

CORPORATE INFORMATION

BOARD OF DIRECTORS

NG FOOK AI VICTOR

Independent Non-Executive Chairman

PENG FEI GEORGE

Executive Director and
Chief Executive Officer

PENG WEILE

Executive Director

LO FUI CHU

Independent Non-Executive Director

AUDIT COMMITTEE

LO FUI CHU (Chairman)
NG FOOK AI VICTOR

REMUNERATION COMMITTEE

LO FUI CHU (Chairman)
NG FOOK AI VICTOR

NOMINATING COMMITTEE

NG FOOK AI VICTOR (Chairman)
LO FUI CHU

COMPANY SECRETARY

ONG WEI JIN, LL.B. (Hons)

SHARE REGISTRAR

IN.CORP CORPORATE SERVICES PTE. LTD.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

SPONSOR

SAC CAPITAL PRIVATE LIMITED
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

INDEPENDENT AUDITOR

CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION
(FORMERLY NEXIA TS PUBLIC ACCOUNTING CORPORATION)
80 Robinson Road
#25-00
Singapore 068898
Director-in-charge: Lee Look Ling

(Appointed since the financial year ended
31 December 2019)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

15 Scotts
15 Scotts Road
#04-08, Suite 22
Singapore 228218
Email: healthbank123@gmail.com
Tel: (65) 6716 9780
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This annual report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").

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

The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

CORPORATE PROFILE



2022: A YEAR OF CONTINUOUS TRANSFORMATION AND BUILDING A SUSTAINABLE FUTURE TOGETHER

HealthBank Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was listed on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in 2014. The Group is headquartered in Singapore with principal activity in the property related investment and management business targeting the People’s Republic of China (“**China**”), Singapore and Asia Pacific region.

In June 2022, the Group completed a new shares placement amounting to S\$399,000 (approximately RMB1.9 million), to provide funds for the Group’s general working capital purposes, including but not limited to due diligence expenses in connection with potential investment projects to be undertaken by the Group.

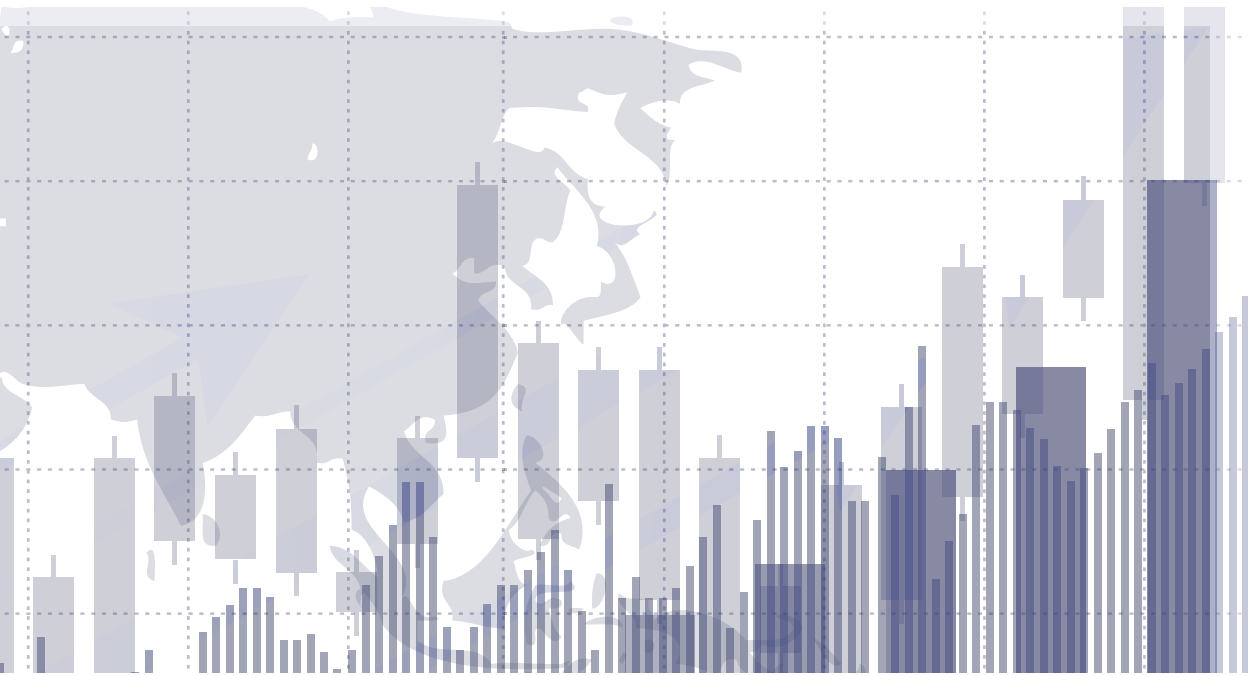
On 20 July 2022, the Group entered into a Sales and Purchase Agreement to dispose of its entire equity interest in its 100% owned subsidiary, HealthBank Technology Development (Liaoning)

Limited (“**HBTD**”) (held via a subsidiary corporation, Elite Management (Singapore) Pte. Ltd.) to a non-related party for a cash consideration of S\$250,000 (approximately RMB1.2 million). On 22 July 2022, the Company announced the completion of this transaction and HBTD had ceased to be the subsidiary of the Group.

On 24 June 2022 and 19 September 2022, the Company redeemed the Convertible Notes issued to EnerlHC Holding Limited, amounting to principal amount of S\$500,000 (approximately RMB2.3 million) and S\$600,000 (approximately RMB2.9 million) respectively.

On 15 November 2022, the last holder of the Company’s Convertible Notes exercised her right to convert the 12,500,000 Conversion Shares at a Conversion Price of S\$0.088. As a result of the above, the Group’s Convertible Loan has been fully redeemed and converted in FY2022.

CORPORATE PROFILE



On 30 December 2022, the Company obtained its shareholders approval to diversify its existing business to include (i) renewable energy business which includes clean energy power projects and on-grid and off-grid renewable energy business segments, and (ii) technologies in the renewable energy business which includes new materials, improved materials and new designs for building solar and wind power farms and improving efficiency. The Group believes the renewable energy industry is expected to grow. This is supported by a global trend towards sustainability, regulatory incentives in major economic territories such as China, the United States and the European Union, and the current relatively lower cost of renewable energy as compared to the traditional sources energy such as crude oil, natural gas and coal. In particular, as noted in the Independent Valuation Report as disclosed in the Company's circular dated 15 December 2022, China has abundant

renewable resources for hydropower, wind and solar energy generation. Coupled with China's carbon neutrality goal and strong government support for renewable energy, the Group is of the view that the renewable industry in China represents good business opportunities for the Group. The Company will continue exploring strategic partnerships for the purpose of diversification into the renewable energy and related business.

Despite challenges amidst the volatile market, the Group will strive to explore new business opportunities. The management will continue to be vigilant in cost controls while always being on the lookout for strategic partnerships with the aim of broadening our revenue stream, improving the Group's performance, and enhancing shareholders' value.

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present to you the annual report of HealthBank Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") for the financial year ended 31 December 2022 ("**FY2022**").

FY2022 IN REVIEW

In FY2022, the travel restrictions in China continued to remain cautious as the Chinese Government continued to strive towards the zero-COVID policy, where only essential business trips were allowed while leisure trips remained restricted for both domestic and international travellers. The cooling measures on the real estate industry by the Chinese Government also adversely impacted the sales of properties under the Atlantis Garden project (the Group's investment via its stake in Libre Hospitality Limited). Following the release of the white paper on Hainan free trade port, the new government policies in China are expected to stimulate the economic conditions in Hainan. We expect it to have a positive impact to our existing investment in Hainan.

The Company has completed the shares placement amounting to S\$399,000 (approximately RMB1.9 million) in June 2022. It has also redeemed a total of S\$1.1 million (approximately RMB5.2 million) of Notes Issue from EnerIHC Holding Limited in FY2022. Following the exercise of right of the last holder of the Company's Convertible Notes to convert the 12,500,000 Conversion Shares at a Conversion Price of S\$0.088 during the financial year, the Group's Convertible Loan has been fully redeemed and converted.

Furthermore, the Group also disposed of its entire equity interest in its 100% owned subsidiary, HealthBank Technology Development (Liaoning) Limited ("**HBTD**") (held via a subsidiary corporation, Elite Management (Singapore) Pte. Ltd.) to a non-related party for a cash consideration of S\$250,000 (approximately to RMB1.2 million).

As at 31 December 2022, the Group's net assets and net current assets amounted to RMB60.08 million and RMB10.97 million respectively. Despite this, the management will remain cautious in managing costs to enhance the Group's profitability. The Group continues to strive in our current businesses and will continue to explore new business opportunities in the Asia Pacific region.

APPRECIATION

On behalf of the Board, I want to thank our stakeholders especially customers, business partners, management and employees as well as professional advisors for their support, commitment and hard work over the past years.

To the shareholders, we would like to thank you for your loyalty and continued support. I look forward to speaking with all of you at the upcoming Annual General Meeting.

Ng Fook Ai Victor

Independent Non-Executive Chairman

CEO MESSAGE: OPERATIONAL AND FINANCIAL REVIEW

DEAR VALUED SHAREHOLDERS

I am pleased to present the annual report of HealthBank Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for the financial year ended 31 December (“**FY**”) 2022.

Revenue

The Group’s revenue for FY2022 amounted to RMB0.38 million, which was an increase of RMB0.28 million compared to the RMB0.10 million recorded in FY2021, due to the increasing activities from the Atlantis Garden Project (“**AG Project**”). This relates to a facility and landscaping management service contract (the “**Contract**”) for the AG Project where the Group has an 8% indirect effective equity interest in the AG Project. The Contract has been further extended from 30 November 2022 to 31 August 2023.

Other income

Other income decreased to RMB0.11 million in FY2022, a decrease of RMB0.09 million from RMB0.20 million in FY2021. The decrease was mainly due to the absence of Job Support Scheme (“**JSS**”) which was introduced in the Singapore Budget 2020 to help enterprises retain local employees. The JSS was a temporary scheme and was extended up to 2021 by the Singapore Government.

Other losses

The Group recorded other losses of RMB6.38 million in FY2022, compared to other gains of RMB0.72 million in FY2021. The other losses in FY2022 were mainly due to the foreign exchange loss of RMB0.85 million and recognition of fair value loss on FVTPL of RMB6.13 million, partially offset against by the gain on disposal of subsidiary corporation amounted to RMB0.60 million.

