Mr Terence Tea Yeok Kian:

- leads the Board to ensure its effectiveness on all aspects of its role;
- sets the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promotes a culture of openness and debate at the Board;
- ensures effective communication with Shareholders;
- ensures constructive relations within the Board and between the Board and Management; and
- facilitates the effective contribution of Non-Executive Directors in particular.

CORPORATE GOVERNANCE REPORT

As a Managing Director, Mr Terence Tea Yeok Kian has full responsibility over the business directions and operational decisions of the Group.

Although the roles of the Chairman and Managing Director are not separated, the AC, RC and NC are chaired by an Independent Director and Mr Terence Tea Yeok Kian's performance and remuneration are reviewed periodically by the NC and RC. In addition, Mr Ng Li Yong, the Lead Independent Director of the Company is available to shareholders should their concerns cannot be resolved through the normal channels of the Chairman or where such contact is inappropriate. As such, the Board believes that there are adequate safeguards and checks in place to ensure that the process of decision-making is independent and based on the collective decision-making of the Board without Mr Terence Tea Yeok Kian being able to exercise considerable concentration of power or influence.

BOARD MEMBERSHIP AND BOARD PERFORMANCE

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

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

Nominating Committee

The Company had established a NC to make recommendations to the Board on all board appointments. The NC comprises three (3) members, majority of whom, including the Chairman, are Independent and Non-Executive Directors.

As at the date of this Report, the NC comprises:

Mr Ng Li Yong	(Chairman)
Mr Terence Tea Yeok Kian	(Member)
Mr Lim Yeow Hua @ Lim You Qin	(Member)

The Chairman of the NC is neither a substantial shareholder of the Company nor is he directly associated with the substantial shareholder of the Company.

The NC is governed by the NC's terms of reference which describes the roles and duties of the RC.

The NC is responsible for:

1. Making recommendations to the Board on all board appointments, including the development of a set of criteria for Director's appointments;
2. Reviewing the size of the Board with a view to determining the impact of the number upon Board's effectiveness;
3. Ensuring that the Directors have the required expertise and adequate competencies to discharge their respective functions and to ensure that there is a balance of competencies;
4. Re-nominating Directors having regard to the Director's contribution to the Group and his performance at Board meetings, for example, attendance, participation and critical assessment of issues deliberated upon by the Board;
5. Considering and determining on an annual basis, whether or not a Director is independent;
6. Deciding on how the Board's performance may be evaluated and propose objective performance criteria to the Board;
7. Reviewing the training and professional development programmes for the Board and its Directors;
8. Assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board; and
9. Reviewing board succession plans for Directors and key management personnel.

CORPORATE GOVERNANCE REPORT

The independence of each Director is reviewed annually by the NC based on the Code's definition of what constitutes an independent director. Following its annual review, the NC has endorsed the independence status of Mr Ng Li Yong and Mr Lim Yeow Hua @ Lim You Qin.

New Directors are presently appointed by way of Board resolutions after the NC has reviewed and nominated them for appointment.

In identifying suitable candidates, the NC mainly taps on the Directors' personal contacts and recommendations. After shortlisting the candidates, the NC shall:

- (a) Consider and interview all candidates on merit against objective criteria, taking into consideration the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and add value to the Groups' business in line with its strategic objectives; and
- (b) Evaluate and agree on a preferred candidate for recommendation to and appointment by the Board.

The Group also releases announcements on the appointment and cessation of Directors via SGXNET.

The NC has assessed the current Board's performance and is of the view that the performance of the Board as a whole has been satisfactory. Although some of the Directors have other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. The NC has noted that the respective Board Committee members have contributed significantly in terms of time, effort and commitment during FY2021.

At present, the Board does not intend to set a maximum number of listed company board representations a Director may hold as it is of the view that the effectiveness of a Director should be evaluated by a qualitative assessment of his contributions to the Company's affairs taking into account his other commitments including his directorships in other listed companies. The NC considers that the multiple board representations held presently by some Directors do not currently impede their respective performance in carrying out their duties to the Company.

The NC sets objective performance criterias for evaluating the Board's performance as a whole. The Board's performance is a function of the experience and expertise that each of the Directors brings with them. The NC has implemented a Board Evaluation Form which consists of a board assessment checklist which takes into consideration factors such as the Board's understanding of its role and responsibilities, the Board's composition and effectiveness as a whole, clear goals and actions, and proceedings to assess and enhance the overall effectiveness of the Board. The Board Committees' assessment is incorporated into board assessment as a whole. The NC has decided unanimously, that the Directors shall not be evaluated individually, as each member of the Board contributes in different areas to the success of the Company. Therefore, it would be more appropriate to assess the Board as a whole. Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors for the current year include the contribution of such Directors to the effectiveness of the Board, the Directors' participation and involvement in Board meetings and Board Committee meetings and the qualification and experience of such Directors. The results of the evaluation for the Board's performance are considered by the NC, which is responsible for setting the performance criteria to assess the effectiveness of the Board, and used constructively to identify areas for improvements and recommend the necessary action to be taken by the Board.

The NC, in recommending the re-election or re-appointment of Directors, who are subject to retirement at the Annual General Meeting ("**AGM**") in accordance with the Company's Constitution or the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), had taken into consideration the contribution of such Directors to the effectiveness of the Board, their participation and involvement in the Board meetings and Board Committee meetings, qualification and experience as well as their directorships and major appointments in other companies.

Currently, there is no alternate director on the Board.

Each member of the NC shall abstain from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolutions in respect of the assessment of his/her own performance or re-nomination as a Director.

Pursuant to the Constitution of the Company:

- (a) One-third (1/3) of the Directors except the CEO and Managing Director retire from office at every AGM; and
- (b) Directors appointed during the course of the year must submit themselves for re-election at the next AGM of the Company.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 720(4) of the Catalist Rules, Mr Terence Tea Yeok Kian, the Managing Director would also have to subject himself to re-nomination and re-appointment at least once every three (3) years.

The NC recommended to the Board that Mr Lim Yeow Hua @ Lim You Qin and Mr Ng Li Yong be nominated for re-election at the forthcoming AGM.

In making the recommendation, the NC has considered the Directors' overall contribution and performance.

Mr Lim Yeow Hua @ Lim You Qin will upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director of the Company, Chairman of Audit Committee and member of Remuneration Committee and Nominating Committee.

Mr Ng Li Yong will upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of Remuneration Committee and Nominating Committee and a member of Audit Committee.

The NC also has recommended to the Board that Mr Ng Li Yong, whose continued appointment as Independent Director, pursuant to Rule 406(3)(d)(iii) of the Catalist Rules which will take effect on 1 January 2022, to seek approval by way of Two-Tier Voting process at the forthcoming AGM.

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules as Mr Ng Li Yong, an Independent Director, would have served as a Director of the Company for more than nine (9) years from the date of his first appointment come 1 January 2022. Rule 406(3)(d)(iii) requires voted by (a) all shareholders of the Company; and (b) second voted by shareholders excluding the Directors and the Chief Executive Officer of the Company and their respective associates (the **"Two-Tier Voting"**). Upon passing of the Two-Tier Voting, the continued appointment of Mr Ng Li Yong as an Independent Director of the Company shall continue in force come 1 January 2022 pursuant to Rule 406(3)(d)(iii) of the Listing Manual of the SGX-ST. If either one of the voted not passed, Mr Ng Li Yong will continue as Non-Independent Director of the Company and the Company will appoint a new Independent Director.

Details of the Directors' academic and professional qualifications and directorships both present and those held over the preceding five years in other listed companies and other principal commitments are set out on pages 6 to 9 and below:

Name of Director	Appointment	Date of initial appointment/last re-election	Directorships in other listed companies	
			Current	Past 5 Years
Mr Terence Tea Yeok Kian	Executive Chairman and Managing Director	11 March 2013/ 26 November 2020	Jubilee Industries Holdings Ltd.	EG Industries Berhad
Mr Ng Li Yong	Lead Independent Director	11 June 2013/ 26 July 2018	–	C&G Environmental Protection Holdings Limited
Mr Lim Yeow Hua @ Lim You Qin	Independent and Non-Executive Director	11 October 2017/ 26 July 2018	KSH Holdings Limited NauticAWT Limited Oxley Holdings Limited	KTL Global Limited Ying Li International Real Estate Limited China Minzhong Food Corporation Limited (delisted) Eratat Lifestyle Limited (delisted) Advanced Integrated Manufacturing Corp Ltd (delisted)
Mr Kang Pang Kiang	Non-Independent and Non-Executive Director	24 December 2019/ 26 November 2020	Jubilee Industries Holdings Ltd. EG Industries Berhad Thong Guan Industries Berhad	–

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

As at the date of this Report, the RC comprises three (3) members, the majority of whom, including the Chairman, are Independent and Non-Executive Directors, save for Mr Kang Pang Kiang who is a Non-Independent and Non-Executive Director:

Mr Ng Li Yong	(Chairman)
Mr Lim Yeow Hua @ Lim You Qin	(Member)
Mr Kang Pang Kiang	(Member)

The RC is governed by the RC's terms of reference which describes the duties and powers of the RC.

The RC is responsible for:

1. Reviewing and recommending to the Board in consultation with the Management and the Managing Director, a framework for remuneration and determining the specific remuneration packages and terms of employment for each of the Executive Director and Senior Executive/Divisional Directors of the Group including those employees related to the Executive Directors and/or Controlling Shareholders of the Group and to ensure that it is appropriate to attract, retain and motivate them to run the Group successfully. The RC may engage experts in the field of executive compensation whenever required;
2. Reviewing the fairness and reasonableness of the termination clauses of the service agreements of each Executive Director and Senior Executive/Divisional Directors of the Group to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance;
3. Reviewing on a yearly basis, the remuneration packages for each Executive Director, which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share based incentives and awards, and benefits in kind;
4. Recommending the payment of fees to Non-Executive Director and to ensure, as far as is possible, that the quantum commensurate with the Non-Executive Directors' contribution to the Board and the Company; and
5. Overseeing and administering the Accrelist Share Award Scheme.

The RC may seek professional advice from external consultants on remuneration matters whenever required. No remuneration consultants were engaged by the Company in FY2021.

LEVEL AND MIX OF REMUNERATION

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

In setting remuneration packages, the RC takes into account the performance of the Group as well as the Directors and key management personnel aligning their interests with those of Shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. The review of remuneration packages takes into consideration the longer term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. The payment of Directors' fees is subject to the approval of Shareholders at the AGM.

CORPORATE GOVERNANCE REPORT

The RC recommends the compensation for Independent and Non-Executive Directors, taking into account factors such as time spent, level of contribution and the responsibility of the Directors, the current market circumstances, long-term interest and risk policies of the Company, and the need to attract directors of experience and standing. The Independent and Non-Executive Directors' fees are compared against market standards to ensure that they are in line with market norms and to ensure their independence are not compromised.

The RC administers the Accrelist Share Awards Scheme ("ASAS"), which was approved and adopted pursuant to approval from Shareholders at the extraordinary general meeting held on 25 May 2010. The performance-related elements of remuneration are designed to align the interests of Directors, Management and employees with those of Shareholders and to link their rewards to corporate and individual performance. The share awards granted to the employees and Directors vest over a period of one (1) to two (2) years. The ASAS is also extended to the Group's Independent and Non-Executive Directors so as to better align the interests of such Independent and Non-Executive Directors with the interest of Shareholders. The RC will reclaim the share awards granted to the Directors and employees who left the Company prior to the end of the vesting period of share awards.

The purpose of the ASAS is to provide an opportunity for the Group's Directors and employees who have met the performance targets to be remunerated not just through cash bonuses but also by an equity stake in the Company.

The Directors do not participate in any discussion concerning their own remuneration.

DISCLOSURE ON REMUNERATION

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

The remuneration of the Directors and the key management personnel for FY2021, are disclosed below. The disclosure is to enable Shareholders to understand the link between remuneration paid to the Directors and key management personnel and their performance.

The Company has disclosed the remuneration of the Directors and the key management personnel in the bands of S\$250,000. In the view of the competitive pressures in the talent market, it would be not in the best interest of the Company to disclose the exact amount paid to the Directors and key management personnel.

The breakdown (in percentage terms) of each Director's and key management personnel's remuneration for FY2021 are as follows:

Remuneration for the Directors

Name	Salary	Bonus	Fringe Benefits	Directors' Fees	Total
	%	%	%	%	%
<u>Between S\$500,000 and S\$750,000</u>					
Mr Terence Tea Yeok Kian	82	0	18	0	100
<u>Below S\$250,000</u>					
Mr Ng Li Yong	0	0	0	100	100
Mr Lim Yeow Hua @ Lim You Qin	0	0	0	100	100
Mr Kang Pang Kiang	0	0	0	100	100

CORPORATE GOVERNANCE REPORT

Remuneration of the top key management personnel

Name	Salary	Bonus	Fringe Benefits	Total
	%	%	%	%
<u>Below S\$250,000</u>				
Mr Loh Eng Lock, Kelvin (Chief Financial Officer and Joint Company Secretary)	88	0	12	100

The Company does not have any employees who is an immediate family member of a Director, the Executive Chairman and Managing Director or a substantial shareholder, and whose remuneration for FY2021 exceeds S\$100,000.

For the purpose of Rule 704(10) of the Catalist Rules, the Company hereby confirms that there are no persons occupying managerial position who are related to Director, Executive Chairman and Managing Director or a substantial shareholder of the Company.

The share award given to a selected person will be determined at the discretion of the RC. The RC will take into account factors such as the selected person's capability, scope of responsibility, skill and his vulnerability to leaving the employment of the Group. In deciding on a share award to be granted to a selected person, the RC will also consider all aspects of the compensation and/or benefits given to the selected person and such other share-based incentive schemes of the Company, if any. The RC may also approve the specific criteria and performance targets for each of its business units set by the Management, taking into account factors such as the business goals and directions of the Company and the Group for each financial year, the actual job scope and responsibilities of the selected person and the prevailing economic conditions.

During the reporting year, there was no ASAS granted to Directors, key management personnel and employees of the Group.

Further details of the ASAS are set out in the Directors' Statement on page 51 of this Annual Report.

The remuneration package of Executive Director and the compensation structure of the key management personnel comprises of a fixed salary, bonus and other benefits. The bonus component is based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of the Shareholders and link rewards to corporate and individual performance so as to promote long-term sustainability of the Group.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

In presenting the annual financial statements and announcements of financial results to Shareholders, it is the aim of the Board to provide Shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects. The Management currently provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a monthly basis.

The Board has received assurance from the Managing Director and Chief Financial Officer:

- (1) that the financial records for financial year ended 31 March 2021 have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (2) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board ensures that all relevant compliance and regulatory updates are highlighted from time to time to ensure adequate compliance with the regulatory requirements.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

As at the date of this Report, the AC comprises three (3) members, the majority of whom, including the Chairman, are Independent and Non-Executive Directors, save for Mr Kang Pang Kiang who is a Non-Independent and Non-Executive Director:

Mr Lim Yeow Hua @ Lim You Qin	(Chairman)
Mr Ng Li Yong	(Member)
Mr Kang Pang Kiang	(Member)

The AC members collectively have many years of experience in accounting, audit, business and financial management. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

The AC does not comprise of former partners or directors of the Company’s existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be partner of the auditing firm or director of the auditing corporation; and in the case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC has its own written terms of reference. Specifically, the AC meets on a periodic basis to perform the following functions:

1. Review with the internal and external auditors, the scope, audit plans, and the results of their examinations and evaluation of the Group’s system of internal accounting controls or internal audit procedures;
2. Review the adequacy of the Group’s financial and management reporting system including the effectiveness of material internal financial controls, operational and compliance controls, and risk management policies;
3. Review the financial statements of the Group to ensure integrity before submission to the Board for approval and the external auditors’ report on those financial statements, if any;
4. Review any related significant findings and recommendations of the internal and external auditors together with Management’s responses thereto;
5. Review interested person transactions, if any, in accordance with the Catalist Rules;
6. Review legal and regulatory matters that may have a material impact on the financial statements;
7. Review the half-yearly and annual announcements as well as the related press releases on the results of the Group;
8. Review the independence of external auditors on an annual basis;
9. Review the arrangements by which staff of the Group may, in confidence raise concerns about the possible improprieties in matters of financial reporting and other matters;
10. Review the assistance given by the Management to internal and external auditors;
11. Generally, undertake such other functions and duties as may be required by statute or the Catalist Rules (as thereafter defined), or by such amendments as may be made thereto from time to time;
12. Review the key financial risk areas, 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 findings are material, announced immediately via the SGXNET;
13. Ensure that the internal audit function is adequately resourced and has appropriate standing within the Company. For the avoidance of doubt, the internal audit function can be either in-house, outsourced to a reputable accounting/auditing firm or performed by a major Shareholder, holding company, parent company or controlling enterprise with an internal audit staff. (The internal auditor’s primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Managing Director. The internal auditor should meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice set by The Institute of Internal Auditors);

CORPORATE GOVERNANCE REPORT

14. Review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function annually; and
15. Ensure that a review of the effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management is conducted annually.
16. Reviewing the assurance from the CEO and the CFO on the financial records and financial statements.
17. Making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors.

The AC is also authorised to investigate any matter within its terms of reference and obtain independent professional advice if it deems necessary to discharge its responsibilities. Such expenses are to be borne by the Company. It has full access to and the co-operation of the Management and the full discretion to invite any Director or key management personnel to attend its meetings as well as reasonable resources to enable it to discharge its functions properly. During FY2021, the AC has met with the external auditors and internal auditors separately without the presence of the Management to review any area of concerns for FY2021. Ad-hoc AC meetings may be conducted from time to time when necessary.

The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The AC had undertaken a review of all non-audit services provided by the external auditors, Nexia TS Public Accounting Corporation to the Group in relation to the proposed acquisitions of new investments and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The Group has complied with Rules 712 and 715 of the Catalyst Rules in relation to the appointment of external auditors.

The AC is also satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audits and had recommended to the Board the nomination of Nexia TS Public Accounting Corporation for re-appointment at the forthcoming AGM.

The aggregate amount of fees paid to the external auditors, Nexia TS Public Accounting Corporation, for FY2021 amounted to approximately S\$320,000 for audit services and S\$67,000 for non-audit services.

The significant matters considered by AC during the financial year ended 31 March 2021 are detailed below, alongside the action taken by the AC to address these matters.

Significant Matters	Action
<p>Impairment assessment on goodwill (Refer to Note 2.9(a), 3(b) and 13(b) to the financial statements)</p> <p><u>Area of focus</u></p> <p>The Group has recognised goodwill with a carrying amount of S\$3,948,000 arising from business combinations of aesthetics medical group and allocated the goodwill to respective cash-generating units ("CGUs"). The goodwill is assessed for impairment annually and whenever there is indication that the goodwill may be impaired. Management applies the value-in-use method to determine the recoverable amount of goodwill.</p>	<p>The AC considered the approach and methodology used by management to determine the recoverable amount of goodwill complies with SFRS(I) 1-36 Impairment of Assets and assessed the reasonableness of the growth rate and discount rate used, the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit (including the potential impact from COVID-19).</p> <p>The above was also an area of focus by the independent auditor. The independent auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2021, as referred to page 53 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Significant Matters	Action
<p>In preparation of cash flow projections, significant judgement are used to assess the recoverable amounts of the CGUs which are highly dependent on management's forecasts and estimates which include, but are not limited to, discount rate, growth rate, future projected cash flows and assumptions that are affected by future market and economic conditions.</p> <p>In consideration to the current unprecedented situation caused by the outbreak of coronavirus disease ("COVID-19") which has created a high level of uncertainty to the near-term global economic prospects, the management has adopted discounted cash flow approach to determine the value-in-use for the CGUs of the aesthetics medical group operations. Management has considered various factors to evaluate the possible expectation on consumer reaction towards the new normal caused by COVID-19.</p> <p>Accordingly, an impairment charge to goodwill of S\$Nil (2020: S\$1,942,000) was recognised in the profit or loss.</p> <p>We focused on this area as the impairment assessment performed by management involves significant judgements and estimates used in computing the recoverable amounts of the CGUs.</p>	
<p>Revenue recognition (Refer to Notes 2.2 and 4 to the financial statements)</p> <p><u>Area of focus</u></p> <p>The Group's revenue is primarily generated from:</p> <p>(i) sale of electronic components and provision of precision plastic injection moulding services which is recognised when the Group satisfied its performance obligation by transferring the control of the promised goods to the customers, which is when the goods are delivered to the destination specified by the customers, typically refers to the incoterms specified in the contract; and</p>	<p>The AC considered the approach used in determining the reliability of the key controls over revenue recognition are in place designed by the Group to prevent and detect fraud and errors in revenue recognition. Proper revenue recognition was also an area of focus by the independent auditor. The independent auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2021, as referred to page 54 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Significant Matters	Action
<p>(ii) provision of design, fabrication and sale of precision plastic injection moulds where the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has enforceable right to payment for performance completed to-date, revenue is recognised over time based on percentage of completion which is measured by reference to the stages of mould manufacturing process completed to-date.</p> <p>(iii) rendering of aesthetic medical services and sales of aesthetic medical products to customers.</p> <p>During the financial year ended 31 March 2021, the Group recognised revenue of \$151,265,000 (2020: S\$138,860,000) from the above revenue segments.</p> <p>We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group. The potential existence of management override controls and large volume of transactions also increase the inherent risk of material misstatement in the amount of revenue reported.</p>	
<p>Valuation of inventories (Refer to Note 2.16, Note 3(c) and Note 18 to the financial statements)</p> <p><u>Area of focus</u></p> <p>As at 31 March 2021, the Group held net inventories of S\$15,406,000, representing approximately 18% of the Group's total assets.</p> <p>In determining the net realisable value ("NRV") of the inventories, management based on the recent selling price of the transacted sales and orders received from customers. In addition, management also considered the future outlook of the economic environment. Accordingly, the Group recorded an inventory write-down of S\$667,000 as at 31 March 2021 (2020:S\$333,000).</p>	<p>The AC considered the Group's costing approach and the appropriateness of the costing methods used for each type of inventory (raw materials, work-in-progress and trading goods).</p> <p>The AC reviewed the management's estimation and judgement of the net realisable value ("NRV"). The determination of the NRV of inventories is based on current market conditions and historical sales experience.</p> <p>The independent auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2021, as referred to page 55 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Significant Matters	Action
<p>We focused on this area as the estimation of the net realisable value ("NRV") of inventories involved management judgement. The determination of the net realisable value of inventories is based on current market conditions and historical sales experience. This requires significant management's judgement in assessing the market positioning of the Group's products which are dependent on factors such as customer specification requirements, demands and price competition in response to the industry life cycles.</p>	

The AC has in place a whistle-blowing policy (the "**Policy**") for the Group. The Policy is to enable persons employed by the Group a channel to report any suspicions of non-compliance with regulations, policies and fraud etc., to the appropriate authority for resolution, without any prejudicial implications for these employees. In this regard, a designated email address has been set up which is accessible only by the designated members of the AC.

The AC exercises the overseeing function over the administration of the Policy. On a case-by-case basis and upon the receipt of complaints, an email would be directly sent to the AC members. The AC Members would discuss the number and nature of complaints received, the results of the investigation, follow-up actions and the unresolved complaints.

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems. The AC assists the Board in providing oversight of risk management in the Company. It is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance and IT controls and reporting to the Board annually its observations on any matters under its purview including risk management, internal controls or financial and management matters as it considers necessary and makes recommendations to the Board as it thinks fit.

The AC ensures that a review of effectiveness of the Company's internal controls is conducted at least annually. The AC has met with the external and internal auditors without management during the year.

The Board recognises the importance of maintaining a system of internal control processes to safeguard Shareholders' investments and the Group's business and assets. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The annual conduct of audits by the internal auditors assesses the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

The Board has received assurance from the Managing Director and CFO in relation to financial records of the group for FY2021 has been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. In addition, the Managing Director and the key management personnel who are responsible have also given assurance to the Board that the risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no form of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

The Board understands that it may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies. The Company does not have a separate board risk committee and will look into the need for establishment for a separate board risk committee at a relevant time.

CORPORATE GOVERNANCE REPORT

The Board recognises the importance of maintaining an internal audit function to maintain a sound system of internal control within the Group to safeguard Shareholders' investments and the Company's assets. Regular reviews of these controls are conducted by the Company's internal and external auditors and any recommendations for improvement are reported to the AC.

The role of the internal auditor is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct internal audit review of areas assessed as higher risk.

The Company outsources its internal audit functions to a Certified Public Accounting firm, Deloitte Enterprise Risk Services Sdn. Bhd. which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditors would carry out regular cyclical review in phases based on regional presence of the Group with specific focus on sales transactions, inventories and overall effectiveness of the internal controls and reports to the Chairman and AC.

The AC has reviewed the internal audit plan and the internal auditor's evaluation of the system of internal controls, their audit findings and management's processes to those findings. The AC is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group. The AC will also approve the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

ENGAGEMENT WITH SHAREHOLDERS

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

The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to Shareholders of the Company, in compliance with the requirements set out in the Catalist Rules with particular reference to the Corporate Disclosure Policy set out therein. In this respect, the Company announces its results to Shareholders on a half yearly basis.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released before the Company meets with investors or analysts.

Information is disseminated to Shareholders on a timely basis through:

- SGXNET announcements and news release; and
- Annual Report prepared and issued to all Shareholders.

Half year and full year results as well as Annual Reports are announced and issued within the mandatory period via SGX-ST website. All Shareholders will receive the Annual Report of the Company and Notice of AGM by post and through notice published in the newspapers within the mandatory period.

Separate resolutions on each distinct issue are tabled at general meetings. Minutes of general meetings which include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management, were prepared and will be made available to Shareholders on its corporate website via www.accrelist.com.sg.

The Company's Constitution allows a member of the Company to appoint not more than two (2) proxies to attend and vote on behalf of the member. For the time being, the Board is of the view that this is adequate to enable Shareholders to participate in the general meetings of the Company and is not proposing to amend their Constitution to allow votes in absentia.

CORPORATE GOVERNANCE REPORT

Due to concerns over the authentication of shareholder identity information and other related security issue, the Company is not implementing absentia voting methods such as voting via mail, facsimile or email until security integrity and other pertinent issues are satisfactory resolved.

The Board noted that with the Companies (Amendment) Act 2014, with effect from 3 January 2016, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting, 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. “**Relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50. At the forthcoming Annual General Meeting, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the Annual General Meeting.

Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures. In this regard, shareholders of the Company are informed of the rules, including voting procedures that govern general meetings of shareholders. The voting results will be screened at the general meeting and announced via SGXNET after the meeting.

All Directors and Management will be present at the AGM or EGM. At all general meetings, shareholders are given the opportunity to air their views and ask Directors or Management questions regarding the Group. The external auditors also attend the AGM to assist the Director in answering any queries relating to the conduct of the audit and the preparation and content of the auditors’ report.

The attendance of Directors for the AGM held on 26 December 2020 is disclosed on page 14.

The Company does not have a policy on payment of dividends. The form, frequency and amount of dividends will depend on the Company’s earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Director may deem appropriate. The Board would consider a dividend policy at an appropriate time.

The Company had engaged RHT Communications and Investor Relations Pte. Ltd. (“**Investor Relations**”) as dedicated investor relation teams to handle investor queries and assist on all matters related to investor relations.

To enhance and encourage communication with Shareholders and investors, the Company provides the contact information of its Investor Relations in its press releases. Shareholders and investors can send their enquiries to the Company’s Investor Relations who can be reached by email or telephone.

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

The Company has identified key stakeholder groups which have a significant influence and interest in the Company’s operations and business, and will engage these stakeholders actively to understand their views, concerns and objectives. The key stakeholders identified are vendors, employees, investees, investors, business partners and the government and relevant regulators of countries in which the Group operates in.

In the Sustainability Report section on page 36, there are also details reported about the strategy and key areas of focus in relation to the management of stakeholders relationships during the reporting period.

The Company maintains a current corporate website at www.accrelist.com.sg to communicate and engage with stakeholders.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

Dealings in Securities

In line with Rule 1204(19) of the Catalist Rules, the Company has in place a code of conduct on share dealings by the Directors and its employees. The Directors, the Management and employees of the Group are not permitted to deal in the Company's shares during the period commencing one (1) month before the announcement of the Company's half year and full year financial results and ending on the date of announcement of such financial results, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Directors, the Management and employees of the Group are discouraged from dealing in the Company's shares on short-term considerations.

The Directors, Management and employees of the Group are expected to observe all applicable insider trading laws at all times even when dealing in securities within permitted trading period.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons ("IPT") are reported in a timely manner to the AC and transactions are conducted on arm's length basis and are not prejudicial to the interests of Shareholders. The Board and the AC will review all interested person transactions to be entered to ensure that the relevant rules under Chapter 9 of Catalist Rules are complied with.

There were no interested person transaction which were more than S\$100,000 entered into during FY2021. The Group does not have any general mandate from shareholder pursuant to Rule 920 of the Catalist Rules of the current financial year.

Material Contracts

There were no material contracts of the Company or its subsidiaries involving the interests of the Managing Director, any Director or controlling shareholders either still subsisting as at 31 March 2021 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

In accordance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the Sponsor, RHT Capital Pte. Ltd., by the Company for FY2021.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2021 ANNUAL GENERAL MEETING

Pursuant to Rule 720(5) of the Catalyst Rules, the information as set out in Appendix 7F to the Catalyst Rules relating the Directors who are retiring and seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Mr Lim Yeow Hua	Mr Ng Li Yong
Age	59	49
Date of appointment	11 October 2017	11 June 2013
Job Title	Independent Non-Executive Director Chairman of Audit Committee (AC) and a member of Nominating Committee (NC) and Remuneration Committee (RC)	Lead Independent Director Chairman of Nominating Committee (NC) and Remuneration Committee (RC) and Member of Audit Committee (AC)
Date of last re-election as Director (if applicable)	26 July 2018	26 July 2018
Country of principal residence	Singapore	Singapore
The Board's comments on the re-appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Lim Yeow Hua ("Mr Lim") as the Independent Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr Lim's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Lim will, upon re-election, continue to serve as Independent Non-Executive Director, Chairman of AC and a member of RC and NC.	The re-election of Mr Ng Li Yong ("Mr Ng") as the Lead Independent Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr Ng's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Ng will, upon re-election, continue to serve as Lead Independent Director, Chairman of NC and RC, and a member of AC.
Whether appointment is executive, and if so, the area of responsibility	No	No
Professional qualification	Master of Business Administration, National University of Singapore Bachelor of Accountancy, National University of Singapore	Postgraduate Diploma in Singapore Law from National University of Singapore Bachelor of Law from the University of Kent
Working experience and occupation(s) during the past 10 years	In.Corp Global Pte. Ltd. – Group Head of Tax (From 2018 to 2019) Asia Pacific Business Consultants Pte. Ltd. – Founder & Managing Director (From 2006-2017)	WNLEX LLC - Director
Shareholding interest in the Company and its subsidiaries	None	None
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	None	None

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2021 ANNUAL GENERAL MEETING

	Mr Lim Yeow Hua	Mr Ng Li Yong
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H under Rule 720(1) has been submitted to the Company)	Yes	Yes
Other Principal Commitments ^a including directorships	<p><u>Past (for the last 5 years)</u></p> <p>Director of:</p> <ul style="list-style-type: none"> • Advanced Integrated Manufacturing Limited • Asia Pacific Business Consultants Pte. Ltd. • China Minzhong Food Corporation Limited • Eratat Lifestyle Limited (delisted and in liquidation) • KTL Global Limited • Fujian Minzhong Co. Ltd • Global Business Management Services Pte. Ltd. • Prestige Biopharma Pte. Ltd. • Singapore Women's & Children's Medical Group Pte. Ltd. • SMS Medical Services Ltd • Ying Li International Real Estate limited <p><u>Present:</u></p> <p>Director of:</p> <ul style="list-style-type: none"> • KSH Holdings Limited • NauticAWT Limited • Oxley Holdings Limited 	<p><u>Past (for the last 5 years)</u></p> <p>Director of:</p> <ul style="list-style-type: none"> • C&G Environmental Protection Holdings Limited • Cambridge Combinator Pte Ltd <p><u>Present:</u></p> <p>Director of:</p> <ul style="list-style-type: none"> • WNLEX LLC • Asiainfo International Pte Ltd • Brompton Technologies Pte Ltd • Glory Sun Tech Pte Ltd • Kingfun Pte Ltd • Tianfang Group (Singapore) Pte Ltd • Tianfang Holdings (Singapore) Pte Ltd • Tianfang Hospitality Management Pte Ltd • United Creation Packaging Solutions (Asia) Pte Ltd

^a Principal Commitments[”] has the same meaning as defined in the Code and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2021 ANNUAL GENERAL MEETING

The general statutory disclosure of the Directors are as follows:

	Mr Lim Yeow Hua	Mr Ng Li Yong
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?	Yes	No
	Eratat Lifestyle Limited was delisted from the Mainboard of the SGX-ST on 19 July 2017 with the SGX-ST's approval and is currently undergoing liquidation pursuant to compulsory winding up proceedings. Mr Lim is a non-executive independent director of the company and had not been involved in the management or operations of the company.	
c. Whether there is any unsatisfied judgement against him?	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f. Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law 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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2021 ANNUAL GENERAL MEETING

	Mr Lim Yeow Hua	Mr Ng Li Yong
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
i. Whether he has ever been the subject of any order, judgement or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
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,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT 2021 ANNUAL GENERAL MEETING

	Mr Lim Yeow Hua	Mr Ng Li Yong
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
Any prior experience as a director of a listed company?	Not Applicable. This is a re-election of a Director.	Not Applicable. This is a re-election of a Director.
If yes, please provide details of prior experience.	Not Applicable. This is a re-election of a Director.	Not Applicable. This is a re-election of a Director.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable. This is a re-election of a Director.	Not Applicable. This is a re-election of a Director.

SUSTAINABILITY REPORT



ACCRELIST LTD.
亚联盛控股公司

2021
Sustainability
Report

SUSTAINABILITY REPORT

BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors (the “**Board**” or “**Directors**”) of Accrelist Ltd. (the “**Company**”, “**Accrelist**”, or “**We**”, and together with its subsidiary corporations, the “**Group**”) are pleased to present our annual sustainability report for the financial year ended 31 March 2021 (“**FY2021**”). In this sustainability report, we report the progress of our sustainability efforts over the financial year, with particular focus on our commitment to working alongside our valued stakeholders to build a sustainable business.

As a Group, we recognise the importance of sustainability in our Group’s business operations and societal values. We oversee the overall strategic plan including considering sustainability issues as part of our strategic formulation. Our sustainability efforts are led by the management and our Board oversees and manages the direction, approach and performance of our sustainability goals against our strategy and business objectives. Our Board concurs with the management on the material Environmental, Social and Governance (“**ESG**”) factors identified by them and their monitoring process which are material to our business and stakeholders.

Our electronics and mechanical business unit continues to contribute approximately 95.9% of the Group’s revenue in FY2021, with turnover registered at S\$145.0 million. We also continue to grow steadily for Accrelist’s medical aesthetics segment. The Company had 5 local medical aesthetics clinics and we opened a new clinic in FY2021, making it a total of 6 local clinics. It is still our target to set up clinics in Johor Bahru, Ipoh, Kuala Lumpur, Malaysia, and Vietnam in the near future. With the increasing emphasis on physical appearance in society, coupled with the normalisation of plastic surgery and increase in spending power, the market for aesthetics clinics has been flourishing. In addition to the economic benefits, the social benefits of aesthetics field – such as bringing empowerment to women and helping people with facial deformities – also supported our decision to expand our medical aesthetics business.

We strive to keep the impact of our operations on our environment to a minimum and align our business operations to our vision and mission by ensuring our employees are up to date with market knowledge and the necessary technical skills. In view of the global and far-reaching impact of the COVID-19 pandemic, significant measures were taken such as activating our business continuity plan and implemented safety measures in our offices and clinics to ensure compliance to the regulations and safety of our employees. These measures will be reviewed and adapted as the pandemic situation evolves to ensure our business remain sustainable and would emerge in a stronger position.

The Group will continue to focus on sustainable growth through creating value for our stakeholders as we progress to build on our reputation in the medical aesthetics industry. We are firm in our vision of creating value and shaping the future by conducting business operations in a manner that considers the environmental and social impact to sustain profitable growth.

Sustainability is at its essence a balancing act that requires our stakeholders to be constantly engaged. This Sustainability Report represents an important facet of this engagement. We appreciate your continued support and will continue to work towards the frontiers of sustainable growth, and we hope that you can join us on this journey as well.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This sustainability report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: “Core” option, as well as the Rules 711A and 711B of Listing Manual Section B: Rules of Catalist (“Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) with references to the guidance set out in SGX-ST’s sustainability reporting guide under Practice Note 7F of the Catalist Rules.

We have chosen to report using the GRI Standards for its comprehensive guidelines in reporting sustainability matters. We have applied its principles of accuracy, balance, clarity, comparability, reliability, and timeliness, as well as incorporated the principles of stakeholder inclusiveness, sustainability context, materiality and completeness when preparing this report. We have not sought external assurance for this sustainability report and we will consider to do so in future when it is deemed necessary. We rely on internal verifications to ensure the accuracy of this report.

2021

Report Period and Scope

- This sustainability report covers data and information from 1 April 2020 to 31 March 2021 across our Group’s operations, which include Medical Aesthetics Business and Electronics and Mechanical Business Units. The Group’s businesses span various locations and we rely on a set of performance data identified to measure and monitor the performance of respective material sustainability topics.



Reporting Boundaries and Standards

- **Stakeholder Inclusiveness:** responding to stakeholders’ expectations and interests
- **Sustainability Context:** presenting performance in the wider context of sustainability
- **Materiality:** focusing on issues that (i) impact business growth; and (ii) are of utmost importance to stakeholders
- **Completeness:** including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Group’s performance



Accessibility and Feedback

- We are committed to listening to our stakeholders and we welcome all feedback. Please send your enquiries to: enquiries@weh.sg

SUSTAINABILITY REPORT

SUSTAINABILITY APPROACH

We strive to keep the impact of our operations on our environment to a minimum and seek to continually improve the economic and social well-being of our stakeholders by consistently enhancing our approach in the communication and management of ESG factors arising from our business operations and build on integrating sustainability effort into our operations. We also aim to inject new perspectives in managing and overseeing our key ESG factors as we continue our sustainability journey.










Sustainable development is integrated into our corporate mission and vision as a Group as well as our business philosophy below.



SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

We identify internal and external stakeholders from our businesses' value chain and assess the materiality based on the level of integration and significance of their expectations to our businesses. Stakeholders play an important role in our business and we recognise the importance of a meaningful two-way engagement with our key stakeholders to understand their interests and expectations. We consistently seek to improve our communication channels with all our key stakeholders to maintain close relationships with them as they support us in addressing sustainability challenges. We have invited our key stakeholders such as bankers, suppliers, media and research analysts to our annual Results Briefing in the past to share with them our financial and operations reviews and outlook. This initiative has been put on hold since FY2020 due to the COVID-19 pandemic and we look forward to resuming such practice by engaging our stakeholders through virtual platforms whenever possible in future.

<i>Stakeholders</i>	<i>Stakeholders Engagement</i>	<i>Stakeholders Expectations</i>
 <i>Suppliers</i>	Enquiry and feedback channel	Minimise downtime of technological and structural support, high standard of business ethics
 <i>Customers</i>	Frontline interaction at the clinics, enquiry and feedback channel, customer service hotlines	Good quality of services and products, after sales service, fair sales practices, practice of high level of safe and hygiene measures
 <i>Employees</i>	Induction and orientation program, staff appraisal, internal memo, training	Staff rights and welfare, personal development, good and safe working environment
 <i>Investees</i>	Frequent discussions and meetings	Adequate support from funding throughout infancy stage
 <i>Investors</i>	Annual meetings, circulars to shareholders	Profitability, transparency, timely reporting, high standard of corporate governance
 <i>Business Partners through inorganic growth</i>	Frequent discussions and meetings	Partnership for opportunities and inorganic growth through expansions, high standard of business ethics
 <i>Government and Regulators</i>	Periodic notices from and discussions with government agencies and regulators	Environmental-friendly business approach, compliance with regulations, timely reporting and resolution of issues

SUSTAINABILITY REPORT

IDENTIFYING MATERIAL SUSTAINABILITY TOPICS

We continue to gather insightful feedback from internal and external stakeholders to identify various sustainability topics as the key focus for this report. In this report, we will talk about the topics which were assessed to be material by our stakeholders through the engagement channels and how we have addressed these topics through our corporate strategies and initiatives. We review and re-evaluate our sustainability efforts annually in consultation with our stakeholders.