Employee compensation

Employee compensation decreased to RMB1.45 million in FY2022, a decrease of RMB0.39 million from RMB1.84 million in FY2021. The decrease was

mainly due to the lower staff costs in Singapore and absence of staff costs incurred by HealthBank Technology Development (Liaoning) Limited, a subsidiary corporation which was disposed in July 2022.

Finance costs

Finance costs increased to RMB1.29 million in FY2022, a rise of RMB0.28 million from RMB1.01 million in FY2021. The increase was mainly due to the unwinding effects from the convertible loans.

Other expenses

In FY2022, other expenses rose by RMB0.51 million to RMB2.24 million in FY2022, from RMB1.73 million in FY2021. The increase was mainly due to the professional fees and administrative expenses incurred during the initial stage of a then-intended acquisition of an entity carrying on a windfarm project.

As a result of the above factors, the Group reported net loss after tax of RMB11.18 million in FY2022 as compared to net loss of RMB3.86 million in FY2021.

Financial Position

Current assets

The Group’s current assets increased by RMB4.01 million from RMB8.27 million as at 31 December 2021 to RMB12.28 million as at 31 December 2022. The increase was mainly due to the reclassification of the loan to a third party which amounted to RMB9.5 million from non-current assets to current assets as the loan will be due in the mid of FY2023, partially offset by the decrease of the cash and bank balances of RMB5.17 million due to the net cash outflow from operating activities and financing activities.

Non-current assets

The Group’s non-current assets as at 31 December 2022, totalled RMB49.11 million, which was a decrease of RMB15.63 million from RMB64.74 million as at 31 December 2021. The primary cause of this decrease was the recognition of fair value loss on

CEO MESSAGE: OPERATIONAL AND FINANCIAL REVIEW

FVTPL of RMB6.13 million and the reclassification of the loan to third party which amounted to RMB9.50 million from non-current assets to current assets as the loan will be due in the mid of FY2023.

Current liability

As at 31 December 2022, the balance of other payables increased by RMB0.48 million to RMB1.31 million from RMB0.83 million as at 31 December 2021. The increase was primarily attributed to the unpaid staff costs and directors' fees.

Non-current liability

The Group does not have non-current liability as at 31 December 2022 as a result of the redemption of the convertible loans and the conversion of the convertible loans into new shares during the financial year.

As a result of the above, the total shareholders' equity decreased from RMB63.06 million as at 31 December 2021 to RMB60.08 million as at 31 December 2022.

Cash flows

The Group's cash and bank balances declined to RMB2.74 million as of 31 December 2022, which was a decrease of RMB5.17 million from RMB7.91 million as at 31 December 2021. The decrease in cash and bank balances was primarily caused by the net cash outflows of RMB3.26 million from operating activities and RMB2.82 million from financing activities, partially offset the net cash inflow of RMB0.91 million from investing activities. The net cash outflow from financing activities was largely due to the redemption of convertible loans offset against the issuance of new share capital. The net cash inflow from investing activities was the result of the sales proceeds from disposal of subsidiary corporation, namely HealthBank Technology Development (Liaoning) Limited.

Outlook

With the support of our stakeholders, the Group has taken the decision to diversify into the renewable energy sector. The Group is actively seeking opportunities in the renewable energy sector particularly in clean energy power projects and on-grid and off-grid renewable energy business segments. The Group is also interested in exploring opportunities in the new technologies in the renewable energy business, including but not limited to new materials, improved materials and new designs for building solar and wind power farms and improving efficiency.

Despite challenges amidst the volatile market, the Group will strive to explore new business opportunities. The management will continue to be vigilant in cost controls while always being on the lookout for strategic partnerships with the aim of broadening our revenue stream, improving the Group's performance, and enhancing shareholders' value.

Appreciation

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to all our customers, business partners and shareholders for their unwavering support. I would also like to thank our dedicated management team and staff for their hard work and dedication to the Group. Lastly, I would like to acknowledge our fellow directors on the Board for their guidance and advice throughout the year.

Peng Fei George

Executive Director and Chief Executive Officer

BOARD OF DIRECTORS

NG FOOK AI VICTOR

*INDEPENDENT NON-EXECUTIVE
DIRECTOR AND CHAIRMAN*

Mr. Ng was appointed to the Board on 4 May 2018. He is currently the Chairman of the Nominating Committee as well as a member of the Audit Committee and Remuneration Committee.

Mr. Ng has over 38 years of experience in investment management including private equity fund management and seed funding, and has established several ventures and start-ups with exits including initial public offerings (“**IPO**”), trade sales and merger and acquisition (“**M&A**”).

Mr. Ng has more than 31 years of experience as a director in various companies, including directorship held in companies listed in Singapore and Hong Kong. Mr. Ng is currently an independent director of SGX-Mainboard listed The Place Holdings Limited and Soilbuild Construction Group Ltd., independent director and chairman of SGX-Catalist listed Quantum Healthcare Limited, and an independent director of HKEX-Main Board listed Sunshine 100 China Holdings Ltd.

Mr. Ng holds a BSc (Econs) (Hons), and an MSc (Econs) major in Econometrics, from Birkbeck College, University of London. He was awarded The University of London Convocation Book Prize (First) and the Lord Hailsham Scholarship, among other awards. In 1992, he was awarded the PBM (Community Services) by the President of the Republic of Singapore.

PENG FEI GEORGE

*EXECUTIVE DIRECTOR &
CHIEF EXECUTIVE OFFICER (CEO)*

Mr. Peng was appointed to the Board on 3 October 2016.

Mr. Peng’s role as CEO of the Group is to formulate and set strategic directions for the Group, as well as manage the Group’s corporate finance investments and the daily operation management, development and growth of the Group.

Mr. Peng has over 23 years of experience in investment management, corporate and financial restructuring advisory and strategic planning, with strong knowledge relating to capital markets in China, Hong Kong, Singapore and the United Kingdom. Mr. Peng’s previous experience includes being president of Reignwood International Investment Ltd, where he was responsible for managing the group’s overall investment portfolio activities. Mr. Peng was previously as a non-executive director of Forise International Limited, an SGX Mainboard listed company.

Mr. Peng holds an MSc in Finance and Investment with Distinction from Durham University, United Kingdom.

BOARD OF DIRECTORS

PENG WEILE

EXECUTIVE DIRECTOR

Mr. Peng was appointed to our Board on 3 October 2016 and is responsible for the Group's corporate finance, investor relations, and property related investment.

Mr. Peng has over 21 years of experience in investment banking, direct investment, asset management, corporate advisory, financial restructuring advisory and strategic planning. He has strong knowledge relating to the capital markets in China, Hong Kong, Singapore and Australia. He has been appointed by several companies as their external financial advisor and has been involved in a number of successful listings, pursuant to which he has successfully assisted various Chinese companies in their listing on the stock exchanges in Singapore, Hong Kong and Australia, and has a very good network and in-depth knowledge of capital markets, both on-shore and off-shore.

He is currently an executive director of Forise International Limited. He was previously with Deutsche Morgan Grenfell Securities Ltd and HL Bank Singapore, in which he assisted companies in their fund raising from the equity capital markets in Singapore.

Mr. Peng holds a Master's degree in Finance from the National University of Ireland, Dublin and a Diploma in Wealth Management from Wealth Management Institute of Singapore. He has also completed the Executive Program on "Blockchain Technologies: Business Innovation and Application" by Massachusetts Institute of Technology Sloan School of Management.

LO FUI CHU

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Lo was appointed to our Board on 1 November 2019. Ms. Lo is currently the Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee.

Ms. Lo has over 23 years of experience in listing exercises, including IPO audit, restructuring, compliance and pre-IPO fundraising. Ms. Lo begun her career as an auditor with KPMG Singapore before joining the commercial sector, including companies listed on the SGX-ST, Sinotel Technologies Ltd. as finance director cum chief financial officer and Asia Silk Holdings Limited as chief financial officer, where she has accumulated extensive experience in financial and cost management, compliance of regulations and execution of financial strategies in relation to business expansion and fundraising exercises. Ms. Lo is currently a director of Irasaba Sdn Bhd which operates and manages oil palm plantation.

Ms. Lo has been a member of the Association of Chartered Certified Accountants since 1998.

KEY MANAGEMENT

KERK CHIN LEE

FINANCE MANAGER

Ms. Kerk has joined our Group as Finance Manager on 1 July 2022. Ms. Kerk is responsible for the overall financial reporting, internal controls, treasury function, corporate secretarial and taxation matters of the Group and ensures our Group's compliance with the Catalist Rules of the SGX-ST and other relevant regulations. She has more than 11 years of experience in the accounting and audit fields. She is a member of CPA Australia.

FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS	FY2022	FY2021	Change	
	RMB'000	RMB'000	RMB'000	%
Revenue	379	99	280	>100
Other income	105	201	(96)	(48)
Other (losses)/gains	(6,380)	719	(7,099)	NM
Total expenses	(5,287)	(4,876)	(411)	8
Loss before income tax	(11,183)	(3,857)	(7,326)	>100
Total Loss	(11,183)	(3,857)	(7,326)	>100

FINANCIAL POSITION	31 Dec 2022	31 Dec 2021	Change	
	RMB'000	RMB'000	RMB'000	%
Current assets	12,280	8,269	4,011	49
Non-current assets	49,106	64,742	(15,636)	(24)
Total Assets	61,386	73,011	(11,625)	(16)
Current liabilities	1,310	831	479	58
Non-current liabilities	-	9,125	(9,125)	NM
Total Liabilities	1,310	9,956	(8,646)	(87)
Net Assets	60,076	63,055	(2,979)	(5)
Share capital	37,507	29,194	8,313	28
Other reserves	4,632	5,462	(830)	(15)
Retained profits	17,958	28,368	(10,410)	(37)
Attributable to equity holder of the Company	60,097	63,024	(2,927)	(5)
Non-controlling interests	(21)	31	(52)	NM
Total Equity	60,076	63,055	(2,979)	(5)

CASH FLOW SUMMARY	FY2022	FY2021	Change	
	RMB'000	RMB'000	RMB'000	%
Net cash used in operating activities	(3,258)	(4,119)	861	(21)
Net cash provided by investing activities	907	230	677	>100
Net cash (used in)/provided by financing activities	(2,821)	10,572	(13,393)	NM
Net (decrease)/increase in cash and bank balances	(5,172)	6,683	(11,855)	NM
Cash and bank balances at the end of year	2,737	7,909	(5,172)	(65)

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear stakeholders,

The Board of Directors (the “**Board**”) of HealthBank Holdings Limited (“**HealthBank**” or the “**Company**” and together with its subsidiaries, the “**Group**” or “**We**”) is pleased to present the Sustainability Report (the “**Report**”) for the financial year ended 31 December 2022 (“**FY2022**”), which provides an overview of the Group’s commitment and continued efforts in enhancing sustainability performance.