The following table summarises the details of the material topics discussed in this report based on an assessment of economic, environmental and social impacts. The table also outlines the reasons of the topics being material to the Group and our commitments and targets for respective areas.

Material Topic	Description on How and Why the Topic is Material	Key Stakeholders in Concern	Commitments & Targets	Page Reference
1. Economic Performance (economic aspect)	Our economic performance, the value generated and distributed to communities where our business operates.	All stakeholders	Continue to generate positive returns to our stakeholders through the expansion of our medical aesthetics business.	Sustainability Report 2021 Section (Page 42)
2. Anti-corruption (economic/governance aspect)	Our practices to comply with anti-corruption laws and regulations and demonstrate our adherence to integrity, governance, and responsible business practices is essential to safeguard stakeholders' interest and to uphold good corporate governance and integrity as a Group.	All stakeholders	Maintain our zero record in corruption and enhance policies such as anti-bribery and gifts declaration in an effort to step up on our anti-corruption practices.	Sustainability Report 2021 Section (Page 43)
3. Employment (social aspect)	Our employment practices to retain employees and promote gender equality for better workplace environment for our people.	Employees, Government and regulators	Increase in the hiring of females to be our aesthetics consultants, and continue cultivating a better working environment, as well as review our employment policies to ensure its relevance	Sustainability Report 2021 Section (Page 45)
4. Socioeconomic Compliance (social aspect)	Our practices to comply with regulations relating to social and economic aspects is important to safeguard the interests of our stakeholders and to the community.	All stakeholders	Maintain the target of zero incidents reported	Sustainability Report 2021 Section (Page 46)

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

At Accrelist, we strive to deliver sustainable long-term value for our stakeholders by adopting responsible business practices and growing our business in a sustainable manner.

In FY2021, the Group registered a turnover of S\$151.3 million. This represents an increase of S\$12.4 million as compared to \$138.9 million in FY2020. A.M Aesthetics in FY2021 generated a revenue of S\$6.3 million for the Group, an increase of 26.0% from S\$5.0 million in FY2020. The turnaround of A.M Aesthetics was largely due to enhanced marketing and cost control efforts as well as the absence of set up costs in FY2021. Revenue from the Mechanical Business Unit (“**MBU**”) and Electronics Business Unit (“**EBU**”) brought in a total revenue of S\$145.0 million. MBU contributed S\$25.1 million in FY2021 with an increase from S\$24.7 million in FY2020. The increase of revenue was due to higher sales of consumer and medical products, which helped to reduce the impact of subdued sales for automotive and construction products which was affected by a slowdown in the automotive industry. The increase in revenue is also partly due to customers who are changing their source of purchase to the ASEAN region arising from the trade tensions between USA and China. Revenue generated from EBU increase from S\$109.2 million in FY2020 to S\$119.9 million in FY2021, which was due to a recovery for semiconductor due to limited factory capacity and longer lead times and its progress into emerging regions such as Vietnam and India. Revenue generated from emerging regions reached S\$29.2 million in FY2021 and this is about 19.3% of total revenue generated by the Group .

With the current COVID-19 pandemic situation, the Group continues to work and devotes its resources to seek new business opportunities and maintains vigilance in response to the volatile operating environment as it carries out its expansion strategies. Aligned with the expansion strategies, in FY2021, we opened a new local medical aesthetic clinic, making it a total of 6 local clinics. They are known as the Accrelist Medical Aesthetics group of companies and branded as A.M Aesthetics. The Group continues to pursue its expansion plans for its medical aesthetics segment with a measured approach for sustainable growth. With the increasing social acceptance in the aesthetic medical services sector, it would bring in long-term growth for the Company.

At the time of writing, our business in EBU and MBU segments continue as usual amid the COVID-19 pandemic and there is no material disruption to our supply chain as our key suppliers are big corporation with global presence. For our aesthetics clinics, they are required to shut down during the imposition of public health measures at the countries of operation and are allowed to continue upon such measures are lifted.

For FY2022, we hope to maintain and ensure our financial stability and generate positive returns to our stakeholders through the expansion of our medical aesthetics business. Please refer to our published Annual Report for FY2021 for detailed breakdown of the Group’s financial performance.

SUSTAINABILITY REPORT

ANTI-CORRUPTION

Anti-corruption is a key component of our Group and we remain committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of all stakeholders. Formation of Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee assists in the execution of the Board’s responsibilities. Our Group does not tolerate dishonest practices and we ensure that all business activities are consistent with high standards of business ethics and in compliance with relevant laws and regulations. As such, our Group has put in place policies and procedures that aim to safeguard the interests of stakeholders and enhance stakeholders’ value as part of our effort to maintain high standards of corporate governance.

Whistleblowing Policy

We have a whistleblowing policy in place where our internal and external stakeholders can report any suspicions of wrongdoings and non-compliance with regulations, policies, or fraud, by sending an email to a designated email address that is accessible only by the Independent Directors, without any prejudicial implications. The AC oversees the administration of the policy and upon receipt of complaints, the AC members will discuss the nature of complaints, initiate investigation if deemed necessary, review the results of the investigation and follow-up actions if necessary.



Anti-Money Laundering Policy

We have in place an Anti-Money Laundering (“**AML**”) Policy, as well as an external compliance officer who will periodically review and ensure there are no dubious transactions. As we still hold the Remittance License from the Monetary Authority of Singapore (“**MAS**”), we are required to be in compliance with the applicable rules and regulations of MAS.

Code of Ethics

We established a Code of Business Conduct that is applicable to all employees including Directors, key management, and officers. This code can be found in the handbooks that were distributed to every employee. Expectations on work behaviours can also be found in the handbook.



SUSTAINABILITY REPORT

The Company has disclosed in the previous sustainability report that the Company's Executive Chairman and Managing Director i.e. Mr. Terence Tea Yeok Kian ("**Terence**") together with two other senior management personnel of Accrelist's subsidiary i.e. Jubilee Industries Holdings Ltd ("**Jubilee**") were requested by the Singapore Corrupt Practices Investigation Bureau ("**CPIB**") in February 2020 to assist in investigations relating to certain expenses incurred and a payment made by HonFoong Plastics Industries Pte Ltd, subsidiary of Jubilee. The NC (with Terence recusing himself), with concurrence from the Board, has assessed the situation and is of the view that as the investigations are still on-going and no formal charges have been made against any person, the Company's Executive Chairman and Managing Director should continue to discharge his responsibilities and duties in the operation of the Group's businesses to ensure business continuity. The Company continues to fully cooperate with the CPIB and there is no material developments on the highlighted matter in FY2021.

In FY2021, there are no reported cases on whistleblowing nor employee misconduct. There are also no reported incidents of non-compliance relating to rules of regulation of MAS and confirmed corruption involving the Company in the reporting period.

We will continue to enhance our corporate governance practices in line with the conduct and growth of our businesses and to review such practices from time to time. We will also take steps to enhance policies on anti-bribery and gifts declaration in an effort to step up on our anti-corruption practices. We target to maintain our zero record in corruption cases and cultivate an anti-corruption environment and training for our employees.

SUSTAINABILITY REPORT

EMPLOYMENT

Our people are our valuable resource and investing in their professional development is vital to our business sustainability. Our goal is to establish work ethics among our employees, which are in line with our core values and code of conduct. The tripartite Alliance for Fair & Progressive Employment Practices (“TAFEP”), guidelines set by Ministry of Manpower’s (“MOM”), National Trades Union Congress (“NTUC”) and Singapore National Employers Federation (“SNEF”) continue to be part of our guidelines in our recruitment and selection process while the code of conduct assists to promote a culture to prevent discrimination in all areas. We constantly strive to provide a fair, performance-based work culture that is diverse, inclusive and collaborative.

Human capital is the Group’s key asset and focus in our business strategy. Our achievements would not be possible without the passion, dedication, commitment, teamwork, loyalty and professionalism of our people. We are committed to developing the full potential of our employees and providing them a safe and healthy work environment. We also engage employees on various formal and informal platforms for effective two-way communication.

In addition, we offer employees competitive remuneration packages that are commensurate with their job responsibilities, performance and experience. Our benefits for full-time employees include basic life insurance and health care which covers disability and invalidity. A medical card is given to all employees, which allows them to visit any of the approved panel clinics and have their medical fees borne by the Company. All employees are entitled to annual leave as well as parental leave. Furthermore, shares may be issued to staff who have met or exceeded their key performance indicators.

New Hires by Age Groups	FY2021	FY2020	FY2019
Age 21-30	51	43	48
Age 31-45	103	48	48
Age 46-60	13	21	6
Above 60	1	5	–
Total	168	117	102

	FY2021		FY2020		FY2019	
	Female	Male	Female	Male	Female	Male
Number of Employees	815	1,082	854	982	841	940
Number of New Hires	47	121	61	56	50	52
Number of Leavers	91	44	49	46	50	62
Turnover Rate	11.2%	4.1%	5.7%	4.7%	5.9%	6.6%

In FY2021, there is no significant change to our approach to hiring, recruitment, retention and employment related practices. We practise optimal use of available labour and talent in different business segments and regions. In view of COVID-19 pandemic, there isn’t much impact to our workforce where our employees continue to operate at respective positions with social distancing in place and certain categories of employees start working from home when possible.

We target to maintain a low turnover rate in coming years and we believe that this is testament to our efforts in cultivating an enjoyable, safe, and inclusive working environment where any form of discrimination will be dealt with accordingly. Moving forward, we will also continue to maintain our track record of zero incidents of reported discrimination and continue to maintain our culture of promoting diversity and equal opportunity.

SUSTAINABILITY REPORT

SOCIOECONOMIC COMPLIANCE

Accrelist is aware of the potential exposure and resulting penalties of not complying with the laws and regulations related to social and economic aspects such as to run a business with proper licenses, manpower regulations and corporate tax matters, and it is incumbent on us to comply with the applicable laws. We ensure that the Group complies with all the laws and regulations in the social and economic aspects. Any material breaches of laws or regulations could create a significant impact and result in irreversible reputational damage to the Group.

We continue to hold the Remittance License from MAS to provide e-wallet services and is in compliance with the applicable rules and regulations stipulated by MAS.

Strict regulations in the medical field require us to obtain licences before operating. We are pleased to share that we have obtained Medical Clinic Licence from Ministry of Health for our medical clinics in Bedok Mall, Clementi Mall, Lot One, Toa Payoh, and our newly opened clinic in Serangoon. We have also obtained the necessary licences for our laser and ultrasound machines in our medical clinics. We have also done our due diligence in identifying potential non-compliance areas such as doctors complying with safety procedures – to ensure all needles used are new and proper sanitisation is done before procedures.

Due to the COVID-19 pandemic, our buyer and customer service departments were split into teams and alternated between working from home and working in office. Our MBU factories were in Johor Bahru, Malaysia and Batam, Indonesia. Malaysia had their own Movement Control Order (“MCO”), but we were able to apply for 25% of our workforce to be in the factory. This was later increased to 50%, and eventually all our workers were able to return when the MCO was lifted. Meanwhile, our factory in Batam was not affected and continued as per usual.

With the COVID-19 pandemic, employees have been abiding to the COVID-19 rules and regulation set by the local government on safe distancing measures and temperature taking in all our offices and clinics.

In FY2021, we are pleased to disclose that we did not identify any non-compliance with laws or regulations. Our Group adheres to the operating regulations that are in place by the local authorities, including timely and accurate processing of corporate taxes, employment tax filing, contribution of provident funds, and adhering to labour and employment laws. Moving forward for FY2021, we aim to maintain zero reported incident of non-compliance to the laws and regulations in the social and economic aspects, through regular monitoring of any changes and new developments of the related laws and regulations.

SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX	
GRI Standards (2018)	Notes/Page Reference
GENERAL DISCLOSURE	
Organizational Profile	
102-1 Name of the organisation	Accrelist Ltd.
102-2 Activities, brands, products, and services	Corporate Profile, page 1
102-3 Location of headquarters	Corporate Profile, page 1
102-4 Location of operations	Corporate Profile, page 1
102-5 Ownership and legal form	Statistics of Shareholdings, page 132
102-6 Markets served	Corporate Profile, page 1
102-7 Scale of the organisation	Corporate Profile, page 1 Financial and Operations Review, page 4 Employment, page 45
102-8 Information on employees and other workers	Employment, page 45
102-9 Supply chain	Corporate Profile, page 1
102-10 Significant changes to the organisation and its supply chain	No significant changes
102-11 Precautionary principle or approach	Accrelist Ltd. does not specifically refer to the precautionary principle
102-12 External initiatives	Not applicable
102-13 Membership of associations	No main memberships of industry or other associations, and national or international advocacy organisations maintained at organisational level
Strategy	
102-14 Statement from senior decision maker	Board Statement on Sustainability, page 37
Ethics and Integrity	
102-16 Values, principles, standards, and norms of behaviour	Sustainability Approach, page 39
Governance	
102-18 Governance structure	Board of Directors, pages 6-9 Corporate Management, page 10
Stakeholder Engagement	
102-40 List of stakeholder groups	Stakeholder Engagement, page 40
102-41 Collective bargaining agreements	Nil
102-42 Identifying and selecting stakeholders	Stakeholder Engagement, page 40
102-43 Approach to stakeholder engagement	Stakeholder Engagement, page 40
102-44 Key topics and concerns raised	Stakeholder Engagement, page 40
Reporting Practice	
102-45 Entities included in the consolidated financial statements	Notes to Financial Statements – Investments in Subsidiary Corporations, page 95
102-46 Defining report content and topic boundaries	About This Report, page 38
102-47 List of material topics	Identifying Material Sustainability Topics, page 41
102-48 Restatements of information	There was no restatement.
102-49 Changes in reporting	There was no change.
102-50 Reporting period	1 April 2020 to 31 March 2021
102-51 Date of most recent report	11 November 2020
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	About This Report, page 38
102-54 Claims of reporting in accordance with the GRI Standards	About This Report, page 38
102-55 GRI content index	GRI Content Index, page 47
102-56 External assurance	About This Report, page 38

SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX	
GRI Standards (2018)	Notes/ Page Reference
MATERIAL TOPICS	
Economic Performance	
103-1 Explanation of the material topic and its boundaries	Financial and Operations Review, page 4 Economic Performance, page 42
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
201-1 Direct Economic value generated and distributed	
201-2 Financial implications and other risk and opportunities due to climate change	
201-3 Defined benefit plan obligations and other retirement plans	
201-4 Financial assistance received from government	
Anti-Corruption	
103-1 Explanation of the material topic and its boundaries	Anti-Corruption, page 43
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
205-1 Operations assessed for risks related to corruption	
205-2 Communication and training about anti-corruption policies and procedures	
205-3 Confirmed incidents of corruption and actions taken	
Employment	
103-1 Explanation of the material topic and its boundaries	Employment, page 45
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
401-1 New employee hires and employee turnover	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3 Parental leave	
Socioeconomic compliance	
103-1 Explanation of the material topic and its boundaries	Socioeconomic Compliance, 46
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
419-1 Non-compliance with laws and regulations in the social and economic area	

FINANCIAL CONTENTS

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59	Balance Sheets
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62	Consolidated Statement of Cash Flows
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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2021 and the balance sheet of the Company as at 31 March 2021.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Mr Terence Tea Yeok Kian
Mr Lim Yeow Hua @ Lim You Qin
Mr Ng Li Yong
Mr Kang Pang Kiang

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

Company	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31 March 2021	At 1 April 2020 or date of appointment, if later	At 31 March 2021	At 1 April 2020 or date of appointment, if later
(No. of ordinary shares)				
Mr Terence Tea Yeok Kian	64,436,056	64,436,056	2,271,900	2,271,900

Terence Tea Yeok Kian, who by virtue of his deemed interest of not less than 20% of the issued capital of the Company, is deemed to have interests in the shares of all subsidiary corporations, which is derived through shares held by his spouse in the Company.

As at 21 April 2021, Mr Terence Tea Yeok Kian's direct and deemed interests of the Company were the same as those as at 31 March 2021.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures (continued)

Performance shares

The Company has a share award scheme known as Accrelist Share Award Scheme ("ASAS") approved and adopted by its members at an Extraordinary General Meeting held on 25 May 2010. ASAS is administered by a committee which consists of directors of the Company. The purpose of the ASAS is to provide an opportunity for the Group's employees and directors who have met the performance targets to be remunerated not just through cash bonuses but also by an equity stake in the Company. The ASAS is also extended to the Group non-executive directors.

The directors believe that the retention of outstanding employees within the Group is paramount to the Group's long-term objective of pursuing continuous growth and expansion in its business and operations. The Group also acknowledges that it is important to preserve financial resources for future business developments and to withstand difficult times. As such, one of the Group's strategies is to contain the remuneration of its employees and executives that is a major component of the Group's operating costs.

The ASAS is formulated with those objectives in mind. It is hoped that through the ASAS, the Group would be able to remain an attractive and competitive employer and better able to manage its fixed overhead costs without compromising on performance standards and efficiency.

There were no performance shares awarded and issued during the financial year.

Share options

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

No shares were issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company or its subsidiary corporations.

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

Audit committee

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

Mr Lim Yeow Hua @ Lim You Qin	(Chairman of Audit Committee, Non-Executive and Independent Director)
Mr Ng Li Yong	(Lead Independent Director)
Mr Kang Pang Kiang	(Non-Independent and Non-Executive Director)

The AC performs the functions specified by section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2021 before their submission to the Board of Directors (the "Board").

DIRECTORS' STATEMENT

Audit committee (continued)

Other functions performed by the audit committee are described in the Report on Corporate Governance included in the Annual Report of the Company. It also includes an explanation of how the independent auditor's objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept reappointment.

On behalf of the directors

.....
Terence Tea Yeok Kian
Director

.....
Ng Li Yong
Director

15 July 2021

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Report on the Audit of the Financial Statements

Our Opinion

We have audited the accompanying financial statements of Accrelist Ltd. (the "Company") and its subsidiary corporations (the "Group") which comprise the balance sheets of the Group and the Company as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment on goodwill

(Refer to Note 2.9(a), 3(b) and 13(b) to the financial statements)

Area of focus

The Group has recognised goodwill with a carrying amount of S\$3,948,000 arising from business combinations of aesthetics medical group and allocated the goodwill to respective cash-generating units ("CGUs"). The goodwill is assessed for impairment annually and whenever there is indication that the goodwill may be impaired. Management applies the value-in-use method to determine the recoverable amount of goodwill.

In preparation of cash flow projections, significant judgement are used to assess the recoverable amounts of the CGUs which are highly dependent on management's forecasts and estimates which include, but are not limited to, discount rate, growth rate, future projected cash flows and assumptions that are affected by future market and economic conditions.

In consideration to the current unprecedented situation caused by the outbreak of coronavirus disease ("COVID-19") which has created a high level of uncertainty to the near-term global economic prospects, the management has adopted discounted cash flow approach to determine the value-in-use for the CGUs of the aesthetics medical group operations. Management has considered various factors to evaluate the possible expectation on consumer reaction towards the new normal caused by COVID-19.

Accordingly, an impairment charge to goodwill of S\$Nil (2020: S\$1,942,000) was recognised in the profit or loss.

We focused on this area as the impairment assessment performed by management involves significant judgements and estimates used in computing the recoverable amounts of the CGUs.

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Key Audit Matters (continued)

Impairment assessment on goodwill (continued)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

- With the assistance of our valuation specialist, critically evaluated whether the model and methodology used by management to determine the recoverable amount of goodwill complies with SFRS(I) 1-36 Impairment of Assets and assessed the reasonableness of the growth rate and discount rate used;
- Analysed the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit (including the potential impact from COVID-19);
- Evaluated the reasonableness and challenged the appropriateness of key assumptions used by the management, by comparing them against historical forecasts and performance, as well as publicly available market data; and
- Reviewed management's disclosures in the consolidated financial statements.

Revenue recognition

(Refer to Notes 2.2 and 4 to the financial statements)

Area of focus

The Group's revenue is primarily generated from:

- (i) sale of electronic components and provision of precision plastic injection moulding services which is recognised when the Group satisfied its performance obligation by transferring the control of the promised goods to the customers, which is when the goods are delivered to the destination specified by the customers, typically refers to the incoterms specified in the contract; and
- (ii) provision of design, fabrication and sale of precision plastic injection moulds where the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has enforceable right to payment for performance completed to-date, revenue is recognised over time based on percentage of completion which is measured by reference to the stages of mould manufacturing process completed to-date.
- (iii) rendering of aesthetic medical services and sales of aesthetic medical products to customers.

During the financial year ended 31 March 2021, the Group recognised revenue of \$151,265,000 (2020: S\$138,860,000) from the above revenue segments.

We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group. The potential existence of management override controls and large volume of transactions also increase the inherent risk of material misstatement in the amount of revenue reported.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

- Obtained samples of contracts with customers and reviewed the terms and conditions, along with discussion with management, to assess the Group's revenue recognition policy in accordance with SFRS(I) 15, in particular the identification of performance obligations, and the timing of revenue recognition (i.e. at a point in time or over time);
- Discussed with management on the processes involved in the sales cycle for each revenue stream and performed walkthrough tests to consolidate our understanding.
- Performed test of controls over the sales cycle to ascertain the effectiveness of such key controls.
- Performed test of details and sales cut-off tests to ascertain that the sales have been accurately taken up in the correct financial year.
- Performed analytical review by comparing the current financial year performance to prior financial year.
- Reviewed the adequacy of disclosures in the notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Key Audit Matters (continued)

Valuation of inventories

(Refer to Note 2.16, Note 3(c) and Note 18 to the financial statements)

Area of focus

As at 31 March 2021, the Group held net inventories of S\$15,406,000, representing approximately 18% of the Group's total assets.

In determining the net realisable value ("NRV") of the inventories, management based on the recent selling price of the transacted sales and orders received from customers. In addition, management also considered the future outlook of the economic environment. Accordingly, the Group recorded an inventory write-down of S\$667,000 as at 31 March 2021 (2020: S\$333,000).

We focused on this area as the estimation of the net realisable value ("NRV") of inventories involved management judgement. The determination of the net realisable value of inventories is based on current market conditions and historical sales experience. This requires significant management's judgement in assessing the market positioning of the Group's products which are dependent on factors such as customer specification requirements, demands and price competition in response to the industry life cycles.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

- Attended and observed the physical inventory counts made by the Group, including obtaining confirmations from third party warehouses.
- Reviewed the Group's costing approach and the appropriateness of the costing methods used for each type of inventory (raw materials, work-in-progress and trading goods).
- Performed NRV test by checking subsequent selling prices to the carrying amounts of inventories as at year end to ascertain that inventory is not stated in excess of its NRV.
- Reviewed that appropriateness of the Group's policy for identifying slow-moving or obsolete inventories and the adequacy of the allowance for inventory obsolescence.

Other information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

to the Members of ACCRELIST LTD.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Mr Titus Kuan Tjian.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

15 July 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	Note	2021 S\$'000	2020 S\$'000
Revenue			
Cost of sales	4	151,265 (139,597)	138,860 (127,837)
Gross profit		11,668	11,023
Other gains/(losses)			
- Impairment loss on financial assets	17	(770)	(1,060)
- Others	5	2,510	(2,267)
Expenses			
- Marketing and distribution		(695)	(1,306)
- Administrative		(12,538)	(17,298)
- Finance	8	(903)	(1,682)
Share of loss of associated companies	15	(350)	(35)
Loss before tax		(1,078)	(12,625)
Income tax expense	9(a)	(98)	(282)
Net loss		(1,176)	(12,907)
Other comprehensive (loss)/income after tax:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains	23(a)	(525)	48
- Reclassification due to deemed disposal of associated company	23(a)	(174)	-
Share of associated company's fair value gains/(losses) on financial assets, at FVOCI			
- Reclassification due to deemed disposal of associated company	23(b) 23(b)	194 (131)	(89) -
		(636)	(41)
Items that will not be reclassified subsequently to profit or loss:			
- Remeasurment of defined benefits obligation	25	(89)	-
- Fair value gain/(loss) on financial assets, at fair value through other comprehensive income ("FVOCI") (equity instruments)	23(b)	507	(495)
Other comprehensive income/(loss), net of tax		(218)	(536)
Total comprehensive loss		(1,394)	(13,443)
Net loss attributable to:			
Equity holders of the Company		(579)	(12,012)
Non-controlling interests		(597)	(895)
		(1,176)	(12,907)
Total comprehensive loss attributable to:			
Equity holders of the Company		(797)	(12,544)
Non-controlling interests		(597)	(899)
		(1,394)	(13,443)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
- Basic and diluted	10	(0.21)	(4.30)

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

BALANCE SHEETS

As at 31 March 2021

	Note	Group	
		2021 S\$'000	2020 S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	15,600	15,727
Intangible assets	13	11,965	13,829
Investments in associated companies	15	–	9,430
Other assets	16	–	20
Trade and other receivables	17	52	142
Financial assets, at FVOCI	20	47	47
Total non-current assets		27,664	39,195
Current assets			
Other assets	16	1,334	1,172
Trade and other receivables	17	23,966	25,555
Inventories	18	15,406	9,375
Financial assets, at fair value through profit or loss (“FVPL”)	19	9,263	33
Financial assets, at FVOCI	20	–	482
Contract assets	4(b)	28	342
Cash and cash equivalents	21	8,843	10,635
Total current assets		58,840	47,594
Total assets		86,504	86,789
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	72,491	72,491
Accumulated losses		(47,426)	(45,696)
Other reserves	23	2,563	1,606
		27,628	28,401
Non-controlling interests	14	13,231	13,852
Total equity		40,859	42,253
Non-current liabilities			
Deferred income tax liabilities	9(b)	998	1,269
Borrowings	24	4,680	4,530
Total non-current liabilities		5,678	5,799
Current liabilities			
Borrowings	24	7,930	13,798
Trade and other payables	25	29,937	19,920
Contract liabilities	4(b)	1,343	2,637
Loan payable	26	–	1,781
Income tax payable		757	601
Total current liabilities		39,967	38,737
Total liabilities		45,645	44,536
Total equity and liabilities		86,504	86,789

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

BALANCE SHEETS

As at 31 March 2021

	Note	Company	
		2021 S\$'000	2020 S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	-	-
Intangible assets	13	-	4
Investments in subsidiary corporations	14	31,906	31,906
Investments in associated companies	15	-	-
Other assets	16	-	20
Total non-current assets		31,906	31,930
Current assets			
Other assets	16	210	212
Trade and other receivables	17	8,837	9,169
Cash and cash equivalents	21	255	1,613
Total current assets		9,302	10,994
Total assets		41,208	42,924
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	113,182	113,182
Accumulated losses		(78,130)	(76,613)
Total equity		35,052	36,569
Current liabilities			
Trade and other payables	25	6,156	4,574
Loan payable	26	-	1,781
		6,156	6,355
Total liabilities		6,156	6,355
Total equity and liabilities		41,208	42,924

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2021

	Note	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2021							
Beginning of financial year		72,491	(45,696)	1,606	28,401	13,852	42,253
Loss for the financial year		-	(579)	-	(579)	(597)	(1,176)
Other comprehensive loss for the financial year		-	(89)	(129)	(218)	-	(218)
Total comprehensive loss for the financial year		-	(668)	(129)	(797)	(597)	(1,394)
Reclassification upon disposal of financial assets, at FVOCI	23(b)	-	(1,062)	1,062	-	-	-
Acquisition of additional interest in a subsidiary	14(a), 23(c)	-	-	24	24	(24)	-
End of financial year		72,491	(47,426)	2,563	27,628	13,231	40,859
2020							
Beginning of financial year		72,491	(33,684)	2,138	40,945	14,751	55,696
Loss for the financial year		-	(12,012)	-	(12,012)	(895)	(12,907)
Other comprehensive loss for the financial year		-	-	(532)	(532)	(4)	(536)
Total comprehensive loss for the financial year		-	(12,012)	(532)	(12,544)	(899)	(13,443)
End of financial year		72,491	(45,696)	1,606	28,401	13,852	42,253

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

	Note	2021 S\$'000	2020 S\$'000
<u>Cash flows from operating activities</u>			
Net loss		(1,176)	(12,907)
Adjustments for:			
Dividend income	5	(91)	(13)
Interest income	5	(31)	(27)
Remeasurement loss on financial liability	5	-	2,769
Rental concession income	5	(59)	-
Gain on disposal of property, plant and equipment	5	(804)	-
Amortisation of intangible assets	6	1,902	1,846
Impairment loss on intangible assets	6	-	1,942
Inventory write-down	6	667	333
Depreciation of property, plant and equipment	6	2,308	2,372
Interest expense	8	903	1,682
Deemed loss on disposal in associated company	5	1,880	-
Fair value gain on financial assets, FVPL	5	(2,675)	-
Loss on partial disposal of associated company	5	439	-
Income tax expense	9(a)	98	282
Share of loss of associated companies	15	350	35
Reclassification due to deemed disposal of associated company	5	(131)	-
Unrealised currency translation differences		(557)	54
		3,023	(1,632)
Change in working capital, net of effects from acquisition of subsidiary corporations:			
Inventories		(6,698)	10,651
Trade and other receivables and contract assets		1,993	8,696
Other assets		(142)	856
Trade and other payables and contract liabilities		9,026	(5,709)
Cash generated from operations		7,202	12,862
Interest received		31	27
Income tax paid		(213)	(139)
Net cash flows provided by operating activities		7,020	12,750
<u>Cash flows from investing activities</u>			
Additions to property, plant and equipment		(519)	(965)
Additions to intangible assets	13(a)	(38)	-
Additions to investments in associated companies	15	-	(162)
Disposal of investment in associated company		1,252	-
Dividend received		91	13
Proceeds from disposal of property, plant and equipment		412	-
Net cash flows provided by/(used in) investing activities		1,198	(1,114)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

	Note	2021 S\$'000	2020 S\$'000
Cash flows from financing activities			
Principal repayment of borrowings		(5,402)	(5,101)
Principal repayment of lease liabilities		(1,094)	(1,397)
Repayment of loan payable		(1,781)	(2,219)
Proceeds from borrowings		-	2,535
Fixed deposits released/(pledged)		186	(98)
Interest paid		(903)	(1,955)
Net cash flows used in financing activities		(8,994)	(8,235)
Net (decrease)/increase in cash and cash equivalents		(776)	3,401
Cash and cash equivalents			
Beginning of financial year		7,156	3,762
Effects of exchange rate changes on cash and cash equivalents		3	(7)
End of financial year	21	6,383	7,156

Reconciliation of liabilities arising from financing activities:

	1 April 2020	Proceeds from borrowings	Principal and interest payments	Non-cash changes S\$'000			31 March 2021
				Addition during the year	Rental concession (Note 5)	Interest expense	
	S\$'000	S\$'000	S\$'000				S\$'000
Loan payable	1,781	-	(1,821)	-	-	40	-
Lease liabilities	1,889	-	(1,202)	1,670	(59)	108	2,406
Borrowings ^(a)	15,234	-	(6,132)	-	-	730	9,832

	1 April 2019	Proceeds from borrowings	Principal and interest payments	Non-cash changes S\$'000				31 March 2020
				Adoption of SFRS(I) 16	Addition during the year	Fair value changes	Interest expense	
	S\$'000	S\$'000	S\$'000					S\$'000
Loan payable	1,231	-	(2,509)	-	-	2,769	290	1,781
Lease liabilities	198	-	(1,555)	2,567	521	-	158	1,889
Borrowings ^(a)	17,800	2,535	(6,234)	-	-	-	1,133	15,234

^(a) excludes bank overdraft

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

1. General information

The Company is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited (“SGX-ST”), and incorporated and domiciled in Singapore.

The principal activities of the Company during the financial year was as distributor and manufacturers’ representative of test equipment for the disk drive industry, acting as commission agents and commodities resources trading.

The principal activities of the subsidiary corporations and associated companies are described in Note 14 and Note 15 to these financial statements.

The registered office is 10 Ubi Crescent, Ubi Techpark, Lobby E, #03-95, Singapore 408564.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

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

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

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group’s significant operations are in Singapore, Malaysia and Indonesia, all of which have been affected by the spread of COVID-19 in 2021.

Set out below is the impact of COVID-19 on the Group’s financial performance reflected in this set of financial statements subsequent to the year ended 31 March 2021:

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remain appropriate.
- (ii) In 2021, border closures, production stoppages and workplace closures have resulted in periods where the Group’s operations were temporarily suspended to adhere to the respective governments’ movement control measures. These have negatively impacted business production and volume in 2021, resulting in a negative impact on the Group’s financial performance for 2021.
- (iii) In 2021, the Group has received rental rebates. The effects of such rental concessions received are disclosed in Note 5.
- (iv) The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 March 2021.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for insurance the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2022. If the situation persists beyond management’s current expectations, the Group’s assets may be subject to further write downs in the subsequent financial periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.1 Basis of Preparation (continued)

Impact of COVID-19 (continued)

Interpretations and amendments to published standards effective in 2020

On 1 April 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

Early adoption of amendment to SFRS(I) 16 Leases

The Group has elected to early adopt the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of \$59,000 (Note 5) was recognised in the profit or loss during the year.

2.2 Revenue Recognition

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 amount collected on behalf of third parties. The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when it satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The amount of revenue presented is the amount net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

(a) *Electronic components distribution business units ("EBU")*

Sale of goods - distribution of electronic components

Revenue is recognised at point in time when the Group satisfied its performance obligation by transferring the control of the promised goods to the customer, which is when the goods are delivered to the destination specified by the customer, typically based on incoterms specified in the contract. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

(b) *Mechanical business unit ("MBU")*

(i) Provision of precision plastic injection moulding services ("PPIM")

Revenue is recognised at point in time when the Group satisfied its performance obligation by transferring the control of a promised goods to the customer, which is when the goods are delivered to the destination specified by the customer, typically refers to the incoterms specified in the contract. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.2 Revenue Recognition (continued)

(b) Mechanical business unit ("MBU") (continued)

(ii) *Design, fabrication and sale of precision plastic injection mould ("MDF")*

The Group manufactures and supplies moulds for manufacturers. Due to the Group is restricted contractually from directing the moulds for another use as they are being produced and has enforceable right to payment for performance completed to-date, revenue is recognised over time, based on the stages of mould manufacturing process completed to-date.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified manufacturing 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 the received advanced payments from 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.

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 are subsequently recognised in profit or loss 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 expense.

(c) *Aesthetic medical services ("AMS")*

(i) *Rendering of services*

The Group renders aesthetic medical services to customers. Revenue is recognised when the services are rendered to the customers, either over time or at a point in time, depending on the contractual terms.

(ii) *Sale of products*

Revenue is recognised at point in time when the Group satisfied its performance obligation by transferring the control of the promised goods to the customer, which is when the goods are delivered and accepted by the customer. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

(d) *Commission income*

Commission income is recognised when services are rendered.

(e) *Interest income*

Interest income is recognised using the effective interest method.

(f) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.3 Government Grants

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

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

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

2.4 Group Accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date control ceases.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.4 Group Accounting (continued)

(a) *Subsidiary corporations (continued)*

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

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

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

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.4 Group Accounting (continued)

(c) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisition*

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

(ii) *Equity method of accounting*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

(iii) *Disposals*

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

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.5 Property, Plant and Equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

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

	<u>Useful lives</u>
Plant and machinery	2 - 10 years
Motor vehicles	5 years
Office equipment and tools	5 years
Furniture and electrical fittings	5 years
Renovations	3 - 5 years
Building premises	Over the respective lease terms of 2 to 3 years
Leasehold property	Over the lease term of 20 years
Medical equipment	3 - 10 years

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

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

(c) Subsequent expenditure

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

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses)".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.6 Intangible Assets

(a) Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated company represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated company is included in the carrying amount of the investments.

Gains and losses on disposals of subsidiary corporations and associated companies include the carrying amount of goodwill relating to the entity sold.

(b) Other intangible assets

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 2 to 5 years.

Distribution rights acquired are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 2 years and 8 years, which is the shorter of their estimated useful lives and period of contractual rights.

Customer relationships are amortised to profit or loss using the straight-line method over their estimated useful lives of 10 years.

The amortisation period and amortisation method of intangible assets, other than goodwill, are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Borrowing Costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.8 Investments in Subsidiary Corporations and Associated Companies

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.9 Impairment of Non-Financial Assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Other intangible assets

Property, plant and equipment

Investments in subsidiary corporations and associated companies

Other intangible assets, property, plant and equipment and investments in subsidiary corporations and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.10 Financial Assets

(a) *Classification and measurement*

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

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

At initial recognition

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

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and debt securities.

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

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains and losses - net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains/(losses)"

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.10 Financial Assets (continued)

(a) Classification and measurement (continued)

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other credits/charges”, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as “fair value gains / losses” in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as “dividend income”.

(b) Impairment

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

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

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

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

2.11 Offsetting of Financial Instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Intra-group transactions are eliminated on consolidation.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

2.13 Borrowings

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

Borrowings

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

2.14 Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

2.15 Leases

When the Group is the lessee:

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

- Right-of-use assets

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

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented within "Property, plant and equipment".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.15 Leases (continued)

- Lease liabilities

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

Lease payments include the following:

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

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

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

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

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

- Short term and low value leases

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

- Variable lease payments

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value.

- (i) Cost of raw materials, work-in-progress, finished goods and trading goods are determined using the weighted average basis, except for cost of work-in-progress for MDF projects, which are determined on a specific identification basis.
- (ii) Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (iii) Cost of medical supplies are determined using the first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and applicable variable selling expenses. The amount of any write-down of inventories to net realisable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.17 Income Tax

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

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

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

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

Deferred income tax is measured:

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

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

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.18 Provisions for Other Liabilities and Charges

Provisions for other liabilities and charges 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 a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

A provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.19 Employee Compensation

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

(a) *Defined contribution plans*

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

(b) *Share-based compensation*

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

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

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

(c) *Short-term compensated absences*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.19 Employee Compensation (continued)

(d) *Defined benefit plans*

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date less than fair value of the plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency and the country in which the benefits will be paid, and have tenures approximately to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

2.20 Currency Translation

(a) *Functional and presentation currency*

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

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company and have been rounded to the nearest thousand (“S\$’000”).

(b) *Transactions and balances*

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within “finance expenses”. All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within “other gains/(losses)”.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.20 Currency Translation (continued)

(c) Translation of Group entities' financial statements

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

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operations.

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

2.21 Segment Reporting

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

2.22 Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.23 Share Capital and Treasury Shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Summary of Significant Accounting Policies (continued)

2.25 Club Memberships

Club memberships were acquired separately and are measured on initial recognition at cost. The cost of club memberships is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are measured at cost less any accumulated impairment losses.

Club memberships are classified as “Other Assets” with indefinite useful lives as club memberships entitle the member to enjoy the club facilities for lifetime. Since they have indefinite useful lives, they are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

3. Critical Accounting Estimates, Assumptions and Judgements

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

(a) Impairment of trade receivables

As at 31 March 2021, the carrying amount of trade receivables relating to the Group’s different revenue segments is S\$21,684,000 (2020: S\$24,028,000). The Group has recognised loss allowance of trade receivables of S\$2,369,000 (2020: S\$3,161,000).

The Group uses a provision matrix to measure the lifetime expected credit loss (“ECL”) allowance for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The forecast economic conditions and Group’s historical credit loss experience may also not be representative of customer’s actual default in the future. The information about the ECL on the Group’s trade receivables are disclosed in Note 30(a) to the financial statements.