Our Sustainability Governance Structure

The Group believes that sustainability contributes to the long-term prosperity and development of its business. The Board is responsible for establishing and overseeing the direction of the Group’s sustainability management framework, reviewing the Group’s performance and targets on material economic, environmental, social and governance (“**EESG**”) factors, evaluating and monitoring the Group’s material EESG risks and opportunities during the formulation of its strategic direction, objectives, policies and performance measurements, and approving the information disclosed in the sustainability reports. Under the Board’s delegations, the Group’s senior management (“**Management**”) is responsible for identifying material EESG factors, implementing and integrating sustainability into the Group’s operations, and formulating appropriate solutions to improve the overall EESG performance. The findings, decisions, and suggestions should be reported to the Board annually. For details related to the Group’s governance body and composition, please refer to the “Corporate Governance Report” section of the Annual Report.

Our Sustainability Strategy

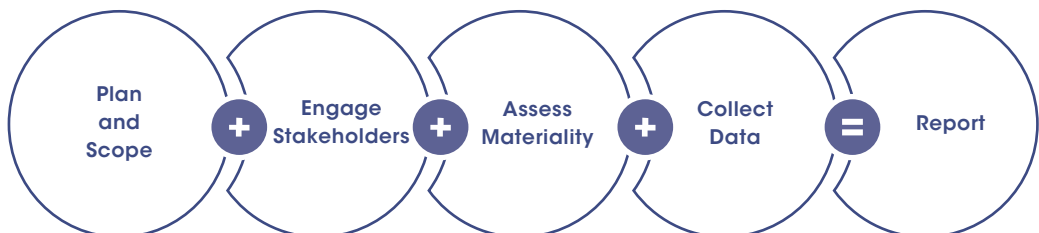
The Board firmly believes that a focus on sustainability is critical to creating potential business opportunities. Companies that are best-in-class in operating in a sustainable manner will be able to offer superior products and services and recruit the best people, thereby outperforming their competitors in the longer term. The Group is therefore committed to conducting its business in a responsible and sustainable manner. We are making progress to improve our sustainability reporting practices in the short term, and to enhance our EESG performance in the medium to long term. In FY2022, the Group has made its first disclosure of the climate-related risk management approach in the Report with reference to the Task Force on Climate-related Financial Disclosures (“**TCFD**”) framework. Through the following approach, the Group aims to effectively manage the material EESG factors relevant to the Group.

The Group strives to adopt the appropriate sustainable practices relevant in our industry and remains committed to contribute to the environment and the well-being of our employees, business and local communities. The Board would like to take this opportunity to thank our employees, customers and business partners for their continuous support, and look forward to their continued support to improve our sustainability practices.

For and on behalf of the Board

Mr. Peng Fei George

Executive Director and Chief Executive Officer



SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reporting Framework

The Report is prepared in compliance with the Rules 711A and 711B of the Catalist Rules and the requirements of Practice Note 7F of the Catalist Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), and with reference to the Global Reporting Initiative (“**GRI**”) Standards 2021. The GRI Standards were chosen as the reporting framework because it is one of the most established international sustainability reporting standards, setting out generic sustainability factors, including general principles and indicators for reporting on policies, practices, performance and targets.

Reporting Scope and Period

The Group issues a sustainability report on an annual basis and published this Report on 13 April 2023 along with the Group’s FY2022 Annual Report. This Report presents and summarises the Group’s policies, practices and performance on material EESG factors for the 12-month period of its financial year from 1 January 2022 to 31 December 2022. It covers the operations of the entities that contributes major revenue to the Group, as listed below:

- HealthBank Holdings Limited, the headquarters in Singapore;
- Hainan Zhongyuan Cultural Tourism Co., Ltd in China;

Elite Management (Singapore) Pte. Ltd., Libre Hospitality Limited and Hainan Zhong Zhi Cultural Tourism Limited were excluded from the reporting scope as there is no operations and has no material impact on the Group’s performance. In line with the Group’s continued commitment to environmental sustainability, the Group will strengthen its sustainability framework and practices in the future and will expand its scope of disclosures as the Group’s sustainability reporting matures.

Independent Assurance

This Report has undergone the internal review process and was reviewed by the Board. The data and information provided within this Report have not been reviewed by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy. To further ensure the accuracy of the data and information provided in this Report, we will consider seeking external independent assurance review in the future.

Feedbacks

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your comments and suggestions via email to healthbank123@gmail.com.

Report Accessibility

This Report forms part of the Group’s FY2022 Annual Report and is available on the SGX-ST’s website.

ORGANISATIONAL PROFILE

HealthBank Holdings Limited is listed on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in 2014 and incorporated and domiciled in Singapore.

On 11 December 2019, the Group completed the acquisition of 90% equity interest in Libre Hospitality Limited (“**LHL**”), a strategic transformation for the Group as the acquisition presents a good opportunity to invest in Atlantis Garden Project, a residential development project in Haikou, Hainan Province, China (“**Hainan**”) and tap into the growth potential in Hainan, which is slated by the Chinese Government for development into an international tourism destination and the largest Free Trade Zone in China.

SUSTAINABILITY REPORT

In 2020, the Group sees potential opportunities in Hainan despite the challenging macroeconomic environment. On 18 September 2020, the Group entered into a joint venture agreement to establish a 51% owned company in Hainan. The objective is to provide property investment and management services in the Hainan International Free Trade Zone. In March 2021, this joint venture company, Zhongyuan Cultural Tourism Co., Ltd, has been awarded a facilities and landscaping management contract for the Atlantis Garden Project.

2021 continues to be like the previous year which is filled with economic uncertainties and volatile market conditions. Notwithstanding the impact brought on by the COVID-19 pandemic, the Group continues to believe in the opportunities in Hainan. On 31 December 2021, the Company completed the purchase of the 10% stake in LHL, bringing its total stake to 100%.

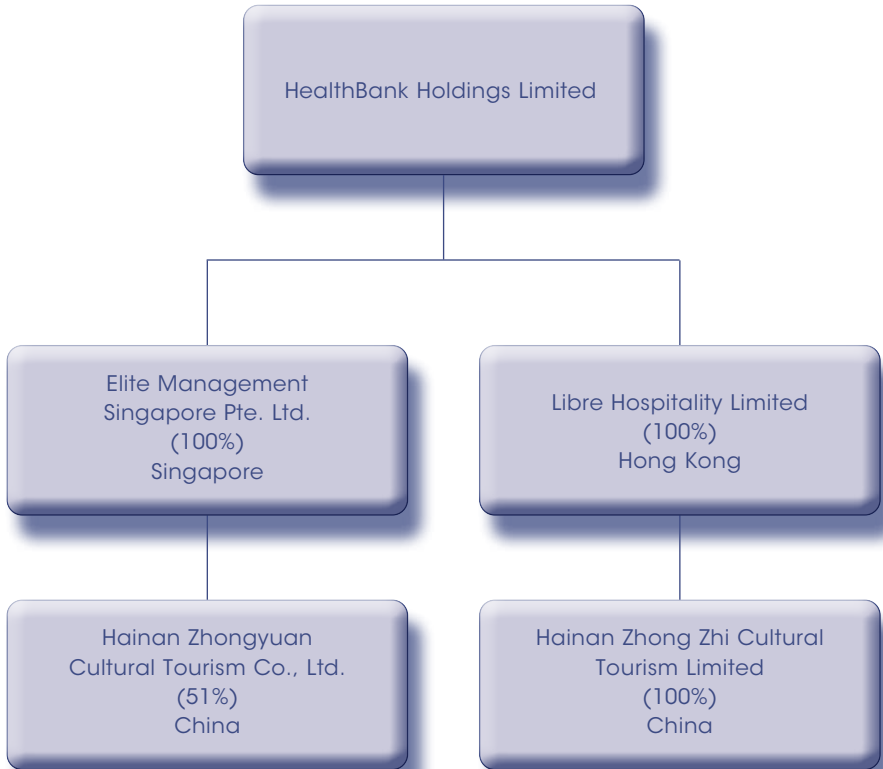
On 30 December 2022, the Company has obtained its shareholders approval to diversify its existing business to include (i) renewable energy business which includes clean energy power projects and on-grid and off-grid renewable energy business segments, and (ii) technologies in the renewable energy business which includes new materials, improved materials and new designs for building solar and wind power farms and improving efficiency. The Group believes the renewable energy industry is expected to

grow, supported by a global trend towards sustainability, regulatory incentives in major economic territories such as China, the United States and the European Union, and the current relatively lower cost of renewable energy as compared to the traditional sources energy such as crude oil, natural gas and coal. In particular, as noted in the Independent Valuation Report as disclosed in the Company's circular dated 15 December 2022, China has abundant renewable resources for hydropower, wind and solar energy generation. Coupled with China's carbon neutrality goal and strong government support for renewable energy, the Group is of the view that the renewable industry in China represents good business opportunities for the Group.

The Group will continue its efforts in structural financial planning and cost efficiency, as well as focusing on growth through strategic restructuring and collaborations in new business segments with resilient and high growth potential in China, Singapore and Asia Pacific region, with the goal of expanding and enhancing the performance and net asset value of the Group. Despite all these challenges, the Group will continue to strive in our current business and will continue to explore new business opportunities and always lookout for strategic partnerships with the aim of broadening our revenue stream, improving the Group's performance, and enhancing shareholders' value.