(b) Impairment assessment of goodwill

The Group has recognised an impairment charge on its goodwill of S\$Nil (2020: S\$1,942,000) during the financial year.

In performing the impairment assessment of goodwill, as disclosed in Note 13(b), the recoverable amounts of the cash-generating units (“CGUs”) in which goodwill has been attributable to, are determined using value-in-use (“VIU”) calculation.

Significant judgements are used to estimate the gross margin, weighted average growth rates and pre-tax discount rates applied in computing the recoverable amounts of different CGUs. In making these estimates, management has relied on past performance, its expectations of market developments in Singapore, the industry trends for aesthetics medical services industry. Specific estimates for impairment of goodwill are disclosed in Note 13(b) to the financial statements.

(c) Write-down of inventories

As at 31 March 2021, the carrying amount of inventory is S\$15,406,000 (2020: S\$9,375,000). Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Based on the assessment, the Group recorded inventories write-down of S\$667,000 during the year (2020: S\$333,000) after identifying the inventories which became obsolete due to technological advances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contract with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	At a point in time S\$'000	Over time S\$'000	Total S\$'000
2021			
<u>Electronic components distribution business unit ("EBU")</u>			
- United States of America	426	-	426
- People's Republic of China	58,171	-	58,171
- India	7,713	-	7,713
- Singapore	13,746	-	13,746
- Malaysia	4,303	-	4,303
- Other Asean			
o Indonesia	435	-	435
o Thailand	9,236	-	9,236
o Vietnam	21,445	-	21,445
- Other countries	4,381	-	4,381
	119,856	-	119,856
<u>Mechanical business unit ("MBU")</u>			
- Singapore	6,734	84	6,818
- Malaysia	5,547	656	6,203
- Indonesia	10,790	157	10,947
- Other countries	1,101	71	1,172
	24,172	968	25,140
<u>Aesthetics medical services ("AMS")</u>			
- Singapore	-	6,269	6,269
	144,028	7,237	151,265
2020			
<u>Electronic components distribution business unit ("EBU")</u>			
- United States of America	2,607	-	2,607
- People's Republic of China	62,090	-	62,090
- India	1,934	-	1,934
- Singapore	10,669	-	10,669
- Malaysia	2,909	-	2,909
- Other Asean			
o Indonesia	336	-	336
o Thailand	9,835	-	9,835
o Vietnam	10,573	-	10,573
- Other countries	8,214	-	8,214
	109,167	-	109,167
<u>Mechanical business unit ("MBU")</u>			
- Singapore	6,649	357	7,006
- Malaysia	4,420	330	4,750
- Indonesia	11,420	172	11,592
- Other countries	1,214	110	1,324
	23,703	969	24,672
<u>Aesthetics medical services ("AMS")</u>			
- Singapore	-	5,021	5,021
	132,870	5,990	138,860

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. Revenue from contracts with customers (continued)

(b) Contract assets and liabilities

	Group	
	2021 S\$'000	2020 S\$'000
Contract assets		
- MBU contracts	<u>28</u>	<u>342</u>
Contract liabilities		
- AMS contracts	<u>1,343</u>	<u>2,637</u>

Contract assets relate to MBU contracts decreased due to lesser uncompleted projects at year end.

Contract liabilities represents unutilised aesthetics enhancement treatments as at the balance sheet date. The related amounts are recognised as revenue when the Group fulfils its performance obligation under the contract with the customers which generally does not exceed one year.

(i) Revenue recognised in relation to contract liabilities

	Group	
	2021 S\$'000	2020 S\$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- AMS contracts	<u>2,637</u>	<u>2,208</u>

(ii) Unsatisfied performance obligations

	Group	
	2021 S\$'000	2020 S\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March		
- AMS contracts	<u>1,343</u>	<u>2,637</u>

Management expects that the transaction price allocated to unsatisfied performance obligations may be recognised as revenue in the next reporting periods as follows:

	2021 S\$'000	2022 S\$'000	Total S\$'000
Partial and fully unsatisfied performance obligations as at:			
31 March 2021	-	1,343	1,343
31 March 2020	<u>2,637</u>	<u>-</u>	<u>2,637</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

5. Other gains/(losses) - Others

	Group	
	2021	2020
	S\$'000	S\$'000
Sale of scrap and other materials	-	110
Dividend income from financial assets, at FVOCI	91	13
Service income	44	46
Government grants		
- Wage Credit Scheme	26	16
- Special Employment Credit	3	4
- Jobs Support Scheme ^(a)	635	-
Interest income from bank deposits	31	27
Rental concession income	59	-
Miscellaneous income	365	212
	1,254	428
Bad debts written off – trade and other receivables	-	(5)
Foreign exchange (losses)/gains – net	(17)	79
Gain on disposal of property, plant and equipment	804	-
Remeasurement loss on financial liability	-	(2,769)
Miscellaneous expense	(18)	-
Deemed loss on disposal in associated company (Note 15)	(1,880)	-
Fair value gain on financial assets, at FVPL (Note 19)	2,675	-
Loss on partial disposal of associated company	(439)	-
Reclassification due to deemed disposal of associated company (Note 23(b))	131	-
	2,510	(2,267)

- (a) Grant income of \$635,000 (2020: \$Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

6. Expenses by Nature

	Group	
	2021 S\$'000	2020 S\$'000
Purchase of inventories	132,763	105,897
Amortisation of intangible assets (Note 13(a))	1,902	1,846
Depreciation of property, plant and equipment (Note 11)	2,308	2,372
Directors' fee: - directors of the company	159	64
- directors of subsidiary corporation	33	159
Commission expense	136	471
Donations	3	36
Employee compensation (Note 7)	12,927	14,531
Fees on audit services paid/payable to:		
- Auditor of the company	320	313
- Other auditors*	46	29
Fees on non-audit services paid/payable to auditor of the company	67	18
Freight charges	745	629
Inventory write-down (Note 18)	667	333
Impairment loss on intangible assets (Note 13(b))	-	1,942
Packing materials	73	79
Professional fees	745	771
Rental expense (Note 12(d))	352	179
Travelling, transportation and equipment	381	624
Utilities	2,171	2,130
Workshop repairs and maintenance	1,066	866
Other expenses	2,664	2,501
Changes in inventories	(6,698)	10,651
Total cost of sales, marketing and distribution and administrative expenses	152,830	146,441

* Includes the member firms of Nexia International network

7. Employee Compensation

	Group	
	2021 S\$'000	2020 S\$'000
Employee compensation including directors:		
- Wages and salaries	11,913	12,854
- Employer's contributions to defined contribution plans including Central Provident Fund	665	862
- Defined benefits (Note 25)	(149)	387
- Other short-term benefits	498	428
	12,927	14,531

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

8. Finance Expenses

	Group	
	2021	2020
	S\$'000	S\$'000
Interest expense:		
– loan payable	40	290
– bank overdraft	25	101
– bank loans	667	1,074
– loan from a related party	–	59
– loan from a non-related parties	63	–
– lease liabilities (Note 12(c))	108	158
	903	1,682

9. Income Taxes

(a) *Income tax expense*

	Group	
	2021	2020
	S\$'000	S\$'000
Tax expense attributable to loss is made up of:		
Loss for the financial year:		
Current income tax		
- Singapore	256	45
- Foreign	114	119
	370	164
- Deferred income tax	(271)	(20)
(Over)/Under provision in prior years:		
- Current income tax	(1)	138
	98	282

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

10. Income Taxes (continued)

(a) Income tax expense (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2021 S\$'000	2020 S\$'000
Loss before tax	(1,078)	(12,625)
Share of loss of associated companies, net of tax	350	35
Loss before tax and share of loss/(profit) of associated companies	(728)	(12,590)
Income tax expense at the statutory rate	(124)	(2,140)
Expenses not deductible for tax purposes	1,674	2,237
Income not subjected to tax	(1,164)	(1,087)
Effect of different tax rates in different countries	257	54
Deferred tax assets not recognised	439	1,261
Utilisation of previously unrecognised capital allowances and tax losses	(792)	(152)
(Over)/Under provision of tax in prior years	(1)	138
Tax incentive	(94)	(37)
Others	(97)	8
	98	282

(b) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

	Group	
	2021 S\$'000	2020 S\$'000
Deferred tax liabilities	998	1,269

Movement in deferred income tax liabilities account is as follows:

	Group	
	2021 S\$'000	2020 S\$'000
Fair value gains, net:		
Beginning of financial year	1,269	1,289
Credited to profit or loss	(271)	(20)
End of financial year	998	1,269

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

9. Income Taxes (continued)

(b) Deferred income tax (continued)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses, capital allowances and donations of approximately S\$69,680,000, S\$1,630,000 and S\$131,000 (2020: S\$70,443,000, S\$3,178,000 and S\$131,000), respectively at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date except for tax losses and capital allowances amounted to approximately S\$9,283,000 and S\$2,147,000 (2020: S\$10,438,000 and S\$1,872,000) which can only be carried forward up to 5 and 7 years respectively.

10. Loss Per Share

Basic and diluted loss per share

Basic and diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2021 S\$'000	2020 S\$'000
Net loss for the year attributable to the equity holders of the Company (S\$'000)	<u>(579)</u>	<u>(12,012)</u>
Weighted average number of equity shares issued ('000)	<u>279,142</u>	<u>279,142</u>
Basic and diluted loss per share (in \$ cents)	<u><u>(0.21)</u></u>	<u><u>(4.30)</u></u>

There were no potential dilutive ordinary shares for the financial years ended 31 March 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

11. Property, Plant and Equipment

Group	Plant and machinery S\$'000	Motor vehicles S\$'000	Office equipment and tools S\$'000	Furniture and electrical fittings S\$'000	Renovations S\$'000	Leasehold property S\$'000	Medical equipment S\$'000	Building premises S\$'000	Total S\$'000
<u>Cost:</u>									
At 1 April 2019	2,236	442	474	34	567	12,115	308	2,567	18,743
Currency translation differences	(101)	(2)	(12)	(4)	(23)	-	-	(1)	(143)
Additions	242	217	30	19	261	-	717	-	1,486
Disposal	(147)	-	-	-	-	-	-	-	(147)
Write-off	-	-	(102)	-	(46)	-	-	-	(148)
At 31 March 2020	2,230	657	390	49	759	12,115	1,025	2,566	19,791
Currency translation differences	(84)	(2)	(12)	(4)	(19)	-	(2)	(7)	(130)
Additions	297	106	108	-	334	-	17	1,327	2,189
Disposal	(6)	(446)	-	-	-	-	-	-	(452)
Write-off	-	-	(31)	-	-	-	-	-	(31)
At 31 March 2021	2,437	315	455	45	1,074	12,115	1,040	3,886	21,367

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

11. Property, Plant and Equipment (continued)

Group	Plant and machinery	Motor vehicles	Office equipment and tools	Furniture and electrical fittings	Renovations	Leasehold property	Medical equipment	Building premises	Total
Accumulated depreciation:									
At 1 April 2019	881	314	269	24	125	493	10	-	2,116
Currency translation differences	(93)	(1)	(11)	(4)	(21)	-	-	1	(129)
Depreciation charge (Note 6)	409	55	88	8	188	474	109	1,041	2,372
Disposal	(147)	-	-	-	-	-	-	-	(147)
Written off	-	-	(102)	-	(46)	-	-	-	(148)
At 31 March 2020	1,050	368	244	28	246	967	119	1,042	4,064
Currency translation differences	(83)	(1)	(10)	(3)	(21)	-	-	(4)	(122)
Depreciation charge (Note 6)	370	83	83	4	207	437	120	1,004	2,308
Disposal	(6)	(446)	-	-	-	-	-	-	(452)
Write-off	-	-	(31)	-	-	-	-	-	(31)
At 31 March 2021	1,331	4	286	29	432	1,404	239	2,042	5,767
Net book value:									
At 31 March 2020	1,180	289	146	21	513	11,148	906	1,524	15,727
At 31 March 2021	1,106	311	169	16	642	10,711	801	1,844	15,600

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

11. Property, Plant and Equipment (continued)

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 12.

Bank loans are secured on leasehold property of the Group with carrying amount of S\$10,711,000 (2020: S\$11,148,000) (Note 24(a)).

<u>Company</u>	Plant and machinery S\$'000
<u>Cost:</u>	
At 31 March 2020 and 2021	<u>245</u>
<u>Accumulated depreciation:</u>	
At 31 March 2020 and 2021	<u>245</u>
<u>Net book value:</u>	
At 31 March 2020 and 2021	<u><u>-</u></u>

12. Leases – The Group as a lessee

Nature of the Group's leasing activities

Building premises

The Group leases clinic and office premises, warehouse and dormitories for the purpose of aesthetic medical and back office operations and warehousing of MBU and EBU products. The lease arrangements prohibit the Group from subleasing the equipment to third parties.

Plant and machinery

The Group leases plant and machinery to fulfil the operation needs. There are no externally imposed covenants on these lease arrangements.

Medical equipment and motor vehicles

The Group leases medical equipment and motor vehicles for the purpose of daily operations.

There are no externally imposed covenants on these lease arrangements.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment

	2021	2020
	\$	\$
Building premises	1,844	1,524
Motor vehicles	279	256
Medical equipment	105	411
Plant and machinery	220	-
	<u>2,448</u>	<u>2,191</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

12. Leases – The Group as a lessee (continued)

(b) Depreciation charge during the year

	2021 \$	2020 \$
Building premises	1,004	1,041
Motor vehicles	67	30
Medical equipment	13	42
Plant and machinery	31	–
	1,115	1,113

(c) Interest expense

	2021 \$	2020 \$
Interest expense on lease liabilities (Note 8)	108	158

(d) Lease expense not capitalised in lease liabilities

	2021 \$	2020 \$
Lease expense – short-term leases	176	30
– low-value leases	148	85
Variable lease payments which do not depends on an index or rate	28	64
	352	179

(e) Total cash outflow for all the leases was S\$1,554,000 (2020: S\$1,734,000).

(f) Addition of ROU assets during the year was S\$1,670,000 (2020: S\$521,000).

(g) Future cash outflow which are not capitalised in lease liabilities.

Extension options

The leases for certain retail stores, equipment and motor vehicles contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

13. Intangible Assets

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Computer software (Note a)	39	48	–	4
Distribution rights (Note a)	2,586	3,554	–	–
Customer relationship (Note a)	5,392	6,279	–	–
Goodwill (Note b)	3,948	3,948	–	–
	11,965	13,829	–	4

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Intangible Assets (continued)*(a) Computer software, distribution rights and customer relationships*

Group	Computer software S\$'000	Distribution rights S\$'000	Customer relationships S\$'000	Total S\$'000
<u>Cost:</u>				
At 31 March 2019 and 2020	278	6,587	8,865	15,730
Additions	38	-	-	38
Write-off	(34)	-	-	(34)
At 31 March 2021	282	6,587	8,865	15,734
<u>Accumulated amortisation and impairment losses:</u>				
At 31 March 2019	204	2,082	1,717	4,003
Amortisation charge (Note 6)	26	951	869	1,846
At 31 March 2020	230	3,033	2,586	5,849
Amortisation charge (Note 6)	47	968	887	1,902
Write-off	(34)	-	-	(34)
At 31 March 2021	243	4,001	3,473	7,717
<u>Net book value:</u>				
At 31 March 2020	48	3,554	6,279	9,881
At 31 March 2021	39	2,586	5,392	8,017

Amortisation charge is included in the statement of comprehensive income under administrative expenses.

Company	Computer software S\$'000
<u>Cost:</u>	
At 31 March 2019 and 2020	40
<u>Accumulated amortisation:</u>	
At 31 March 2019	32
Amortisation charge	4
At 31 March 2020	36
Amortisation charge	4
At 31 March 2021	40
<u>Net book value:</u>	
At 31 March 2020	4
At 31 March 2021	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Intangible Assets (continued)

(b) Goodwill

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Cost:</u>		
Beginning and end of financial year	5,890	5,890
<u>Accumulated impairment:</u>		
Beginning of financial year	1,942	-
Impairment loss (Note 6)	-	1,942
End of financial year	1,942	1,942
Net book value	3,948	3,948

The goodwill is allocated to aesthetics medical services segment, where the operations are held in Singapore, as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Accrelist Medical Aesthetics (BM) Pte. Ltd.	1,647	1,647
Accrelist Medical Aesthetics (Lot1) Pte. Ltd.	1,516	1,516
Accrelist Medical Aesthetics (TPY) Pte. Ltd.	785	785
	3,948	3,948

Impairment test for goodwill

In assessing whether an impairment is required, the carrying amount of the CGU is compared with its recoverable amount. The recoverable amount of the CGU was determined based on value-in-use.

The management has adopted discounted cash flow approach to determine the value-in-use. Management has applied differing factors to accommodate the possible expectation on consumer reaction towards the new normal caused by COVID-19. The factors include, but not limited to, the expected date for the resumption of activities and market recovery rate.

The cash flow projection covering a three-year period are based on budgets approved by management. Cash flows beyond the three-year period were extrapolated with the assumption of Nil terminal growth rate. These cash flows were discounted using a pre-tax discount rate that reflected current market assessment of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Intangible Assets (continued)

Key assumptions used for value-in-use calculations:

	2021 %	2020 %
Growth rate ⁽¹⁾	Nil	Nil
Discount rate ⁽²⁾	10.9	11.6

⁽¹⁾ Average growth rate used for extrapolation of future revenue beyond the three-year period⁽²⁾ Pre-tax discount rate applied to pre-tax cash flow projection

During the financial year ended 31 March 2020, the Group recognised impairment loss on goodwill amounting to S\$1,942,000. It was allocated to Accrelist Medical Aesthetics (SPA) CGU and Accrelist Medical Aesthetics (TPY) CGU amounting to S\$760,000 and S\$1,182,000 respectively. The impairment loss is recognised in “Administrative expense” in profit or loss.

The Group believes that a reasonably possible change of discount rate and growth rate by 1% is not likely to result in any additional material impairment loss.

14. Investments in Subsidiary Corporations

	Company	
	2021 S\$'000	2020 S\$'000
Equity investments at cost		
- Beginning of financial year	38,085	37,985
- Additions (Note (a))	*	100
- At end of the financial year	38,085	38,085
Movements in allowance for impairment:		
- Beginning of financial year	6,179	6,120
- Impairment charge	-	59
- At end of the financial year	6,179	6,179
Net book value	31,906	31,906

* Less than S\$1,000

Notes:

(a) Additions

2021

On 13 August 2020, the Company has acquired an additional 150 ordinary shares in the share capital of WE Components Sdn. Bhd. from an existing shareholder at a cash consideration of RM1. This has increased the shareholding of the Company from 84.9% to 99.9% after the transaction.

2020

On 15 October 2019, the Company's wholly owned subsidiary corporation, Accrelist Crowdfunding Pte. Ltd issued additional 100,000 shares for a consideration of S\$100,000.

(b) Impairment charge

2020

During the financial year ended 31 March 2020, the Company has impaired the investment in Accrelist Crowdfunding Pte Ltd amounting to S\$59,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

14. Investments in Subsidiary Corporations (continued)

The subsidiary corporations held by the Company and its subsidiary corporations are listed below:

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
<u>Held by the Company</u>						
WE Components Sdn Bhd ^(b) (Audited by Moore Stephens Associates PLT) Malaysia Distributor and representative of electronic components and systems and equipment	99.9	84.9	99.9	84.9	0.1	15.1
A.M. Skincare Pte. Ltd. (fka. A Skin Products Pte. Ltd.) ^(a) Singapore Retail sale of pharmaceutical and medical goods	100	100	100	100	–	–
WesCal Electronics Trading (Shanghai) Co., Ltd ^(e) People's Republic of China Distributor and representative of electronic components and systems and equipment	100	100	100	100	–	–
WE Electronics Co., Ltd ^(e) Thailand Distributor and representative of electronic components and systems and equipment	100	100	100	100	–	–
WE Dragon Resources Pte Ltd ^(a) Singapore Petroleum, mining and prospecting services	100	100	100	100	–	–
Accrelist Medical Aesthetics (Serangoon) Pte. Ltd. (fka. WE Resources Pte Ltd) ^(a) Singapore Aesthetic medical	100	100	100	100	–	–
WE Resources Sdn. Bhd. ^(b) (Audited by Moore Stephens Associates PLT) Malaysia Iron ore and coal trading	100	100	100	100	–	–
Plexus Electronics Inc. ^(e) United States of America Distributor and representative of electronic components and systems and equipment	–	100	–	100	–	–
WE Technology (HK) Ltd ^(e) Hong Kong Distributor and representative of electronic components and systems and equipment	100	100	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

14. Investments in Subsidiary Corporations (continued)

The subsidiary corporations held by the Company and its subsidiary corporations are listed below: (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
<u>Held by the Company</u> (continued)						
WE Resources (Cambodia) Co. Ltd. ^(e) Cambodia Iron ore and coal trading	100	100	100	100	-	-
Accrelist Crowdfunding Pte. Ltd. ^(a) Singapore Financial services	100	100	100	100	-	-
Accrelist Medical Aesthetics (Raffles City) Pte Ltd (f.k.a A Tech Media Pte. Ltd.) ^(a) Singapore Aesthetic medical	100	100	100	100	-	-
Accrelist Medical Aesthetics (BM) Pte. Ltd. ^(a) Singapore Aesthetic medical	100	100	100	100	-	-
Accrelist Medical Aesthetics (LOT1) Pte. Ltd. ^(a) Singapore Aesthetic medical	100	100	100	100	-	-
Accrelist Medical Aesthetics (SPA) Pte. Ltd. ^(a) Singapore Aesthetic medical	100	100	100	100	-	-
Accrelist Medical Aesthetics (TPY) Pte. Ltd. ^(a) Singapore Aesthetic medical	100	100	100	100	-	-
Jubilee Industries Holdings Ltd. ("Jubilee") ^(a) Singapore Investment holding	65.8	65.8	-	-	34.2	34.2
<u>Held through Accrelist Medical Aesthetics (BM) Pte. Ltd.</u>						
Accrelist Medical Aesthetics (CM) Pte. Ltd. ^(a) Singapore Aesthetic medical	-	-	100	100	-	-
Accrelist Medical Aesthetics (KL) Sdn. Bhd. ^(e) Malaysia Aesthetic medical	-	-	100	100	-	-
Accrelist Medical Aesthetics (Penang) Sdn. Bhd. ^(e) Malaysia Aesthetic medical	-	-	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

14. Investments in Subsidiary Corporations (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
<u>Held through Jubilee</u>						
Jubilee Industries (S) Pte Ltd ^(a) Singapore Manufacturer and dealer precision plastic and metal mould	-	-	65.8	65.8	34.2	34.2
E'mold Holding Pte Ltd ^(a) Singapore Investment holding	-	-	65.8	65.8	34.2	34.2
J Capital Pte Ltd ^(a) Singapore Investment holding	-	-	65.8	65.8	34.2	34.2
WE Components Pte Ltd ^(a) Singapore Trading in electronic components	-	-	65.8	65.8	34.2	34.2
WE Total Engineering Sdn Bhd ^(b) (Audited by Soong & Associates) Malaysia Manufacturer and dealer of precision plastic and metal mould	-	-	65.8	65.8	34.2	34.2
E'Mold Manufacturing (Kunshan) Co. Ltd ^(e) People's Republic of China Manufacturer and dealer of precision plastic and metal mould	-	-	65.8	65.8	34.2	34.2
WE Components (Shanghai) Co Ltd ^(b) (Audited by Shangzi Certified Public Accountants Co., Ltd) People's Republic of China Trading in electronic components	-	-	65.8	65.8	34.2	34.2
WE Components Co Ltd ^(b) (Audited by BZY Audit (Thailand) Limited) Thailand Trading in electronic components	-	-	65.8	65.8	34.2	34.2
WE Components (Hong Kong) Limited ^(d) Hong Kong Trading in electronic components	-	-	65.8	65.8	34.2	34.2
WE Components (Shenzhen) Co Ltd ^(e) People's Republic of China Trading in electronic components	-	-	65.8	65.8	34.2	34.2

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For the financial year ended 31 March 2021

14. Investments in Subsidiary Corporations (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
<u>Held through Jubilee</u> (continued)						
Kin Wai Technology Ltd ^(e)	-	-	65.8	65.8	34.2	34.2
British Virgin Islands/People's Republic of China Trading in electronic components						
WE Microelectronics Pte Ltd ^(a)	-	-	65.8	65.8	34.2	34.2
Singapore Trading in electronic components						
WE Components (Penang) Sdn Bhd ^(b) (Audited by Moore Stephens Associates PLT)	-	-	65.8	65.8	34.2	34.2
Malaysia Trading in electronic components						
WE Components India Pvt Ltd ^(b) (Audited by Arts & Co)	-	-	65.8	65.8	34.2	34.2
India Trading in electronic components						
Honfoong Plastic Industries Pte. Ltd. ^(a)	-	-	46.0	46.0	54.0	54.0
Singapore Manufacturer and dealer of precision plastic and metal mould						
PT Honfoong Plastic Industries ^(f)	-	-	46.0	46.0	54.0	54.0
Indonesia Manufacturer and dealer of precision plastic and metal mould						

^(a) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.

^(b) Audited by other independent auditors other than member firms of Nexia International. Their names are indicated as above.

^(c) Audited by Nexia TS Public Accounting Corporation, Singapore for consolidation purposes.

^(d) Audited by Fan Chan & Co, a member firm of Nexia International.

^(e) The subsidiary corporation is dormant and is not significant to the Group.

^(f) Audited by Nexia KPS – Kanaka Puradiredja, Suhartono, a member firm of Nexia International for local statutory audit purpose. For the purpose of preparing the consolidated financial statements, financial statements of PT Honfoong Plastic Industries have been audited by Nexia TS Public Accounting Corporation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

14. Investments in Subsidiary Corporations (continued)

As required by Rule 715 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiary corporations would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

Significant Restrictions

Cash and short-term deposits of S\$510,000 (2020: S\$934,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Carrying value of non-controlling interests

	2021 S\$'000	2020 S\$'000
Jubilee Industries Holdings Ltd. ("Jubilee")	13,231	13,829
WE Components Sdn. Bhd. (with immaterial non-controlling interests)	*	23
	13,231	13,852

* Less than S\$1,000.

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

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

Summarised balance sheet

	Jubilee Group	
	2021 S\$'000	2020 S\$'000
<u>Current</u>		
Assets	68,522	55,473
Liabilities	(38,782)	(36,167)
Total current net assets	29,740	19,306
<u>Non-current</u>		
Assets	8,489	20,599
Liabilities	(2,354)	(2,335)
Total non-current net assets	6,135	18,264
Net assets	35,875	37,570

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

14. Investments in Subsidiary Corporations (continued)

Summarised statement of comprehensive income

	Jubilee Group	
	2021 S\$'000	2020 S\$'000
Revenue	144,996	133,839
Loss before income tax	(1,664)	(3,586)
Income tax expense	(121)	(260)
Net loss	(1,785)	(3,846)
Other comprehensive income/(loss)	90	(468)
Total comprehensive loss	(1,695)	(4,314)
Total comprehensive loss allocated to non-controlling interests	(597)	(899)

Summarised cash flows

	Jubilee Group	
	2021 S\$'000	2020 S\$'000
Net cash provided by operating activities	5,514	8,729
Net cash provided by/(used in) investing activities	1,278	(333)
Net cash used in financing activities	(7,735)	(4,870)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. Investments in Associated Companies

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Equity investments at cost	-	-	-	58
Less: Impairment loss	-	-	-	(58)
	-	-	-	-
Movements during the financial year:				
Beginning of financial year	9,430	9,377	-	-
Additions (Note(a))	-	162	-	-
Reclassified from financial assets, at FVOCI (Note 20)	989	-	-	-
Disposals	(1,828)	-	-	-
Share of loss of associated companies, net	(350)	(35)	-	-
Share of other comprehensive income/(loss) of associated companies	194	(74)	-	-
Reclassified to financial assets, at FVPL (Note 19)	(6,555)	-	-	-
Deemed loss on disposal in associated company (Note 5)	(1,880)	-	-	-
End of financial year	-	9,430	-	-

Note:

- (a) On 3 December 2019, the Company's wholly-owned subsidiary, Accrelist Medical Aesthetics (BM) Pte. Ltd. has acquired 49% of the issued and paid-up capital of Ozhean Accrelist Aesthetics Sdn. Bhd. ("Ozhean") for a total cash consideration of approximately S\$162,000 (equivalent to RM490,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. Investments in Associated Companies (continued)

Set out below are the associated companies of the Group as at 31 March 2021 and 2020.

Name of Company, Country of Incorporation, Place of Operations and Principal Activities	% of ownership interest	
	2021 %	2020 %
<u>Held by the Company</u>		
Syntax-Olevia (Far East) Pte Ltd ^(a) Singapore Distributor and representative of LCD TV	-	20.00
<u>Held through Jubilee</u>		
EG Industries Berhad ("EG") ^(b) Malaysia Provision of electronics manufacturing services for electronics, electrical, telecommunications and automotive industries product	-	13.77
<u>Held through Accrelist Medical Aesthetics (BM) Pte. Ltd.</u>		
Ozhean Accrelist Aesthetics Sdn. Bhd. ^(a) Malaysia Aesthetic medical	49	49

(a) The associated company is dormant and is not significant to the Group.

(b) Audited by UHY Chartered Accountants, Malaysia.

The Group's investment in EG amounting to S\$Nil (2020: S\$8,836,000) has been pledged as security for the Group's margin facility account (Note 24). Under the terms and conditions of the letter of offer, the Group is prohibited from disposing of this investment or subjecting it to further charges without furnishing a replacement security of similar value.

In prior financial year ended 31 March 2020, the Group accounted for its investment in EG as an associated company although the Group holds less than 20% of the issued shares of EG as the Group was able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding held by the Group and executive chairman, and its representation on the Board of EG).

During the financial year ended 31 March 2021, management has assessed that the Group has lost its significant influence over EG as the Group no longer has representation on the Board of EG. Accordingly, the investment in EG was derecognised as an associated company.

The Group recognised the share of profit and share of other comprehensive income until the date that significant influence ceased. The differences between the carrying amount of the retained interest at the date when significant influence was lost and its fair value, amounted to S\$1,880,000 (Note 5), was recognised in profit or loss. The retained interest in EG is classified as financial asset and measured at fair value through profit or loss.

There were no contingent liabilities relating to the Group's interest in the associated companies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. Investments in Associated Companies (continued)

The summarised financial information in respect of EG, based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	EG 2020 S\$'000
Current assets	200,605
Current liabilities	(185,935)
Non-current assets	96,683
Non-current liabilities	(3,366)
Net assets	<u>107,987</u>

Summarised statement of comprehensive income

	EG 2020 S\$'000
Revenue	346,922
Profit before income tax	828
Income tax expense	(185)
Net profit	<u>643</u>
Other comprehensive (loss)/income	<u>(523)</u>
Total comprehensive income	<u>120</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. Investments in Associated Companies (continued)

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

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

	EG 2020 S\$'000
Net assets	<u>107,987</u>
Interest in associated company (2020: 13.77%)	14,870
Fair value adjustment	(3,262)
Effect of changes in equity	(1,753)
Effect of additional investment in associated company	(1,140)
Other adjustment	677
Carrying value of Group's interest in EG	<u>9,392</u>
Carrying value of Group's interest in EG (as above)	9,392
Add: Carrying value of individually immaterial associated companies, in aggregate	38
Carrying value of Group's interest in associated companies	<u>9,430</u>

Fair value adjustment, inclusive of currency adjustments, pertains to the gain from bargain purchase derived from business combination.

16. Other Assets

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Current</u>				
Deposits	1,175	1,036	210	212
Prepayments	159	136	-	-
	<u>1,334</u>	<u>1,172</u>	<u>210</u>	<u>212</u>
<u>Non-current</u>				
Club membership	-	20	-	20

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

17. Trade and Other Receivables

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Current</u>				
<u>Trade receivables:</u>				
Non-related parties	24,053	25,995	-	-
Less: Loss allowance	(2,369)	(3,161)	-	-
Related parties	-	1,248	-	-
	21,684	24,082	-	-
<u>Other receivables:</u>				
Subsidiary corporations	-	-	10,354	10,687
Less: Loss allowance	-	-	(1,624)	(1,636)
Related party	526	326	-	-
Advance to suppliers	537	504	-	-
Other receivables – non-related parties ⁽¹⁾	3,762	4,680	107	118
Less: Loss allowance	(2,543)	(4,037)	-	-
	2,282	1,473	8,837	9,169
	23,966	25,555	8,837	9,169
<u>Non-current</u>				
Other receivables – non-related party ⁽²⁾	52	142	-	-

⁽¹⁾ This mainly pertains to refundable deposits placed to suppliers for the ordering of commodities to meet future demands.

⁽²⁾ This pertains to the remaining balance of the sales price relating to the sale of equipment to a third party which is unsecured, interest-free and repayable in 128 monthly instalments.

The other receivables due from subsidiary corporations and related parties are unsecured, interest-free and repayable on demand.

The movement of the loss allowance is as follows:

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Trade receivables:</u>				
Beginning of financial year	3,161	2,252	-	-
Foreign exchange adjustments	(8)	5	-	-
Charged to profit or loss (Note 5)	676	904	-	-
Written-off	(1,460)	-	-	-
End of financial year (Note 30(a))	2,369	3,161	-	-
<u>Other receivables:</u>				
Beginning of financial year	4,037	4,013	1,636	1,601
Foreign exchange adjustments	-	(132)	-	-
Charged to profit or loss (Note 5)	94	156	(12)	35
Written-off	(1,588)	-	-	-
End of financial year	2,543	4,037	1,624	1,636

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

18. Inventories

	Group	
	2021 S\$'000	2020 S\$'000
Raw materials	2,126	1,030
Work-in-progress	198	–
Finished goods	1,522	1,341
Trading goods	11,560	7,004
	15,406	9,375

The cost of inventories recognised as an expense and included in “cost of sales” amounted to S\$126,732,000 (2020: S\$116,881,000). This includes inventory write-down of S\$667,000 (2020: S\$333,000).

19. Financial Assets, at FVPL

	Group	
	2021 S\$'000	2020 S\$'000
Beginning of financial year	33	33
Reclassifications (Note 15)	6,555	–
Fair value gains (Note 5)	2,675	–
End of financial year	9,263	33
Listed equity securities - Singapore	38	33
Listed equity securities - Malaysia	9,225	–
	9,263	33

The instruments are all mandatorily measured at fair value through profit or loss.

Part of the listed equity securities in Malaysia amounting to S\$6,847,000 (2020: Nil) has been pledged as security for the Group’s margin facility account (Note 24). Under the terms and conditions of the letter of offer, the Group and the Company are prohibited from disposing of the securities or subjecting it to further changes without furnishing a replacement security of similar value.

20. Financial Assets, at FVOCI

	Group	
	2021 S\$'000	2020 S\$'000
Beginning of financial year	529	1,024
Fair value gains/(losses) recognised in other comprehensive income (Note 23(b))	507	(495)
Reclassified to investment in associated company (Note 15)	(989)	–
End of financial year	47	529

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

20. Financial Assets, at FVOCI (continued)

Financial assets, at fair value through other comprehensive income are analysed as follows:

	Group	
	2021 S\$'000	2020 S\$'000
Listed securities – Malaysia		
<i>Current</i>		
- Quoted redeemable convertible preference shares (Note a)	-	482
<i>Non-current</i>		
- Quoted equity securities (Note b)	47	47
	47	529

Notes:

- (a) On September 2017, the Group participated in the corporate exercise of the associated company and subscribed to the renounceable rights issue of 6,234,154 redeemable convertible preference shares (“RCPS”) on the basis of one (1) RCPS for every four (4) existing shares at an indicative issue price of RM0.95 per RCPS.

Each RCPS may be converted into one (1) new share at a conversion price of RM0.95, which is equivalent to the issue price. The conversion of RCPS will not require any cash payment by the RCPS holders. The conversion price shall be satisfied by surrendering one (1) RCPS for one (1) new share. The RCPS may be converted at any time beginning from the issue date until the maturity date (the day falling five (5) years from the issue date unless the tenure of the RCPS, if permitted by law, is extended by the associated company and the RCPS holders).

The associated company shall have the option to redeem the RCPS in cash at 100% of the issue price, at any time from and including the third anniversary of the issue date up to the date immediately preceding the maturity date, the Company would be obliged to sell the RCPS to the associated company upon the exercise of the option and the Company would not be able to control the occurrence of such event. Accordingly, the Company has classified its instrument in RCPS as current asset. In the event that the RCPS not converted or redeemed by the maturity date, the RCPS shall be automatically converted into new shares in the associated company.

During the financial year ended 31 March 2021, the Group converted all 6,243,154 RCPS to ordinary shares of the associated company. The RCPS had a fair value of S\$989,000 at the date of conversion which was reclassified to investment in associated company (Note 15) and the cumulative gain of S\$1,062,000 on the conversion was reclassified from fair value reserve (Note 23(b)) to retained profits.

- (b) The Group held (i) 15,300 (2020: 15,300) shares in a listed company in Malaysia, which is primarily involved in the manufacturing and marketing of steel coils and (ii) 342,000 (2020: 342,000) shares in a listed company in Malaysia, which is primarily involved in the real estate developments.

The Group has elected to measure the above financial assets at FVOCI due to management’s intention to hold these financial assets for strategic investment purpose.

21. Cash and Cash Equivalents

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cash and bank balances	6,755	8,361	255	339
Fixed deposits pledged	2,088	2,274	-	1,274
	8,843	10,635	255	1,613

Fixed deposits are pledged with financial institutions to secure certain banking facilities which will be utilised for funding of the working capital of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

21. Cash and Cash Equivalents (continued)

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2021 S\$'000	2020 S\$'000
Amount as shown above	8,843	10,635
Fixed deposits pledged	(2,088)	(2,274)
Bank overdraft (Note 24)	(372)	(1,205)
Cash and cash equivalents per consolidated statement of cash flows	<u>6,383</u>	<u>7,156</u>

22. Share Capital

	Number of ordinary shares issued '000	Share capital S\$'000
	Group	
At 1 April 2019	5,582,845	72,491
– Share consolidation in August 2019 at 1 for 20 shares	(5,303,703)	–
At 31 March 2020 and 2021	<u>279,142</u>	<u>72,491</u>
Company		
At 1 April 2019	5,582,845	113,182
– Share consolidation in August 2019 at 1 for 20 shares	(5,303,703)	–
At 31 March 2020 and 2021	<u>279,142</u>	<u>113,182</u>

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

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Newly issued shares rank pari passu in all respects with the previously issued shares.

On 29 May 2019, the Company proposed to undertake a share consolidation of every twenty (20) existing issued ordinary shares of the Company into one (1) ordinary share in the capital of the Company. Following the completion of the proposed share consolidation on 7 August 2019, the Company's issued share capital amounted to S\$113,182,000 comprising of 5,582,845,000 existing shares have been consolidated into 279,142,314 consolidated shares.

The difference in amounts in the Group's and the Company's share capital is due to the reverse takeover exercise in the past.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

23. Other Reserves

	Group	
	2021 S\$'000	2020 S\$'000
Foreign currency translation reserve (Note (a))	1,697	2,396
Fair value reserve (Note (b))	22	(1,610)
Capital reserve (Note (c))	844	820
	2,563	1,606

(a) Foreign currency translation reserve

	Group	
	2021 S\$'000	2020 S\$'000
Beginning of financial year	2,396	2,428
Net currency translation differences of financial statements of:		
- foreign subsidiary corporations – gains	(525)	33
- foreign associated company – gains	–	15
- reclassification due to deemed disposal of associated company	(174)	–
Non-controlling interests	–	(80)
End of financial year	1,697	2,396

(b) Fair value reserve

	Group	
	2021 S\$'000	2020 S\$'000
Beginning of financial year	(1,610)	(1,110)
Fair value gains/(losses) on financial assets, at FVOCI (Note 20)	507	(495)
Share of associated company's fair value gains/(losses) on financial asset, at FVOCI	194	(89)
Reclassification upon disposal of financial assets, at FVOCI	1,062	–
Reclassification due to deemed disposal of associated company (Note 5)	(131)	–
Non-controlling interests	–	84
End of financial year	22	(1,610)

(c) Capital reserve

Capital reserve represents the following:

- The effect of changes in the ownership interest in Jubilee on the equity attributable to owners of the Company during the financial year ended 31 March 2019, amounting to \$820,000. This represents the excess of deemed consideration received by equity owners of the Company resulting from deemed disposal of interest in a subsidiary corporation.
- Excess of carrying amount of non-controlling interest acquired over consideration paid to non-controlling interest resulting from acquisition of additional interest in a subsidiary corporation during the financial year ended 31 March 2021 amounting to \$24,000 (Note 14).