SUSTAINABILITY REPORT

GROUP STRUCTURE



SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, investors/shareholders, customers, employees, government and regulators, service providers, and media and local communities. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The table below sets out our engagement with our stakeholders:

Stakeholders	Engagement and communication channels	Frequency of engagement	Key concerns raised
Investors/ shareholders	Annual General Meeting	Yearly	Economic performance
	Corporate announcements	Ad-hoc	Corporate governance
	Financial results announcements on SGXNet	Half-yearly/yearly	Timely disclosure of information
Customers	Email queries	Daily	Service quality
			Customer privacy protection
Employees	Staff appraisal	Yearly	Fair employment
			Training and education
			Occupational health and safety
Government and regulators	Occasional physical/virtual meetings	Ad-hoc	Business ethics and compliance
	E-mails		
Service providers	Physical/virtual meetings	Yearly	Procurement practices
	Regular assessment		Prompt payment
Media and local communities	Sustainability reports	Yearly	Business ethics and compliance
			Environmental protection
			Supporting local communities

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The Group conducts a materiality assessment on an annual basis. We adopt a multi-faceted view, assessing the potential impact of EESG issues on our business (including strategy and business model), financial planning, the economy, environment and people (including impacts on their human rights) and influence on the stakeholders. A list of material EESG issues were identified and prioritised by taking reference from the regulatory requirements, international standards (such as SASB and MSCI), global and industry trend, peer benchmarking and interview with the Management. In FY2022, the Group has identified the following material aspects:

List of Material Topics	
Governance	Business Ethics and Compliance
	Enterprise Risk Management ("ERM")
Economic	Economic Performance
	Anti-corruption and Whistleblowing
Environmental	Climate Risk Mitigation and Adaptation
	Energy and Emissions Management
	Supplier Environmental Assessment
Social	Diversity and Equal Opportunity
	Fair Employment
	Occupational Health and Safety
	Training and Education
	Customer Privacy Protection
	Supporting Local Communities

GOVERNANCE

Business Ethics and Compliance

The Group firmly believes that focus on sustainability is critical and that it offers attractive opportunities. We are fully committed to the highest standards of corporate governance, and strive to advance responsible business conduct and uphold our commitment to respect human rights. We believe that long-term profitability and shareholder value can be ensured by taking into account the interests of stakeholders. We are committed to:

- Complying with all local laws and regulations where we operate;
- Preventing any possibility of conflict of interest in the workplace, as stipulated in the Employee Code of Conduct Policy;
- Adhering to the principles set forth in internationally recognised codes, including but not limited to the United Nations ("UN") Guiding Principles on Business and Human Rights, the UN Global Compact and the OECD guidelines for Multinational Enterprises; and
- Maintaining an active dialogue with our stakeholders to understand their expectations.

SUSTAINABILITY REPORT

We target to maintain zero incidents of non-compliance with laws and regulation in socioeconomic and environmental aspects, and ensure that all allegations received are promptly addressed. There have been no incidences reported for FY2022 (FY2021: Nil).

ERM

ERM is an integral part of good corporate governance as well as resource management. A thorough and comprehensive ERM framework enables HealthBank to identify, communicate and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on ERM, please refer to the "Corporate Governance Report" section of the Annual Report. We will regularly review the ERM policies to ensure all relevant risks are identified, communicated and addressed in a timely manner.

ECONOMIC

Economic Performance

We view economic performance as a material factor as we believe our business' economic viability is important to our stakeholders. For detailed financial results, please refer to the sections of "CEO Message: Operational and Financial Review", "Financial Highlights" and the financial statements in the Annual Report.

Our goal is to strive for continuous improvement in our existing businesses, and to make every effort to explore new business opportunities, in order to expand and enhance the Group's performance and shareholder value. We also strive to integrate the concepts of sustainability into our investment practices and advisory services by making socially responsible investments and encouraging our clients to act likewise. Governance, internal controls, environment, human capital and health and safety are some of the areas assessed by deal teams and considered by the Board as part of the investment decision-making process. If a client has a specific request to invest in a company with undesirable EESG factors, HealthBank may choose to turn down the transaction or re-assess the relationship. In addition, the Management will look for various best practices in the areas of business conduct, management reporting, financial planning and analysis, cash management, internal controls and risk management, with an aim to attain sustainable economic and business growth.

Anti-Corruption and Whistleblowing

The Group has a zero-tolerance stance on corruption. In our dealings with our clients, we require our employees to strictly uphold the Group's policy on anti-corruption, anti-bribery and anti-fraud. We have put in place a Whistleblowing Policy that sets out the procedures for a whistleblower to make a report on misconduct or wrongdoing relating to the Group and its officers. The Audit Committee is responsible for overseeing and monitoring the whistleblowing process. Together with the Group's internal auditors, the Audit Committee reviews the anti-corruption and whistleblowing policies regularly to ensure that their robustness and comprehensiveness. The relevant policies and procedures have been communicated to all Board members and all employees via internal memo and employment contracts. Please refer to the "Corporate Governance Report" section of the Annual Report for further details on the Group's Whistleblowing Policy.

There were no reported incidents of corruption, fraud or other malpractice in FY2022 (FY2021: Nil) and we target to maintain the record for FY2023.

SUSTAINABILITY REPORT

ENVIRONMENTAL

Based on the Group's operating scope, our business operations have very limited impact towards the environment. However, we always strive to avoid unnecessary impact on the environment and to further reduce environmental impact. Our efforts are mainly focused towards minimising our energy usage.

Climate Change Mitigation and Adaptation

Climate risk considerations have stood out as a critical aspect of business continuity that needs to be addressed. Through the adoption of the recommendations of the TCFD framework, we assess the impact of key climate-related risks and opportunities and disclose climate action strategy under four overarching elements, including governance, strategy, risk management and metrics and targets.

Governance

We have established a robust governance structure as described in the "Board Statement" section. The Board oversees the Group's sustainability in the formulation of its strategy and approves the disclosures on the Group's climate-related risks and opportunities and its responding actions to enhance climate resilience. Under the Board's delegations, the Management is responsible for implementing and integrating relevant mitigation and adaptation measures into the Group's operations.

Strategy

We acknowledge that climate change brings risks and opportunities to our business. To strengthen our understanding of the climate-related issues, the Group has incorporated climate risks into its ERM process and strives to keep abreast of the latest trends in climate adaptation and mitigation through stakeholder engagement. The Group has actively taken the following measures in response to the potential risks and opportunities.

Risk Management

Physical risks

Since the Group has adopted flexible working arrangements in its rented offices, the disruption to its routine business operations and the corresponding financial impact caused by extreme weather events is minimal. For the safety of its employees, the Group will closely monitor the latest weather news and provide guidance on the working arrangement when required according to the suggestions issued by the local authorities.

Transition risks

Local governments have been accelerating the transition to a low-carbon economy. The development of international policies and regulations on climate change may therefore pose potential transition risks to the Group. The Group may have to incur higher operating costs to comply with the regulatory changes. Failure to meet climate change compliance requirements may expose the Group to the risk of claims and litigation, which may result in a possible loss of corporate reputation. The Group will regularly monitor existing and emerging climate-related trends to avoid reputation risk due to slow response. We will also pay attention to policies and regulations and obtain compliance advisory services when necessary. The Group intends to maintain high transparency in sustainability reporting and its related activities which establishes trust and confidence in its relationship with investors and customers.

SUSTAINABILITY REPORT

Metrics and Targets

The Group follows the best practice of enhancing energy-efficiency and complies with related environmental laws and regulations. Relevant targets and measures on climate change and energy-saving can be found in the below section headed "Energy and Emission Management".

Energy and Emissions Management

We recognise the importance of combating the effects of climate change. Based on our business activities and model however, the Group is minimally involved in environmentally impactful activities or activities with high energy consumption. The Group does not consume fuel directly from either renewable or non-renewable sources, therefore it does not generate any air emissions and direct (Scope 1) Greenhouse Gas ("GHG") emissions. The Group only consumes electricity for its daily operations. As the utility expenses were included in the management fee of the rented share offices, relevant energy consumption data and energy indirect (Scope 2) GHG emissions are not available.

Nonetheless, the Group remains committed to enhance energy efficiency. We encouraged employees to practise energy-saving initiatives, including but not limited to:

- Using energy only when needed (for example, turning off the lights when not in use);
- Installing LED energy-saving bulbs; and
- Adjusting the air-conditioning system according to weather and seasonal conditions.

Starting from FY2023, we will disseminate email messages related to energy conservation and climate change annually to raise awareness among employees, in an attempt to fulfil our commitment with the contribution of all employees.

Supplier Environmental Assessment

The Group strives to monitor its environmental impact and encourages its stakeholders, such as service partners and trading partners, to meet the same expectations. We ensure that all new suppliers are screened and selected with taking into consideration of environmental criteria and have been using reputable mid-tier companies that are environmentally friendly. To meet the expectation of our clients, we conduct regular assessments of our key service providers to ensure that they all comply with anti-child labour laws and avoid the use of non-eco-friendly materials. When necessary, the Group will request key service providers to present their policies on monitoring and managing EESG issues including environmental protection, ethics, training, and to report any cases of non-compliance with environmental or safety laws. In FY2022, none of our key service providers were identified as having significant actual and potential negative environmental impacts.

SUSTAINABILITY REPORT

SOCIAL

Diversity and Equal Opportunity

We embrace diversity, and at the same time expect employees to be aligned with the Group's vision and strategic initiatives. As at 31 December 2022, the Group has a total of 5 employees (as at 31 December 2021: 7 employees). The Group does not have any part-time or temporary employee as at 31 December 2022 and 31 December 2021. Details breakdown is as follows:

Category	Governance body	Employees		Total
	Executive directors	Management	General staff	
By gender				
Male	2 (100%)	-	1 (50%)	3 (80%)
Female	-	1 (100%)	1 (50%)	2 (20%)
By age group				
< 30 years old	-	-	-	-
30 – 50 years old	1 (50%)	1 (100%)	2 (100%)	4 (80%)
> 50 years old	1 (50%)	-	-	1 (20%)
By geographical region (Place of work)				
Singapore	1 (50%)	1 (100%)	-	2 (40%)
China	1 (50%)	-	2 (100%)	3 (60%)

The Group recognises the benefits of having an effective and diverse Board, and understands that skill diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. Taking into account the nature and scope of the Group's operations, the Group reviews the Board composition annually and believes the current composition is diverse in terms of skills, experience and attributes for effective decision-making for the Group.