Other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. Borrowings

	Group	
	2021 S\$'000	2020 S\$'000
<u>Non-current:</u>		
Bank loans I (Note (a))	1,261	1,261
Lease liabilities	1,419	817
Loans from non-related parties	2,000	2,452
	<u>4,680</u>	<u>4,530</u>
<u>Current:</u>		
Bank overdraft (Note 21)	372	1,205
Bank loans I (Note (a))	76	76
Bank loans II (Note (a))	6,045	11,445
Lease liabilities	987	1,072
Loans from non-related party	450	-
	<u>7,930</u>	<u>13,798</u>
	<u>12,610</u>	<u>18,328</u>

Loans from non-related parties are unsecured, interest bearing from 2% and 8% per annum and are repayable in full on 23 August 2022 and 3 March 2022 respectively.

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2021 S\$'000	2020 S\$'000
12 months or less	<u>7,754</u>	<u>13,987</u>

(a) Security granted

Bank loans I are secured by:

- (i) Legal mortgages of leasehold property of a subsidiary corporation (Note 11); and
- (ii) Corporate guarantee provided by the Company (Note 27(a)(i)).

Bank loans II are secured by the Group's investment in EG of S\$6,847,000 (2020: S\$8,836,000) (Note 19 and 15), and secured by the corporate guarantee provided by the Company (Note 27(a)(i)).

Bank overdrafts of the Group are secured by certain bank deposits of S\$Nil (2020: S\$364,000), personal guarantee by the directors of the subsidiary corporations, debenture of the subsidiary corporations and certain leasehold property of the Group (Note 11).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. Borrowings (continued)

(b) Fair value of non-current borrowings

	Group	
	2021 S\$'000	2020 S\$'000
Bank loans I	1,261	1,261
Loans from non-related parties	1,914	2,243

The fair values above are determined from the cash flow analyses, discounted at market borrowings rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2021 %	2020 %
Bank loans I	5.25	5.25
Loans from non-related parties	5.25	5.25

The fair value is within level 2 of the fair value hierarchy.

25. Trade and Other Payables

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
<u>Trade payables:</u>				
Non-related parties	23,308	12,773	-	-
<u>Other payables:</u>				
Non-related parties	1,364	2,439	191	42
Accrued operating expenses	1,948	2,147	208	226
Defined benefits obligation (Note A)	1,624	1,789	-	-
Advances from customers	1,131	247	-	-
Loan from a director	562	397	-	-
Subsidiary corporations	-	-	5,757	4,306
Related party	-	128	-	-
	6,629	7,147	6,156	4,574
	29,937	19,920	6,156	4,574

Loan from a director is unsecured, interest-free and repayable on demand.

The amounts due to subsidiary corporations are unsecured, interest-free and repayable on demand.

The amount due to a related party is unsecured, bears interest of 4% per annum and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

25. Trade and Other Payables (continued)

Note A:

Defined benefits obligation

Obligation recognised in the balance sheet for:

	Group	
	2021	2020
	S\$'000	S\$'000
Post-employment benefits (Note (i))	1,373	1,545
Other long-term employee benefits	251	244
	1,624	1,789
Expenses charged to profit or loss:		
Defined benefits (Note 7)	(149)	387
Re-measurement recognised in other comprehensive income for:		
Defined benefits	89	-
Present value of unfunded obligations/liability recognised in the balance sheet	1,624	1,789

(i) The movement in the post-employment benefits obligation is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Present value of obligation</u>		
Beginning of financial year	1,789	1,402
Currency translation differences	(105)	-
Current service cost	174	387
Past service cost	(323)	-
	(149)	387
Re-measurements:		
- Actuarial loss	89	-
End of financial year	1,624	1,789

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

25. Trade and Other Payables (continued)

Defined benefits obligation (continued)

The significant actuarial assumptions used are as follows:

	Group	
	2021 S\$'000	2020 S\$'000
Discount rate		
Salary growth rate	7.8%	8.7%
Mortality rate*	8.0%	8.0%
Disability rate	TMI 4 (2019) 10.0%	TMI 3 (2011) 10.0%

* Based on Indonesia Mortality Table

The carrying amount of pension obligation will not have significant changes if the significant actuarial assumptions used has been higher or lower by 1% from management's estimates.

The above sensitivity analysis is based on a change in discount rate assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the reporting date) has been applied as when calculating the post-employment benefits liability recognised within the balance sheet.

26. Loan Payable

	Group and Company	
	2021 S\$'000	2020 S\$'000
<i>Financial liability</i>		
Current:		
– Loan payable	–	1,781

Loan payable of the Group and Company is unsecured, interest bearing at 8% per annum and has been repaid in full in 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Contingencies

(a) Corporate guarantees

- (i) The Company has issued corporate guarantees to banks for borrowings of a subsidiary corporation (Note 24(a)). The management has evaluated the fair value of the corporate guarantees and is of the view that the consequential benefit derived from its guarantees to the bank with regards to the subsidiary corporation is minimal.

The Company is not required to fulfil any guarantee on the basis of default by the borrowers as at the balance sheet date.

Management estimated that the fair value of the corporate guarantees is negligible in the view that the consequential benefits to be derived from its guarantee are not material and therefore not recognised. It is considered unlikely that the Company will be held liable as a result of the corporate guarantees since there is no default in the payment of borrowings by the subsidiary corporations to which guarantees are provided.

(b) Financial support

The Company and one of its subsidiary corporations provide financial support to certain subsidiary corporations to enable these subsidiary corporations to operate as going concerns and to meet their liabilities as and when they fall due. No liabilities are recognised by the Company and its subsidiary corporation as it is considered unlikely that there will be significant outflows of resources made by the Company as a result of the financial support provided.

(c) Corrupt Practices Investigation Bureau investigation

On 25 February 2020, the Group's Executive Chairman and Chief Executive Officer, Mr Terence Tea, together with two other senior management personnel of the Group were requested by Corrupt Practices Investigation Bureau ("CPIB") to assist in investigation.

The investigation relates to certain expenses incurred and a payment made by Honfoong Plastic Industries Pte. Ltd., a 70% owned subsidiary corporation of Group.

The Board has taken Nominating Committee's recommendation and is of the view that Mr Terence Tea and the management personnel should continue to discharge their responsibilities and duties in the operation of the Group's businesses to ensure business continuity. The Board will reassess its position where appropriate in due course.

At the date of these financial statements, the Group is unable to estimate its financial affect as there are no charges have been brought against the Group, Mr Terence Tea or the other two management personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. Related Party Transactions

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

(a) *Sales and purchase of goods and services*

	Group	
	2021	2020
	S\$'000	S\$'000
Sale of goods to related parties	-	1,451
Interest charged by an associated company	-	59

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 March 2021, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 17 and 25 respectively.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Wages, salaries and other short-term benefits	1,497	1,775
Employer's contribution to defined contribution plans, including Central Provident Fund	30	89
	1,527	1,864

The above amounts are included under employee compensation expense. Included in the above amounts are the following items:

	Group	
	2021	2020
	S\$'000	S\$'000
Remuneration of directors of the Company	1,101	726

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

29. Segment Information

Management has determined the operating segments based on the reports reviewed by the Executive Committee (“Exco”), which is the Group’s Chief Operating Decision Maker, that are used to make strategic decisions. The Exco comprises the Non-Executive Director, the Chief Financial Officer/the Financial Controller, and the department heads of each business within each geographical segment.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the five primary geographic areas: United States of America, Singapore, Malaysia, People’s Republic of China and Europe. The Group is organised into four major operating segments for the financial year: financial technology, electronic components distribution business unit (“EBU”), mechanical business unit (“MBU”) and aesthetic medical services (“AMS”). Such structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system.

The segments are as follows:

The EBU segment distributes and acts as a representative for a diversified range of active and passive electronic components throughout the Asia Pacific region.

The MBU segment provides mould design and fabrication services for consumer electronics, household appliances, automotive and computer peripherals, as well as precision plastic injection moulding services for their customers’ finished products.

The AMS segment offer a range of services related to aesthetic enhancements.

“Others” segment includes:

- (a) The system and equipment distribution segment provides engineering support services ranging from installation, calibration, integration and testing of systems, applications training to maintenance of systems. This business segment is dormant.
- (b) The commodities and resources segment provides supply chain management for natural materials and will be the driver for the Group’s forward growth through its integrated sourcing, marketing and transportation operations. This business segment is dormant and hence classified as others. This business segment is dormant.
- (c) The financial technology segment provides financial services such as crowdfunding to enable users to raise funds for their projects and electronic wallet services granting users an alternate mode of payment.
- (d) Investment holding segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

29. Segment Information (continued)

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

	EBU		MBU		AMS		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue	119,856	109,167	25,140	24,672	-	-	-	-	144,996	133,839
Sales of goods	-	-	-	-	6,269	5,021	-	-	6,269	5,021
Service and maintenance income	119,856	109,167	25,140	24,672	6,269	5,021	-	-	151,265	138,860
Sales to external parties										
Gross profit	5,313	4,589	2,172	2,158	4,183	4,276	-	-	11,668	11,023
- Interest income	15	5	2	2	14	-	-	20	31	27
- Finance expenses	(532)	(779)	(105)	(188)	(95)	(254)	(171)	(461)	(903)	(1,682)
- Share of results of associated companies	-	-	-	-	-	-	(350)	(35)	(350)	(35)
Profit/(Loss) before income tax	386	(2,966)	668	(130)	2,195	(294)	(4,327)	(9,235)	(1,078)	(12,625)
Income tax (expense)/credit	(114)	(189)	(27)	(99)	(227)	-	270	6	(98)	(282)
Net profit/(loss)	272	(3,155)	641	(229)	1,968	(294)	(4,057)	(9,229)	(1,176)	(12,907)
Investment in associated companies	-	-	-	-	-	-	-	9,430	-	9,430
Depreciation of property, plant and equipment	175	203	1,057	1,133	913	870	163	166	2,308	2,372
Amortisation of intangible assets	377	377	9	13	25	-	1,491	1,456	1,902	1,846
Impairment loss on intangible assets	-	-	-	-	-	1,942	-	-	-	1,942

* Amount less than S\$1,000.

As the amounts of total assets and liabilities for each reportable segment are not regularly provided to Exco, such information is not presented in the segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

29. Segment Information (continued)

Geographical Information:

The following table provides an analysis of the revenue by geographical market, irrespective of the origin of the goods/ services:

	Group	
	2021 S\$'000	2020 S\$'000
Singapore	26,833	22,687
Malaysia	10,506	7,668
People's Republic of China and Hong Kong	58,171	62,090
India	7,713	1,934
Indonesia	11,382	11,928
Thailand	9,236	9,835
Vietnam	21,445	10,573
United States of America	426	2,607
Other countries	5,553	9,538
	151,265	138,860

The following is an analysis of the carrying amount of non-current assets, and additions to plant and equipment and intangible assets analysed by the geographical area in which the assets are located:

	Group	
	2021 S\$'000	2020 S\$'000
<u>Non-Current Assets:</u>		
Singapore	20,674	20,223
Malaysia	1,166	12,550
Indonesia	5,807	5,771
Other countries	17	651
	27,664	39,195

The non-current assets are analysed by the geographical area in which the assets are located.

Revenue of approximately S\$11,964,000 (2020: S\$14,228,000) is derived from a single external customer. This revenue is attributable to the EBU segment in People's Republic of China (2020: EBU segment in People's Republic of China).

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30. Financial Risk Management

Financial risk factors

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

It is the Group's policy that no trading in derivative financial instruments shall be undertaken.

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risks.

The Board of Directors ("BOD") reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit Risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining cash deposits where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with the high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

The trade receivables of the Group comprise 3 debtors (2020: 3 debtors) that individually represented 6 - 14% (2020: 7 - 11%) of the Group's total trade receivables.

The credit risk for trade receivables and contract assets based on the information provided to key management is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
<u>By geographical areas</u>		
Singapore	2,502	3,629
United States of America	1,362	305
Malaysia	3,011	1,953
People's Republic of China	3,792	7,755
India	2,125	214
Indonesia	1,141	2,734
Thailand	4,330	4,163
Vietnam	1,708	1,386
Other countries	1,741	2,285
	21,712	24,424
<u>By types of customers</u>		
Related parties	-	1,248
Non-related parties		
- Multi-national companies	10,764	9,799
- Other companies	10,948	13,377
	21,712	24,424

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)

(a) Credit Risk (continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet except as follows:

	Group	
	2021 S\$'000	2020 S\$'000
Corporate guarantees provided to banks on subsidiary corporation's loans (Note 27(a)(i))	-	1,274

Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract 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. The Group categorises trade receivables and contract assets for potential write-off when the counterparty fails to make contractual payments more than 180 days past due. Where receivables are written-off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 March 2021 and 2020 are set out in the provision matrix as follows:

	← Past due →					Total S\$'000
	Current S\$'000	Within 30 days S\$'000	1 to 3 months S\$'000	4 to 6 months S\$'000	Over 6 months S\$'000	
2021						
Group						
Trade receivables and contract assets	16,592	2,389	1,134	370	3,596	24,081
Loss allowance (Note 17)	-	-	-	-	(2,369)	(2,369)
2020						
Group						
Trade receivables and contract assets	16,103	2,335	705	630	7,812	27,585
Loss allowance (Note 17)	-	-	-	-	(3,161)	(3,161)

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30. Financial Risk Management (continued)

(a) Credit Risk (continued)

Other receivables

The Group and the Company use the general approach for assessment of ECLs for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-month ECLs.

As at 31 March 2021, the Group performed an assessment of impairment using the 12-month ECL basis on these financial assets. The Group concluded the loss allowance is adequate.

Non-trade receivables from subsidiary corporations

Non-trade receivables from subsidiary corporations are provided mainly for short term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Company concluded that the loss allowance provided for non-trade receivables from subsidiary corporations is adequate. As at 31 March 2021, the Company has provided additional loss allowance amounted to S\$Nil (2020: S\$35,000) as there is no reasonable ground to recover the receivables from these subsidiary corporations.

Cash and cash equivalents

The Group's and the Company held cash and cash equivalents with reputable licensed financial institutions with high credit-ratings and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash to finance the Group and the Company's operations and development activities. The Group manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities. The Group's objective is to maintain a balance between continuing of funding and flexibility through the use of borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)

(b) Liquidity Risk (continued)

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant:

<u>Group</u>	Less than 1 year S\$'000	1 - 2 years S\$'000	2 - 5 years S\$'000	Over 5 years S\$'000	Total S\$'000
31 March 2021					
Trade and other payables	28,806	-	-	-	28,806
Lease liabilities	1,181	1,097	567	-	2,845
Borrowings (excluding lease liabilities)	7,023	2,208	493	693	10,417
	37,010	3,305	1,060	693	42,068
31 March 2020					
Trade and other payables	19,673	-	-	-	19,673
Loan payable	1,781	-	-	-	1,781
Lease liabilities	1,130	728	207	-	2,065
Borrowings (excluding lease liabilities)	12,924	591	2,613	534	16,662
	35,508	1,319	2,820	534	40,181
Company					
				Less than 1 year S\$'000	Total S\$'000
31 March 2021					
Trade and other payables				6,156	6,156
31 March 2020					
Trade and other payables				4,574	4,574
Financial guarantee contract				1,274	1,274
Loan payable				1,781	1,781
				7,629	7,629

(c) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk mainly arises from borrowings at variable rates

If the interest rates increase/decrease by 1% (2020: 1%) with all other variables including tax rate being held constant, net profit of the Group would have been lower/higher by S\$78,000 (2020: S\$140,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)

(d) Currency Risks

Entities in the Group provide services and sell goods in several countries, and as a result, transact in currencies other than their respective functional currencies (“foreign currencies”).

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar (“USD”) and Ringgit Malaysia (“MYR”). To manage the currency risk, the Group relies on natural hedging as a risk management tool.

In addition, the Group is also exposed to currency translation risk to the net assets of the Group’s foreign operations.

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

	USD S\$'000	SGD S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
<u>As at 31 March 2021</u>					
Financial assets					
Cash and cash equivalents	5,047	1,558	1,096	1,142	8,843
Trade and other receivables and contract assets	13,863	7,822	1,718	106	23,509
Financial assets, at FVPL	–	38	9,225	–	9,263
Financial assets, at FVOCI	–	–	47	–	47
Other assets	–	860	231	84	1,175
	18,910	10,278	12,317	1,332	42,837
Financial liabilities					
Borrowings	(3,764)	(6,724)	(2,102)	(20)	(12,610)
Trade and other payables	(20,882)	(5,264)	(1,605)	(1,055)	(28,806)
	(24,646)	(11,988)	(3,707)	(1,075)	(41,416)
Net financial assets/(liabilities)	(5,736)	(1,710)	8,610	257	1,421
Less: Net financial liabilities/ (assets) denominated in the respective entities’ functional currencies	(258)	1,710	(278)	(2,762)	(1,588)
Currency exposure	(5,994)	–	8,332	(2,505)	(167)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)*(d) Currency Risks* (continued)

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

	USD S\$'000	SGD S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
<u>As at 31 March 2020</u>					
Financial assets					
Cash and cash equivalents	5,175	3,370	330	1,760	10,635
Trade and other receivables and contract assets	23,253	1,040	1,052	190	25,535
Financial assets, at FVPL	–	33	–	–	33
Financial assets, at FVOCI	–	–	529	–	529
Other assets	1	764	202	69	1,036
	<u>28,429</u>	<u>5,207</u>	<u>2,113</u>	<u>2,019</u>	<u>37,768</u>
Financial liabilities					
Borrowings	(8,364)	(7,998)	(1,839)	(127)	(18,328)
Loan payable	–	(1,781)	–	–	(1,781)
Trade and other payables	(14,474)	(2,144)	(1,726)	(1,329)	(19,673)
	<u>(22,838)</u>	<u>(11,923)</u>	<u>(3,565)</u>	<u>(1,456)</u>	<u>(39,782)</u>
Net financial assets/(liabilities)	5,591	(6,716)	(1,452)	563	(2,014)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(750)	6,716	514	(147)	6,333
Currency exposure	<u>4,841</u>	<u>–</u>	<u>(938)</u>	<u>416</u>	<u>4,319</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)

(d) Currency Risks (continued)

The Company's currency exposure based on the information provided to key management is as follows (continued):

	USD S\$'000	SGD S\$'000	Total S\$'000
<u>As at 31 March 2021</u>			
Financial assets			
Cash and cash equivalents	48	207	255
Trade and other receivables	-	8,837	8,837
Other assets	-	210	210
	48	9,254	9,302
Financial liabilities			
Trade and other payables	-	(6,156)	(6,156)
Net financial assets	48	3,098	3,146
Less: Net financial assets denominated in the functional currency of the Company	-	(3,098)	(3,098)
Currency exposure	48	-	48
<u>As at 31 March 2020</u>			
Financial assets			
Cash and cash equivalents	848	765	1,613
Trade and other receivables	-	9,169	9,169
Other assets	-	212	212
	848	10,146	10,994
Financial liabilities			
Loan payable	-	(1,781)	(1,781)
Trade and other payables	-	(4,574)	(4,574)
	-	(6,355)	(6,355)
Net financial assets	848	3,791	4,639
Less: Net financial assets denominated in the functional currency of the Company	-	(3,791)	(3,791)
Currency exposure	848	-	848

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)

(d) Currency Risks (continued)

If the USD and MYR change against the SGD by 3% (2020: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position to the financial performance of the Group will be as follows:

	Profit after tax Increase/(decrease)			
	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
USD against SGD				
- Strengthened	(180)	145	1	25
- Weakened	180	(145)	(1)	(25)
MYR against SGD				
- Strengthened	250	(28)	-	-
- Weakened	(250)	28	-	-

(e) Price Risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the consolidated balance sheet as financial assets, at FVOCI and at FVPL. These securities are listed in Singapore and Malaysia. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio with the limits set by the BOD.

If prices for equity securities listed in Malaysia had changed by 10% (2020: 10%) with all other variables including tax rate being held constant, the effects would have been:

	Increase/(decrease) Loss after tax		Increase/(decrease) Other comprehensive income	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
	Group			
Listed in Malaysia				
- increased by	926	3	5	53
- decreased by	(926)	(3)	(5)	(53)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)

(f) Capital Risk

Management monitors capital based on the debt-equity ratio. The Group has positive net assets and maintain low bank borrowings. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure.

The management monitors the capital based on the debt-to-equity ratio. This ratio is calculated as net debt/equity (as shown below). Net debt is calculated as total borrowings (comprising of other financial liabilities and convertible loan) less cash and cash equivalents.

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Net debt:				
Borrowings	12,610	20,109	-	1,781
Less: Cash and cash equivalents	(8,843)	(10,635)	(255)	(1,613)
Net debt/(cash)	3,767	9,474	(255)	168
Equity	40,859	42,253	35,052	36,569
Debt-to-equity ratio	9.2%	22.4%	N/M	0.5%

N/M: Not meaningful

The Group and Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2021 and 2020. The Company is not subject to any externally imposed capital requirements.

(g) Fair Value Measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

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

Group	Level 1 S\$'000
2021	
Financial assets at FVPL	9,263
Financial assets, at FVOCI	47
	<u>9,310</u>
2020	
Financial assets at FVPL	33
Financial assets, at FVOCI	529
	<u>562</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

30. Financial Risk Management (continued)

(g) Fair Value Measurements (continued)

There were no transfers between level 1 and 2 during the year.

The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

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

(i) Financial instrument by categories

The carrying amounts of the different categories of financial assets and liabilities are as follows:

	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
At amortised cost	33,527	37,206	9,302	10,994
At FVOCI	47	529	-	-
At FVPL	9,263	33	-	-
	42,837	37,768	9,302	10,994
Financial liabilities				
At amortised cost	41,416	39,782	6,156	6,355

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

31. New or Revised Accounting Standards and Interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2021 and which the Group has not early adopted:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 Jan 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment—Proceeds before Intended Use	1 Jan 2022
Amendments to SFRS(I) 1-37: Onerous Contracts—Cost of Fulfilling a Contract	1 Jan 2022
Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022
SFRS (I) 17 Insurance Contracts	1 Jan 2023
Amendments to SFRS(I) 17	1 Jan 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 Jan 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023).

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

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

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

- Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022):

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

31. New or Revised Accounting Standards and Interpretations (continued)

- Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs 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 costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

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

32. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Accrelist Ltd on 15 July 2021.

STATISTICS OF SHAREHOLDINGS

At 24 June 2021

Class of shares : Ordinary Shares
 Voting rights : One vote per ordinary share
 Number of issued shares : 279,142,293
 Treasury Shares : Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 24 JUNE 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	289	8.99	9,405	0.00
100 – 1,000	368	11.45	175,209	0.06
1,001 – 10,000	1,212	37.72	6,527,321	2.34
10,001 – 1,000,000	1,322	41.15	74,239,924	26.60
1,000,001 and above	22	0.68	198,190,434	71.00
TOTAL	3,213	100.00	279,142,293	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 24 JUNE 2021

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	TERENCE TEA YEOK KIAN	64,387,706	23.07
2	OCBC SECURITIES PRIVATE LTD	47,014,585	16.84
3	PHILLIP SECURITIES PTE LTD	23,127,663	8.29
4	DBS NOMINEES PTE LTD	16,355,771	5.86
5	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	5,707,793	2.04
6	HSBC (SINGAPORE) NOMINEES PTE LTD	5,072,944	1.82
7	CHARLES LECK TIN HONG	4,013,281	1.44
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,890,928	1.39
9	MAYBANK KIM ENG SECURITIES PTE. LTD	3,087,896	1.11
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,960,850	1.06
11	TAN SIAK LIAN	2,762,754	0.99
12	LECK SEOK NOI RACHEL	2,542,881	0.91
13	LEE BEE SENG	2,463,281	0.88
14	REFRESH GROUP PTE LTD	2,463,281	0.88
15	CHEN XIONGZHAO	2,379,400	0.85
16	UOB KAY HIAN PTE LTD	2,296,200	0.82
17	TOH SOON HUAT	1,859,215	0.67
18	NG SAN SAN	1,365,000	0.49
19	TIEW YEW SENG	1,200,000	0.43
20	OCBC NOMINEES SINGAPORE PTE LTD	1,133,005	0.41
	Total:	196,084,434	70.25

STATISTICS OF SHAREHOLDINGS

At 24 June 2021

Substantial Shareholders as at 24 June 2021

Name Of Shareholders	Direct Interest	No. of Ordinary Shares		%
		%	Deemed Interest	
Terence Tea Yeok Kian	64,436,056 ⁽¹⁾	23.08	2,271,900 ⁽²⁾	0.81
EG Industries Berhad	14,539,520 ⁽³⁾	5.21	–	–
Toh Soon Huat	1,859,215	0.67	18,702,900 ⁽⁴⁾	6.7

Notes: -

- (1) Inclusive of 48,350 Shares which are held through CPF investment account.
- (2) Mr Terence Tea Yeok Kian is deemed interested in the 2,271,900 issued shares of the Company held by his wife, Ms Sim Aileen.
- (3) EG Industries Berhad's direct interest of 14,539,520 Shares are held in the name of OCBC Securities Private Ltd.
- (4) Mr Toh Soon Huat is deemed interested in the 18,702,900 Shares held in the name of Phillip Securities Pte Ltd.

Free Float

Based on the information available to the Company as at 24 June 2021, approximately 63.53% of the issued ordinary shares of the Company was held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual - Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of the Company will be held by way of electronic means on Friday, 30 July 2021 at 2:00 p.m. for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 March 2021, together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$180,000 for the financial year ending 31 March 2022, to be paid semi-annually in arrears (FY2021: S\$180,000). **(Resolution 2)**
3. To re-elect Mr Lim Yeow Hua @ Lim You Qin who is retiring pursuant to Article 91 of the Company’s Constitution and who, being eligible, offers himself for re-election.
(See Explanatory Note 1) **(Resolution 3)**
4. To re-elect Mr Ng Li Yong who is retiring pursuant to pursuant to Article 91 of the Company’s Constitution and who, being eligible, offers himself for re-election.
(See Explanatory Note 2) **(Resolution 4)**
5. That, subject to and contingent upon passing of Resolution 4 and in accordance with Rule 406(3)(d)(iii) of the Listing Manual – Section B: Rules of the Catalist (“**Catalist Rules**”) which takes effect from 1 January 2022:
 - (a) the continued appointment of Mr Ng Li Yong as Lead Independent Director be and is hereby approved; and
 - (b) this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Ng Li Yong as a Director of the Company or (ii) the conclusion of the next AGM of the Company following the passing of this Resolution.
(See Explanatory Note 3) **(Resolution 5)**
6. That, subject to and contingent upon passing of Resolution 4 and 5 and in accordance with Rule 406(3)(d)(iii) of the Catalist Rules which takes effect from 1 January 2022:
 - (a) the continued appointment of Mr Ng Li Yong as Lead Independent Director by all members (excluding the Directors and Chief Executive Officer and their respective associates) be and is hereby approved; and
 - (b) this Resolution shall continue in force until the earlier of (i) the retirement or resignation of Mr Ng Li Yong as a Director of the Company or (ii) the conclusion of the next AGM of the Company following the passing of this Resolution.
(See Explanatory Note 3) **(Resolution 6)**
7. To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
8. To transact any other business that may be transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

9. Ordinary Resolution: General authority to allot and issue shares

“THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) and subject to Rule 806 of the Listing Manual Section B: Rule of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:-

- I. (a) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of bonus issue, rights issue or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (b) 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; and/or

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

- II. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the Company’s total number of 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 total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of 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 share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or 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;

Adjustments in accordance with sub-paragraphs (ii)(a) and (ii)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of 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 SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or by the date by which the next annual general meeting of the Company is required by law to be held, or the date such authority is varied or revoked by the Company in a general meeting, whichever is the earliest.”

(See *Explanatory Note 4*)

(Resolution 8)

10. Ordinary Resolution: Authority to grant awards and issue shares under the Accrelist Share Award Scheme

“THAT in accordance with the provisions of the Accrelist Share Award Scheme (“**Scheme**”) and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to grant awards (“**Awards**”) and allot and issue from time to time such number of shares in the capital of the Company (“**Shares**”) as may be required to be issued pursuant to the vesting of the Awards provided always that the aggregate number of Shares to be issued or issuable pursuant to the Scheme and any other shares based schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.”

(See *Explanatory Note 5*)

(Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

11. Ordinary Resolution: Proposed Renewal of the Share Buyback Mandate

“THAT:-

- (a) for the purposes of the Sections 76C and 76E of the Companies Act, the Directors of the Company be authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:-
- (i) on-market purchase(s) (each a “**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the shareholders of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:-
- (i) the date on which the next AGM is held or required by law to be held;
 - (ii) the date on which the share buybacks are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.
- (d) in this Resolution:-

“**Maximum Percentage**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares and subsidiary holdings that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date on which this annual general meeting and expiring on the date the next annual general meeting is held or is required by law to be held, or the date the said mandate is varied or revoked by the Company, whichever is the earlier, after the date of this Resolution; and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding related expenses of the purchase) which shall not exceed:-

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares were transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5)-days period;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**market days**” means a day on which the SGX-ST is open for trading in securities; and

- (e) any of the Directors of the Company are hereby authorised to complete and do all such acts and things (including without limitation; to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

(See *Explanatory Note 6*)

(Resolution 10)

BY ORDER OF THE BOARD

Lee Wei Hsiung
Loh Eng Lock Kelvin
Company Secretaries

Singapore,
15 July 2021

Explanatory Notes:

1. The Ordinary Resolution 3, is for the re-election of Mr Lim Yeow Hua @ Lim You Qin as a Director of the Company who retires by rotation at the AGM. Mr Lim will, upon re-election as a Director of the Company, remain as an Independent and Non-Executive Director of the Company, Chairman of Audit Committee and a member of Remuneration Committee and Nominating Committee.
2. The Ordinary Resolution 4, is for the re-election of Mr Ng Li Yong as a Director of the Company who has joined the Board of the Company on 11 June 2013. Mr Ng will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of Remuneration Committee and Nominating Committee and a member of Audit Committee.
3. The Ordinary Resolutions 5 and 6 respectively are proposed in compliance with Rule 406(3)(d)(iii) of the Catalist Rules of the SGX-ST which will take effect from 1 January 2022.

Rule 406(3)(d)(iii) of the Catalist Rules provides that a Director will not be independent if he/ she has been a Director for an aggregate period of more than nine (9) years and his/ her 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 Officer of the company and their respective associates (the “Two-Tier Voting”). Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the Director or (ii) the conclusion of the next AGM of the Company following the passing of the resolutions.

NOTICE OF ANNUAL GENERAL MEETING

The Ordinary Resolutions 5 and 6 are in anticipation of Rule 406(3)(d)(iii) of the Catalist Rules as Mr Ng Li Yong, an Independent Director, would have served as a Director of the Company for more than nine (9) years from the date of his first appointment come 1 January 2022. The Ordinary Resolution 5 to be voted by all shareholders of the Company and the Ordinary Resolution 6 by shareholders excluding the Directors and the Chief Executive Officer of the Company and their respective associates.

Upon passing the Ordinary Resolutions 5 and 6, the continued appointment of Mr Ng Li Yong as an Independent Director of the Company shall continue in force come 1 January 2022 pursuant to Rule 406(3)(d)(iii) of the Listing Manual of the SGX-ST. Should the Ordinary Resolutions 5 and 6 not passed, Mr Ng Li Yong will continue as Non-Independent Director of the Company and the Company will appoint a new Independent Director.

4. The Ordinary Resolution 8, if passed, will authorise the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or the date such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares, make or grant Instruments convertible into new ordinary shares and to issue new ordinary shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), may be issued other than on a pro-rata basis to existing shareholders of the Company.
5. The Ordinary Resolution 9, if passed, will authorise the Directors of the Company, to grant Awards pursuant to the provisions of the Scheme and allot and issue Shares pursuant to the vesting of the Awards under the Scheme. The Scheme was approved by the shareholders of the Company in the extraordinary general meeting on 25 May 2010. Please refer to the Circular dated 10 May 2010 for further details.
6. The Ordinary Resolution 10, if passed, will authorise the Directors of the Company, to purchase or otherwise acquire its issued Shares, on the terms of the Share Buyback Mandate. This authority will continue to be in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting. Please refer to the Circular dated 15 July 2021 for further details.

Notes:

1. The AGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will NOT be sent to members of the Company. Instead, this Notice will be sent to members by electronic means via publication on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://accrelist.listedcompany.com/>.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying announcement by the Company dated 15 July 2021. This announcement may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website <http://accrelist.listedcompany.com/>.
3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://accrelist.listedcompany.com/>.
4. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as a proxy for that Resolution will be treated as invalid.
5. CPF and SRS investors who wish to appointment the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5.00 p.m. on 21 July 2021, at least seven days (7) working days before the AGM in order to allow sufficient time for their respective agent banks or SRS Operator to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
7. The Chairman of the Meeting, as proxy, need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

8. The instrument appointing a proxy or proxies, duly completed and signed, must be submitted by:
- (a) **by post** to Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) **by email** to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com.
- by not later than 2.00p.m. on 28 July 2021, being forty-eight (48) hours before the time fixed for the AGM**
9. The Proxy Form must be signed by the appointor or attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
10. The Company shall be entitled to reject the Proxy Form 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 Proxy Form (such as in the case where the appointor submits more than one Proxy Form).
11. In the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any Proxy Form as proxy lodged if such member, being the appointor, 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 holding the AGM, as certified by CDP to the Company.
12. All questions must be submitted **no later than 2 p.m. on 24 July 2021** by email to the Company's portal at <https://conveneagm.com/sg/accrelist>

Members submitting questions are required to provide their particulars as follows:

- (a) Full name (for individuals) / company name (for corporates) as per CDP/SRS account records;
- (b) National Registration Identity Card Number or Passport Number (for individuals)/ Company Registration Number (for corporates);
- (c) Number of shares in the capital of the Company held;
- (d) Contact Number; and
- (e) Email Address.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms and questions by post, members are strongly encouraged to submit completed Proxy Forms and questions electronically via email.

13. The Management and Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members and publish the responses to those questions on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <http://accrelist.listedcompany.com/> before the deadline to submit the proxy forms.

Personal Data Privacy:

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

*This Notice has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Notice.*

*This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, RHT Capital Pte Ltd, at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

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ACCRELIST LTD.

Registration No.: 198600445D

(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

Important:

1. The Annual General Meeting (AGM) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meeting for Companies, Variable Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant question on or before the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Company's announcement dated 15 July 2021. This announcement may be accessed via the SGX website at the URL: <https://www.sgx.com/securities/company-announcements>
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM of such member wishes to exercise his/her/its voting rights at the AGM.**
4. CPF and SRS investors who wish to appointment the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes at least seven days (7) working days before the AGM in order to allow sufficient time for their respective agent banks or SRS Operator to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

*I/We _____ (Name) _____ (*NRIC/Passport No.)

of _____ (Address)

being a *member/members of ACCRELIST LTD. (the "Company"), hereby appoint the Chairman of the AGM as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 30 July 2021 at 2.00 p.m.. *I/We direct *my/our proxy to vote for, against and/or abstain from voting on the resolution to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM and at any adjournment thereof.

No.	Resolution	No. of shares		
		For	Against	Abstain
1	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2021, together with the Auditors' Report thereon.			
2	Approval of Directors' fees of S\$180,000 for the financial year ending 31 March 2022, to be paid semi-annually in arrears.			
3	Re-election of Mr Lim Yeow Hua @ Lim You Qin as a Director of the Company.			
4	Re-election of Mr Ng Li Yong as a Director of the Company.			
5	Re-appointment of Mr Ng Li Yong as Lead Independent Director of the Company in accordance with Rule 406(3)(d)(iii) of the Catalist Rules of the SGX-ST.			
6	Re-appointment of Mr Ng Li Yong as Lead Independent Director of the Company by all members (excluding the Directors and Chief Executive Officer and their respective associates), in accordance with Rule 406(3)(d)(iii) of the Catalist Rules of the SGX-ST.			
7	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditors and to authorise the Directors to fix their remuneration.			
8	Authority to allot and issue new shares.			
9	Authority to grant awards and issue shares under the Accrelist Share Award Scheme.			
10	To renew Share Buyback Mandate.			

*Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.***

Dated this _____ day of _____ 2021

Total number of Shares held in:	
CDP Register	
Register of Members	

Signature(s) of Member(s) / Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



Notes:

1. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member of the Company (including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/ its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**
2. 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, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form shall be deemed to relate to all the Shares held by you.
3. The instrument appointing the Chairman of the AGM as a proxy must be duly completed and signed and submitted either (i) by mail to the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 OR (ii) by email to sg.is.proxy@sg.tricorglobal.com, **by not later than 2.00 p.m. on 28 July 2021, being forty-eight (48) hours before the time fixed for the AGM.**
4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the AGM as proxy must be executed under the hand of the appointor or attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation.

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AFFIX
STAMP

**The Share Registrar
Accrelist Ltd.
80 Robinson Road
#11-02
Singapore 068898**

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6. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. CPF and SRS investors who wish to appointment the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5.00 p.m. on 21 July 2021, at least seven days (7) working days before the AGM in order to allow sufficient time for their respective agent banks or SRS Operator to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
8. The Company shall be entitled to reject the instrument of proxy which 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 of proxy (including any related attachment or supporting documents). In addition, in the case of Shares entered against his/her/its name in the Depository Register, the Company may reject an instrument of proxy or if such member, being the appointor, is not shown to have Shares against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

"Relevant intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

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 15 July 2021.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Terence Tea Yeok Kian
Executive Chairman and Managing Director

Ng Li Yong
Lead Independent Director

Lim Yeow Hua @ Lim You Qin
Independent and
Non-Executive Director

Alex Kang Pang Kiang
Non-Independent and
Non-Executive Director

AUDIT COMMITTEE

Chairman – Lim Yeow Hua @ Lim You Qin
Member – Ng Li Yong
Member – Alex Kang Pang Kiang

REMUNERATION COMMITTEE

Chairman – Ng Li Yong
Member – Lim Yeow Hua @ Lim You Qin
Member – Alex Kang Pang Kiang

NOMINATING COMMITTEE

Chairman – Ng Li Yong
Member – Terence Tea Yeok Kian
Member – Lim Yeow Hua @ Lim You Qin

COMPANY SECRETARY

Lee Wei Hsiung
Loh Eng Lock Kelvin

REGISTERED OFFICE

10 Ubi Crescent Ubi Techpark
Lobby E #03-95 Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905
Website: www.accrelist.com.sg

CATALIST SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay, #24-02,
Singapore 048580

AUDITORS

Nexia TS Public Accounting Corporation
80 Robinson Road, #25-00
Singapore 068898
Director-in-Charge: Titus Kuan Tjian
Appointed since financial year ended 31 March
2019

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road, #11-02
Singapore 068898

PRINCIPAL BANKER

United Overseas Bank Limited
80 Raffles Place, UOB Plaza 1
Singapore 048624

Standard Chartered Bank (Singapore) Limited
6 Battery Road
Singapore 049909

Maybank Singapore Limited
2 Battery Road
Singapore 049907



ACCRELIST LTD.
亚联盛控股公司
UNEARTHING TOMORROW'S GEM
发掘光辉 开创未来

Company Registration No. : 198600445D
10 Ubi Crescent
Ubi Techpark Lobby E #03-95
Singapore 408564
Tel: (65) 6311 2900 | Fax: (65) 6311 2905