Our Board had 2 female Directors amongst its 5 members until 15 November 2022 and 1 female Director amongst its 4 members as at 31 December 2022 (31 December 2021: 2). Please refer to the "Corporate Governance Report" section of the Annual Report, in which our Board composition and board diversity policy has been set out in greater detail.

Fair Employment

The Group endeavours to create and maintain an inclusive and collaborative workplace culture in which all employees can thrive. Detailed employment practices have been stipulated in the Employee Code of Conduct Policy to ensure its compliance with labour and employment laws.

SUSTAINABILITY REPORT

The Group is dedicated to maintaining workplaces that are free from discrimination, physical or verbal harassment against any individual on the basis of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion, among others. Employees are encouraged to report on any incidents in relation to discrimination to their immediate superior or Human Resources Department through the whistleblowing system. In FY2022, there were no reported incidents of discrimination (FY2021: Nil) and we target to maintain the record for FY2023.

Due to the disposal of a wholly-owned subsidiary, HealthBank Technology Development (Liaoning) Limited) (held via a subsidiary corporation, Elite Management (Singapore) Pte. Ltd. during the financial year, the Group has recorded an overall employee turnover rate of approximately 29% in FY2022. The breakdown is as follows:

Category	FY2022 Number and rate of employee turnover
By gender	
Male	2 (100%)
Female	-
By age group	
< 30 years old	
30 – 50 years old	2 (100%)
> 50 years old	-
By geographical region (Place of work)	
Singapore	-
China	2 (100%)

As we recognise that human capital is the backbone in supporting the development of the Group, we are committed to provide competitive remuneration packages to full-time employees. Full-time employees are given benefits including but not limited to parental leave, life insurance, health care, and disability and invalidity coverage. We believe that these benefits will attract and retain talent, create a positive work environment and help strengthening employee's commitment to the Group.

Occupational Health and Safety

The Group is committed to safeguarding our employees' health and safety against any potential workplace hazards. We have taken measures to enhance employees' awareness of occupational health and safety in areas include fire safety, hygiene, work-life balance and prevention of injuries.

In view of the COVID-19 outbreak, the Group remains highly vigilant to the potential impact of health and safety on its employees. The Group has implemented COVID-19 control measures in accordance with regulations imposed by the Minister of Manpower in Singapore and other local authorities in China. Measures includes but not limited to work from home arrangement for office staff, restriction of physical meetings at workplace, monitoring of health program, safe distancing and other practices as required.

There have been no work-related fatalities, high-consequence work-related injuries and recordable work-related injuries for FY2022 (FY2021: Nil) and we target to maintain the record for FY2023.

SUSTAINABILITY REPORT

Training and Education

HealthBank understands that there is a continuous need to upgrade staff skills and knowledge. This is beneficial to the staff development and also to the Group. Thus, staff are encouraged to go for courses and seminars to keep themselves updated of the latest rules and regulations and the market investment trends. All Directors have undergone an average of 4 hours training on sustainability matters as prescribed by the SGX-ST. There is no training given to employees in FY2022 as the Group reduces gathering due to the COVID-19 pandemic. The Group will strive to provide training programmes to our employees in due course in the coming years. Our target for FY2023 is to increase the average hours of training to 10 hours per employee per year to ensure the adequate level of training for their scope of work.

Customer Privacy Protection

The Group complies with relevant laws and regulations concerning customer privacy and endeavours to protect the personal data from misuse, loss, unauthorised access, modification, or disclosure. The Group has stipulated relevant rules in the Employee Code of Conduct Policy to ensure that the employees who handle customers' personal data and complaint data respect the confidentiality of such personal data and privacy, and handle with care to ensure customer privacy.

During FY2022, the Group has received no substantiated complaints concerning breaches of customer privacy and identified no leaks, thefts, or losses of customer data. We target to maintain this record for FY2023.

Supporting Local Communities

The Group recognises the importance in being socially responsible and strives to give back to society in a positive and meaningful way. The Group considers ways of supporting communities in which it operates through charitable donations and participating corporate social responsibility ("CSR") activities, such as reaching out to the less fortunate and extending a helping hand to them.

Unfortunately, due to the continuous outbreak of the COVID-19 pandemic in FY2022, as well as the various measures imposed to contain the spread of the virus such as social distancing, restriction of visits, limited size gathering and others, the Group had to suspend its CSR projects temporarily until the pandemic tides over. However, the Group intends to continue supporting various community projects where appropriate, to do our part to contribute to society and the environment.

SUSTAINABILITY REPORT

SGX-ST Content Index	
Primary Component	Reference/Description
(a) Material environmental, social and governance factors	MATERIALITY ASSESSMENT
(aa) Climate-related disclosures consistent with the recommendations of the TCFD	ENVIRONMENTAL – Climate Change Mitigation and Adaptation
(b) Policies, practices and performance	GOVERNANCE; ECONOMIC; ENVIRONMENTAL; SOCIAL
(c) Targets	GOVERNANCE; ECONOMIC; ENVIRONMENTAL; SOCIAL
(d) Sustainability reporting framework	ABOUT THE REPORT – Reporting Framework
(e) Board statement and associated governance structure for sustainability practices	BOARD STATEMENT

GRI Content Index		
GRI Standard	Disclosure	Reference/Description
Statement of use		HealthBank has reported the information cited in this GRI content index for the period 1 January 2022 and 31 December 2022 with reference to the GRI Standards.
GRI 1 used		GRI 1: Foundation 2021

GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	2-1	Organizational details	BOARD STATEMENT; ABOUT THE REPORT – Reporting Scope and Period
	2-2	Entities included in the organization's sustainability reporting	ABOUT THE REPORT – Reporting Scope and Period
	2-3	Reporting period, frequency and contact point	ABOUT THE REPORT – Reporting Scope and Period, Feedbacks
	2-4	Restatements of information	No restatement was made in FY2022
	2-5	External assurance	ABOUT THE REPORT – Independent Assurance
	2-6	Activities, value chain and other business relationships	ORGANISATIONAL PROFILE
	2-7	Employees	SOCIAL – Diversity and Equal Opportunity

SUSTAINABILITY REPORT

2-9	Governance structure and composition	BOARD STATEMENT – Our Sustainability Governance Structure
2-12	Role of the highest governance body in overseeing the management of impacts	BOARD STATEMENT – Our Sustainability Governance Structure
2-13	Delegation of responsibility for managing impacts	BOARD STATEMENT – Our Sustainability Governance Structure
2-14	Role of the highest governance body in sustainability reporting	BOARD STATEMENT – Our Sustainability Governance Structure
2-22	Statement on sustainable development strategy	BOARD STATEMENT – Our Sustainability Strategy
2-23	Policy commitments	CORPORATE GOVERNANCE – Business Ethics and Compliance
2-27	Compliance with laws and regulations	CORPORATE GOVERNANCE – Business Ethics and Compliance
2-28	Membership associations	Member of Singapore Business Federation
2-29	Approach to stakeholder engagement	STAKEHOLDER ENGAGEMENT

GENERAL DISCLOSURE

GRI 3: Material Topics 2021	3-1	Process to determine material topics	MATERIALITY ASSESSMENT
	3-2	List of material topics	MATERIALITY ASSESSMENT
	3-3	Management of material topics	GOVERNANCE; ECONOMIC; ENVIRONMENTAL; SOCIAL

MATERIAL TOPICS

GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	ENVIRONMENTAL – Climate Change Mitigation and Adaptation
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	ECONOMIC – Anti-corruption and Whistleblowing
	205-3	Confirmed incidents of corruption and actions taken	ECONOMIC – Anti-corruption and Whistleblowing
GRI 302: Energy 2016	302-1	Energy consumption within the organization	ENVIRONMENTAL – Energy and Emissions Management

SUSTAINABILITY REPORT

GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	ENVIRONMENTAL – Energy and Emissions Management
	305-2	Energy indirect (Scope 2) GHG emissions	ENVIRONMENTAL – Energy and Emissions Management
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ENVIRONMENTAL – Energy and Emissions Management
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	ENVIRONMENTAL – Supplier Environmental Assessment
	308-2	Negative environmental impacts in the supply chain and actions taken	ENVIRONMENTAL – Supplier Environmental Assessment
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SOCIAL – Diversity and Equal Opportunity
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SOCIAL – Fair Employment
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	SOCIAL – Occupational Health and Safety
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SOCIAL – Training and Education
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SOCIAL – Diversity and Equal Opportunity
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	SOCIAL – Fair Employment
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SOCIAL – Supporting Local Communities
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SOCIAL – Customer Privacy Protection

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of HealthBank Holdings Limited (the “**Company**”) is committed to ensuring a high standard of corporate governance within the Company and its subsidiaries (the “**Group**”), as a fundamental part of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This report outlines the Company’s corporate governance framework and practices with specific reference to the principles of the Code of Corporate Governance 2018 (the “**Code**”) for the financial year ended 31 December 2022 (“**FY2022**”). Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), a company listed on the SGX-ST must comply with principles of the Code, or explicitly identify and explain variations from the Code. The Company is pleased to report that for FY2022, the Group has adhered closely with the core principles of corporate governance laid down by the Code. Where there are any deviations from the provisions of the Code, the Company has explained in this report on how its practices are consistent with the intent of the relevant principles.

This report is divided into four (4) main sections:

1. Board Matters
2. Remuneration Matters
3. Accountability and Audit
4. Shareholder Rights and Engagement

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Catalist Rules.

1. BOARD MATTERS

1.1. The Board’s Conduct of Affairs

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

The Board’s primary role is to protect and enhance shareholders’ value. The responsibilities of the Board include:

- (a) providing entrepreneurial leadership, setting strategic direction, determining the Group’s values and standards (including ethical standards) and ensuring the overall corporate policies of the Group and necessary resources are in place for the Group to meet its objectives;
- (b) overseeing the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;
- (c) monitoring the Board composition, processes and performance;

CORPORATE GOVERNANCE REPORT

- (d) setting financial objectives and monitoring the Group's financial performance and the performance of the Company's management team ("**Management**");
- (e) balancing the demands of the business with those of the Company's stakeholders and ensuring obligations to material stakeholder groups (including shareholders) are met; and
- (f) considering sustainability issues as part of its strategic formulation.

All Directors exercise due care in discharging their duties and responsibilities and are obliged to act in good faith and consider at all times the interests of the Company. The Company has established terms of reference for the conduct of Board matters. All staff are expected to uphold high standards of integrity that are in compliance with the Company's internal code as well as laws and regulations of the countries in which they operate. The Board extends these standards to operations of the Group's subsidiaries. For example, on 9 January 2021, the Group has through its wholly-owned subsidiary, Elite Management (Singapore) Pte. Ltd., established and operated a company known as Hainan Zhongyuan Cultural Tourism Co., Ltd (the "**JV Company**") in China to conduct the business of properties investment and management. The Company has established a code of business ethics that sets the principles of business ethics and covers areas such as business conduct, protection of the JV Company's assets, confidentiality of information and conflicts of interest.

Directors must avoid situations in which their own personal or business interests conflict or potentially conflict with the interest of the Group, directly or indirectly. Each Director is required to promptly disclose any actual, potential and perceived conflict of interest in relation to any matter as soon as is practicable after the relevant facts have come to his/her knowledge. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions. When an actual, potential or perceived conflict of interest arises, the concerned Director must recuse himself/herself from discussions and decisions involving the matter, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting on resolutions regarding the matter.

Directors are involved in the supervision of the management of the Group's operations. The Company has internal guidelines and approval limits for operational, financial and capital expenditure requirements. Under these guidelines, the matters which specifically require the Board's decision or approval are those involving, inter alia, the following:

- (a) corporate strategy, business plans and all matters of strategic importance;
- (b) investment and divestment proposals;
- (c) funding decisions of the Group;
- (d) nominations of directors for appointment to the Board and appointment of key management personnel ("**KMP**");
- (e) announcement of half-year and full-year results, the Annual Reports and financial statements;

CORPORATE GOVERNANCE REPORT

- (f) material acquisitions and disposal of assets;
- (g) corporate or financial restructuring;
- (h) share issuance;
- (i) dividends and other returns to shareholders; and
- (j) Directors' and KMP's remuneration.

The Executive Directors are appointed by way of service agreements while the Non-Executive Directors are appointed by way of letters of appointment. The duties and responsibilities of the Directors are clearly set out in these service agreements and letters of appointment. Directors newly appointed to the Board will undergo a comprehensive and tailored orientation program and will be provided with materials to help them familiarise themselves with their duties as a Director, how to discharge those duties, and business and governance practices of the Company.

For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, the Company will, pursuant to Rule 406(3)(a) of the Catalist Rules, within one year from their dates of appointment, arrange for such Director to undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Such prescribed training courses are organised by the Singapore Institute of Directors. The newly appointed Directors are also encouraged to attend other courses by various training institutions which cover areas such as management, accounting, legal, compliance and industry-specific knowledge, where appropriate, in connection with the Director's duties.

To enable the Directors to gain a better understanding of the Group's business, they are encouraged to request for further explanations, briefings or informal discussions on the Company's operations or business with the Management. Directors are also given opportunities to visit the Group's operational facilities and meet with the Management.

As part of their continuing education, the Directors may at the Company's expense attend relevant training seminars or informative talks to apprise themselves of legal, financial and other regulatory developments. The Directors are updated on the requirements, as well as amendments thereto, of the SGX-ST and other statutory and regulatory bodies from time to time, to enable them to make well-informed decisions and carry out their roles and responsibilities competently.

The Company is responsible for arranging and funding the training of the Directors. The Company may from time to time arrange for the Directors to attend seminars and receive training to improve themselves in the discharge of their duties as Directors. The Company also works closely with professionals to provide its Directors with updates in changes to relevant laws, regulations and accounting standards. All Directors have undergone an average of 4 hours training on sustainability matters as prescribed by the SGX-ST.

CORPORATE GOVERNANCE REPORT

During FY2022, the Directors were provided with updates on changes in laws and regulations which were of relevance to the Group, including amendments to the Companies Act 1967 of Singapore (“**Companies Act**”) and the Catalist Rules. The independent auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board committee meetings.

The Board meets on a half-yearly basis and ad-hoc meetings may be convened whenever deemed necessary to address any specific issue of significance that may arise. The Board approves resolutions by way of written resolutions, which are circulated to the Board together with all relevant information regarding the proposed matter. The Company’s Constitution allows a Board meeting to be conducted by means of telephone conference or other methods of simultaneous communication whether by electronic or other means.

In carrying out and discharging its duties and responsibilities efficiently and effectively, the Board is assisted by various Board committees, namely the Audit Committee (the “**AC**”), the Nominating Committee (the “**NC**”) and the Remuneration Committee (the “**RC**”). Each Board committee has its own terms of reference, setting out its composition, authorities and duties, and these terms have been approved by the Board. All Board committees are chaired by an Independent Director. While these Board committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board committees ultimately lies with the entire Board.

The attendance of the Directors at meetings of the Board and Board committees during FY2022, as well as the frequency of such meetings, is disclosed below:⁽¹⁾

Name of Director	Board	AC	RC	NC	Annual General Meeting (“AGM”)	Extraordinary General Meeting (“EGM”)
Number of meetings held in FY2022	2	3	1	1	1	1
Attendance						
Mr. Ng Fook Ai Victor	2 [#]	3	1	1 [#]	1 [#]	1 [#]
Mr. Peng Fei George	2	3*	1*	1*	1	1
Mr. Peng Weile	2	3*	1*	1*	1	1
Ms. Lo Fui Chu	2	3 [#]	1 [#]	1	1	1
Ms. Oh Pei Si ⁽²⁾	2	2	1	1	1	-

CORPORATE GOVERNANCE REPORT

Notes:

* Attendance as invitee

Attendance as chairman

- (1) Mr. Chai Ming Hui was appointed to our Board as a Non-Independent Non-Executive Director on 14 February 2023 and resigned from our Board on 6 April 2023. Hence, his attendance is not reflected in the above table.
- (2) Ms. Oh Pei Si resigned from our Board with effect from 15 November 2022, prior to the AC meeting held on 21 November and the EGM held on 30 December 2022.

When a Director holds multiple board representations and other principal commitments, the NC considers whether the Director is able to and has adequately carried out his/her duties as a Director of the Company. Having regard to the effectiveness of the Board, the Directors' attendance and deliberations at meetings of the Board and Board committees and the time spent by the Directors on the Company's affairs, the NC is of the opinion that Directors holding multiple board representations and other principal commitments have given sufficient time and attention to the affairs of our Group. Therefore, and until such need arises, the NC and the Board do not propose to set a limit on the number of listed company board representations which the Directors may hold.

The Management recognises the importance of providing timely information to the Board so that it may discharge its duties effectively. The Management regularly furnishes the Board and where appropriate, each Director, with information about the Group as well as the relevant background information or explanatory information relating to the matters to be discussed at Board meetings for the Board to comprehensively understand the issues to be deliberated and make informed decisions thereon. Prior to the announcement of half-yearly and full year results, the Executive Directors will present the Group's performance together with explanatory details of its operations to the AC, which will review and recommend the same to the Board for approval and authorisation for the announcement of the results.

Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff able to explain and provide insights to the matters to be discussed are invited to make presentations and answer any queries that the Directors may have.

The Board has separate and independent access to the Management, the Company Secretary and external professionals, including the continuing sponsor, auditors and other advisers where necessary. Each Director has the right to seek independent legal and other professional advice, at the Company's expenses, concerning any aspect of the Group's operations or undertakings in order to fulfil his/her duties and responsibilities as a Director.

The Company Secretary and/or his representatives attend all Board and Board committee meetings. The Company Secretary, together with the Management, is responsible for ensuring that appropriate procedures are followed and the requirements of the Companies Act and the Catalist Rules are complied with. The Company Secretary also assists on governance matters from time to time. Under the direction of the Chairman, the Company Secretary and the Management facilitate the flow of information within and across the Board and its Board committees, and between the Management and Non-Executive Directors. The appointment and the removal of the Company Secretary is decided by the Board as a whole.

CORPORATE GOVERNANCE REPORT

1.2. Board Composition and Guidance

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

The Board currently consists of four (4) members, including two (2) Executive Directors and two (2) Independent Non-Executive Directors. The Chairman of the Board, Mr. Ng Fook Ai Victor, is independent.

As two out of four members of the Board including our Chairman, are Independent Directors, there is a strong independent element on the Board and no individual or group of individuals dominate the Board's decision-making process.

However, the Board recognises that the above composition departs from the requirements of Provision 2.3 of the Code, which stipulates that Non-Executive Directors should make up a majority of the Board. The Board is nevertheless of the opinion that this is only a temporary departure as it is actively looking for suitable candidates with the relevant experience and knowledge to be appointed within the timeframe stipulated by the Catalist Rule, and will make the necessary announcement in due course.

As at the date of this Annual Report, the Directors are:

Executive Directors

Mr. Peng Fei George	Executive Director and Chief Executive Officer ("CEO")
Mr. Peng Weile	Executive Director

Non-Executive Directors

Mr. Ng Fook Ai Victor	Independent Non-Executive Chairman and Chairman of the NC
Ms. Lo Fui Chu	Independent Non-Executive Director and Chairman of the AC and the RC

Board independence

The NC and the Board consider an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

The requirement of an appropriate level of Board independence being critical in corporate governance, the Catalist Rules strictly stipulate when a Director will not be considered independent. Under Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules, a Director will not be considered independent if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the current or any of the past three (3) financial years, and whose remuneration is or was determined by the remuneration committee of the issuer.

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The NC and the Board review the independence of the Independent Directors annually. Each Independent Director is required to complete a checklist annually to confirm his/her independence. The checklist is drawn up based on the Code's provision and its Practice Guidance as well as the Catalist Rules. The NC and the Board have conducted this review for the current financial year ending 31 December 2023 and based on the Code and its Practice Guidance as well as the Catalist Rules, have ascertained that the Independent Directors, namely Mr. Ng Fook Ai Victor and Ms. Lo Fui Chu, are independent.

Rule 406(3)(d)(iv) of the Catalist Rules states that a Director of an issuer will be deemed non-independent if he/she has been a director of the issuer for an aggregate period of more than nine (9) years whether before or after listing. The foregoing rule shall take effect for an issuer's AGM for the financial year ending on or after 31 December 2023. None of the Independent Directors have served on the Board for more than nine (9) years from the date of his/her first appointment. Nonetheless, the independence of the Independent Directors will continue to be subject to rigorous review by the NC and the Board.

Having regard to the scope and nature of the Group's operations, the Board and NC are of the view that the current size and structure of the Board and Board committees are appropriate for effective decision making. Further, the Chairman of the Board being an Independent Director and majority of the Board members being Independent Directors, there exists a strong independent element to ensure that objective judgement is exercised on corporate affairs.

Board diversity

In addition to a review of the degree of independence of the Board, the Board's composition is also reviewed on an annual basis by the NC to ensure that the Board has an appropriate mix of expertise and experience, and the Directors collectively possess the necessary core competencies for effective functioning and informed decision-making.

The Company maintains a board diversity policy that aims to ensure an appropriate balance of diversity of skills, knowledge, experience, gender and age on the Board, with core competencies in accounting and finance, business and management experience, industry knowledge and strategic planning expertise. As each Director brings valuable insights from different perspectives vital to the strategic interest of the Group, the NC considers that the Directors possess the necessary competencies to provide the Management with a diverse and objective perspective on issues to lead and govern the Group effectively. During FY2022, until 15 November 2022, there were two (2) female Directors on the Board of five (5) members until Ms. Oh Pei Si's resignation on 15 November 2022. Since 15 November 2022 to date, other than for the period from 14 February to 6 April 2023 during which Mr. Chai Ming Hui served as a Director on our Board, there has been one (1) female Director on the Board of four (4) members.

The NC is of the view that the current Board composition serves the needs and plans of the issuer. Apart from possessing the core competencies listed above, certain Directors of our Group, including our Executive Directors, have substantial experience in conducting business in China, where our Group carries out a significant portion of its business.

CORPORATE GOVERNANCE REPORT

Moving forward, the Company targets to maintain an optimal balance of diversity, beyond gender diversity, on the Board. To that end, the Company may from time to time arrange appropriate training and upskilling courses for the Directors so that they may acquire, hone or refine skillsets and knowledge beneficial to our Group's operations, and will where in the Group's best interests change the composition of the Board by changes in Board appointments. In sourcing for potential Directors, the Company and NC first consider the current composition of the Board and whether there would in addition be particular skills, knowledge, expertise or other attributes that are currently lacking from the Board and/or that could contribute positively to the Group. This allows for a meaningful consideration of diversity requirements of the Board when changes to Board composition are made. Instead of setting a fixed timeline for achieving set Board diversity targets, as diversity is dependent on a host of factors which vary in importance from time to time, our Company aims to maintain, on an overall basis, an optimal level of Board diversity taking into account the competencies and attributes described in this section. The NC is responsible for reviewing the level of Board diversity and whether this target is achieved.

The Non-Executive Directors (including Independent Directors) will constructively review and assist in the development of proposals on strategy, in reviewing the performance of the Management in meeting agreed goals and objectives, and in monitoring the reporting of performance. When necessary, the Non-Executive Directors will hold discussions/meetings amongst themselves without the presence of the Management. The feedback and views expressed by the Non-Executive Directors will be communicated to the Board if appropriate.

1.3. Chairman and CEO

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.

The Company adopts a dual leadership structure whereby the positions of Chairman of the Board and CEO are separate and distinct, each having their own areas of responsibilities.

The Independent Non-Executive Chairman of the Board, Mr. Ng Fook Ai Victor, is assisted by the Board committees and the Company Secretary in ensuring compliance with the Group's guidelines on corporate governance. The Chairman is responsible for, among others:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items and strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders and other stakeholders;
- (f) encouraging constructive relations within the Board and between the Board and the Management;
- (g) facilitating the effective contribution of Non-Executive Directors in particular; and
- (h) promoting high standards of corporate governance.

CORPORATE GOVERNANCE REPORT

The CEO, Mr. Peng Fei George, is responsible for formulating and setting strategic directions for the Group, as well as managing the Group's corporate finance investments, development, growth and daily operations.

The Company believes that a distinctive separation of responsibilities between the Chairman of the Board and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity for the Board to exercise independent decision-making.

The Independent Directors provide unbiased and independent views, advice and judgment to safeguard the interests of not only the Group but also its stakeholders, employees, customers and suppliers. Furthermore, the Board is of the view that given the separate functions and purview of the Board committees, there are adequate safeguards in place to prevent an unbalanced concentration of power, authority and decision making in a single individual.

1.4. Board Membership

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

The NC comprises two (2) Independent Non-Executive Directors, namely:

Mr. Ng Fook Ai Victor	(Chairman)
Ms. Lo Fui Chu	(Member)

As mentioned above, the Board is currently in the process of identifying and appointing a suitable third member to the NC, and thus wishes to reassure that the departure from Provision 4.2 of the Code requiring the NC to comprise at least three Directors is merely temporary.

The NC is guided by written terms of reference that describe the responsibilities of its members.

The NC's responsibilities, as set out in its terms of reference, include the following:

- (a) reviewing and making recommendations to the Board on all candidates, including alternative directors, nominated for appointment or re-appointment to the Board (whether nominated by the Board, shareholders or otherwise), taking into account the candidate's track record, age, gender, qualification, experience, capabilities and other relevant factors;
- (b) identifying and making recommendations to the Board as to the Directors who are to retire by rotation and be put forward for re-election at each AGM of the Company, having regard to the Directors' contribution and performance (such as their attendance, preparedness, participation and candour), including, if applicable, as Independent Directors;
- (c) determining annually whether a Director is independent, bearing in mind the circumstances set out in Provision 2.1 of the Code, the Catalist Rules, the SGX-ST's practice guidelines and other salient factors;

CORPORATE GOVERNANCE REPORT

- (d) deciding, in relation to a Director holding multiple board representations, whether such Director is able to and has been adequately carrying out his duties as Director of the Company. If the NC considers it necessary, it shall make recommendations to the Board on the guidelines to be implemented to address the competing time commitments faced by Directors serving on multiple boards;
- (e) ensuring that, in connection with the re-election of Directors at AGMs of the Company, sufficient information is provided to the shareholders so as to enable them to make an informed decision;
- (f) identifying and nominating candidates for the approval of the Board to fill vacancies in the Board as and when they arise;
- (g) reviewing training and professional development programs for the Board and its Directors and ensuring that all Board appointees undergo appropriate induction programs;
- (h) reviewing all candidates nominated for appointment as the Company's chairman, CEO, chief financial officer, chief operating officer, general officer or other executive officer by whatever name called who has responsibilities and functions similar to any of the said officers;
- (i) reviewing any new employment and promotion of a relative of a Director or CEO or substantial shareholder of the Company to a managerial position (as defined under Catalyst Rules) in the Company or its principal subsidiaries and the proposed terms of their employment;
- (j) putting in place plans for succession, in particular, of the chairman of the Board, the CEO of the Company and KMP;
- (k) at least once every financial year, reviewing (and thereafter, making recommendations to the Board regarding) the Board's structure, size, composition and core competencies, taking into account the proportion of Executive and Non-Executive Directors, and Independent and Non-Independent Directors, and having regard at all times to the principles of corporate governance, the Code and the Catalyst Rules;
- (l) procuring that at least one-third of the Board shall comprise Independent Directors (or such other minimum proportion and criteria as may be specified in the Code and the Catalyst Rules from time to time);
- (m) proposing, for approval by the Board, objective performance criteria that allow comparison with the Company's industry peers to evaluate the effectiveness of the Board as a whole, the effectiveness of the respective Board committees, and the contribution by each Director to the effectiveness of the Board. Once approved by the Board, the performance criteria shall not be changed without proper justification from the Board; and
- (n) undertaking such other functions and duties as may be required by the Board, the Code and the Catalyst Rules.

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The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. The Chairman of the Board should act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors, in consultation with the NC. Further details on the performance evaluation procedures are set out in Section 1.5 below.

The NC may nominate new members to the Board which retains the final discretion in appointing such new Directors. In the search, nomination and selection process for new Directors, the NC identifies the key attributes that an incoming Director should have, based on the mix of the attributes of the existing Board and the requirements of the Group. Thereafter, the NC taps on the resources of the existing Directors' personal contacts and other professionals' recommendations of potential candidates for the shortlisting process. If candidates shortlisted are not suitable or if deemed appropriate by the NC, executive recruitment agencies are appointed to assist in the search process. Interviews are set up with potential candidates for NC members to assess them, before a decision is reached.

The NC, in considering the re-election of an incumbent Director, evaluates such Director's contributions in terms of experience, business perspective and attendance at meetings of the Board and/or Board committees and pro-activeness of participation in meetings. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his/her performance or re-nomination as Director.

Under the Company's Constitution, all Directors, including Executive Directors, are required to submit themselves for re-nomination and re-election every three (3) years. Regulation 107 of the Company's Constitution provides that one-third of the Board, or the number nearest to one-third is to retire by rotation at every AGM of the Company. In addition, Regulation 117 of the Company's Constitution provides that new Directors appointed during the year either to fill a casual vacancy or as an addition to the Board are required to submit themselves for re-election at the next AGM of the Company. Mr. Peng Weile and Mr. Ng Fook Ai Victor (per Regulation 107) are retiring at the forthcoming AGM.

Each of Mr. Peng Weile and Mr. Ng Fook Ai Victor, being eligible, have offered themselves for re-election and after assessing each of their past and present contributions, performance, qualifications and working experience, the NC has recommended their re-election to the Board and the Board has approved the same. Each of Mr. Peng Weile and Mr. Ng Fook Ai Victor (as applicable) has abstained from the NC's recommendation pertaining to their re-election and from voting on the Board resolutions pertaining to his re-election. The details of the Directors seeking re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report.

As described at Section 1.2 of this report, the Company has put in place a process to ensure the continuous monitoring of each Independent Director's independence. Each Independent Director is required annually to complete a checklist to confirm his/her independence. Further, an Independent Director must immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of the Company. Having conducted its review, the NC has noted no relationship or circumstance which puts the independence of the Independent Directors in question and is of the view that all Independent Directors have satisfied the criteria for independence.

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In respect of FY2022, the NC is satisfied that where Directors held other listed company board representations and/or other principal commitments, the Directors were able to adequately carry out their duties as Directors of the Company. In determining the capacity of the Directors, the NC took into account attendance and contribution at Board and Board committee meetings and ad-hoc discussions by each Director.

As at the date of this Report, the listed company directorships and principal commitments of each Director (aside from appointments held in and commitments to the Group) are set out below:

Name of Director	Position	Present directorships in other listed companies	Present principal commitments
Ng Fook Ai Victor	Independent Non-Executive Chairman	<ol style="list-style-type: none"> 1. Independent Director and Chairman of Quantum Healthcare Limited 2. Independent Director of Soilbuild Construction Group Ltd. 3. Independent Director of The Place Holdings Limited 4. Independent Director of Sunshine 100 China Holdings Ltd 	Nil
Peng Fei George	Executive Director and CEO	Nil	Nil
Peng Weile	Executive Director	Executive Director of Forise International Limited	Nil
Lo Fui Chu	Independent Non-Executive Director	Nil	Nil

The Board does not have any alternate directors.

1.5. Board Performance

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

The Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board and Board committees and for assessing the contribution from each Director to the effectiveness of the Board.

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The NC assesses the overall effectiveness of the Board by having all members of the Board complete an Assessment Checklist, which takes into consideration factors such as understanding of the Group, understanding of the Board's roles and responsibilities, the Board's structure and composition, conduct of Board meetings, strategic leadership and monitoring of the Management's performance.

Likewise, the NC assesses the effectiveness of the Board committees by having members of each Board committee complete an Assessment Checklist for that respective Board committee, which takes into consideration factors such as committee composition, conduct of Board committee meetings, and understanding and fulfilment of the respective Board committee's roles and responsibilities.

The NC assesses the individual Directors' performance by having each Director complete an Individual Director Self-Assessment Checklist, which takes into consideration factors such as commitment of time to meetings, level of participation and contribution at such meetings, leadership, industry knowledge and sharing of other technical knowledge in specific areas such as strategic planning, finance/accounting, risk management etc. This evaluation aims to assess whether each Director continues to contribute effectively and demonstrate commitment to the role.

The Board reviews the assessment conducted by the NC and where necessary makes changes to further improve the effectiveness of the Board. The performance criteria shall not be changed from year to year without justification. Each member of the NC and the Board shall abstain from the assessment of his/her performance. The Board has completed this review for FY2022 and is of the view that the Board and its committees operated effectively and met their performance objectives, and each Director contributed to the Board's effectiveness in FY2022.

No external facilitator was engaged by the Board for this purpose. The NC has full authority to obtain at the Company's expense any external facilitator service as and when the need arises.

2. REMUNERATION MATTERS

2.1. 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 KMP. No Director is involved in deciding his or her own remuneration.

The RC comprises two Directors, both of whom are Independent Non-Executive Directors, namely:

Ms. Lo Fui Chu	(Chairman)
Mr. Ng Fook Ai Victor	(Member)

As mentioned above, the Board is currently in the process of identifying and appointing a suitable third member to the RC, and thus wishes to reassure that the departure from Provision 6.2 of the Code requiring the RC to comprise at least three Directors is merely temporary.

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The RC is guided by written terms of reference that describe the responsibilities of its members.

The RC is responsible for:

- (a) recommending to the Board a framework for the Board's remuneration and determining the specific remuneration package for each Executive Director and the KMP of the Company. The RC's recommendations should cover all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination terms (if applicable);
- (b) reviewing and approving the Management's remuneration and any adjustment proposals;
- (c) reviewing, on an annual basis, the remuneration and any adjustments thereto of employees who are substantial shareholders of the Company, or who are related to a Director, CEO or substantial shareholder of the Company, to ensure that their remuneration packages are in line with the Group's employee remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the RC;
- (d) reviewing the terms of any proposed employment of related employees who are substantial shareholders of the Company, or who are related to a Director, CEO or substantial shareholder of the Company;
- (e) reviewing the remuneration of the Executive Directors and KMP (who are not also Directors or the CEO) of the Company prior to the meeting of the RC for that financial year, to be confirmed for recommendation to the Board at that meeting, which shall take place before the Board's approval of the audited financial statements for the immediately preceding financial year;
- (f) reviewing the service contract of executive Directors or appointment letter of non-executive Directors at their initial appointment and prior to approval for such contract to be renewed;
- (g) ensuring that performance-based elements of remuneration align with the interests of both the Executive Directors and KMP, and the shareholders, and are tied to corporate and individual performance. Performance assessment measures should be appropriate and meaningful;
- (h) implementing other forms of long-term incentive schemes where necessary;
- (i) considering whether Directors or Management should be eligible for benefits under long-term incentive schemes;

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- (j) administering the Company's share option scheme, including without limitation:
 - (i) identifying Directors and employees of the Company and its subsidiary companies to whom options should and can be granted;
 - (ii) determining the timing for grant of options;
 - (iii) determining the number of shares over which options are to be granted; and
 - (iv) determining the exercise price at which options are to be granted;
- (k) considering and making recommendations to the Board concerning the disclosure of details of the Company's remuneration policy, level and mix of remuneration, procedure for determining remuneration, and details of the specific remuneration packages of the Directors and top five (5) KMP of the Company, in addition (if appropriate) to those required by law or by the Code; and
- (l) undertaking such other functions and duties as may be required by the Board, the Code and the Catalist Rules.

The recommendations of the RC are submitted for and subject to endorsement by the entire Board. As indicated above, all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments (if any) shall be within the RC's remit. Each member of the RC shall abstain from voting on any resolutions in respect of his/her remuneration package.

The RC has not engaged any external professional remuneration consultant in considering the remuneration matters of the Directors or KMP for FY2022. The RC has full authority to obtain at the Company's expense any external professional advice on matters relating to remuneration as and when the need arises. The RC will ensure that any relationship between the appointed consultant and any Director or the Company will not affect the independence and objectivity of the remuneration consultant.

2.2. Level and Mix of Remuneration

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

The Company's remuneration policy seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. In deciding remuneration packages, the RC ensures that the Executive Directors and KMP are adequately but not excessively remunerated as compared to industry standards and comparable companies.

The Company's remuneration policy for its Executive Directors and KMP (who are not Directors or the CEO) consists of a fixed component and a variable component. The fixed component takes the form of a base salary and/or fixed bonus, and the variable component takes the form of a variable bonus. The variable bonus takes into account the performance of the Group and the performance of the individual Executive Directors and KMP (who are not Directors or the CEO), as well as the Singapore employment market rates.

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The Company does not have any employee share scheme or other long-term employee incentive scheme. The RC may consider other forms of long-term incentive schemes for the Management when necessary.

The Non-Executive Directors do not have service agreements with the Company and do not receive any remuneration from the Company. The Non-Executive Directors are paid fixed Directors' fees, which are determined by the Board as commensurate to their level of contribution, taking into account factors such as effort, time committed and responsibilities. The Directors' fees are subject to approval by shareholders of the Company at each AGM. The Independent Directors have not been over-compensated to the extent that their independence is compromised.

Service agreements

The Company has entered into separate service agreements (the "**Service Agreements**") with the Executive Directors, namely Mr. Peng Fei George on 1 January 2018 and Mr. Peng Weile on 12 September 2017. Under the terms of the Service Agreements, upon the expiry of an initial period of three (3) years, the employment of the Executive Directors shall be automatically renewed for a period of two (2) years (and thereafter automatically renewed every two (2) years) on such terms and conditions as the parties may agree.

Under the Service Agreements, the current Executive Directors, Mr. Peng Fei George and Mr. Peng Weile, are entitled to an annual fixed bonus of one (1) month of their respective last drawn salary. They are also entitled to receive an annual performance bonus, the amount of which is to be determined in the absolute discretion of the RC. The Group will pay all reasonable travelling, hotel and other expenses incurred by the Executive Directors in connection with its business. In addition, the Group shall reimburse the Executive Directors for all reasonable medical expenses in accordance with its personnel policy. The salary of each Executive Director is subject to review by the RC after the financial statements of the Group for the immediately preceding financial year have been audited. The Executive Directors shall abstain from voting in respect of any resolution or decision to be made by the Board in relation to the terms and renewal of their Service Agreements.

The JV Company entered into a service agreement with Mr. Peng Fei George on 31 December 2020 appointing him as Acting General Manager with effect from 1 January 2021. There is no fixed term for this appointment as this appointment is intended to last until a permanent General Manager is appointed by the JV Company.

Save as disclosed, there are no existing or proposed service agreements between the Company and any of its Directors. There are no existing or proposed service agreements entered or to be entered into by the Directors with the Group which provide for benefits upon termination of employment.

The Company does not have a contractual right to reclaim incentive components of remuneration from the Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. As the Executive Directors and the KMP owe a fiduciary duty to the Company, it is expected that in the event of such breach of fiduciary duty, the Company will be able to adequately avail itself of remedies against the Executive Directors and KMP. Nonetheless, the RC will review such contractual provision as and when necessary.

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2.3. Disclosure of Remuneration

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

A breakdown of each Director's remuneration by component in FY2022 is as follows:

Remuneration band and name of Director	Director's fee ⁽¹⁾	Salary, CPF and allowance	Performance related bonus	Total
	%	%	%	%
Below S\$250,000				
Mr. Peng Fei George	-	100	-	100
Below S\$100,000				
Mr. Peng Weile ⁽²⁾	-	100	-	100
Mr. Ng Fook Ai Victor	100	-	-	100
Ms. Lo Fui Chu	100	-	-	100
Ms. Oh Pei Si ⁽³⁾	100	-	-	100

Notes:

- (1) The Directors' fees were approved at the Company's AGM held on 28 April 2022.
- (2) Mr. Peng Weile is also a substantial shareholder of our Company, and his remuneration is disclosed in a band no wider than S\$100,000 in accordance with Provision 8.2 of the Code.
- (3) Ms. Oh Pei Si resigned from the Board on 15 November 2022.

In FY2022, the Company only had two (2) KMP (who was not a Director or CEO of the Company). A breakdown of the KMP remuneration in FY2022 by component is as follows:

Remuneration band and name of KMP (who are not Directors or the CEO)	Salary, CPF and allowance	Performance related bonus	Total
	(%)	(%)	(%)
Ms. Kerk Chin Lee ⁽¹⁾	100	-	100
Mr. Lew Fan Jong ⁽²⁾	100	-	100

Notes:

- (1) Ms. Kerk Chin Lee joined our Group as the Finance Manager on 1 July 2022.
- (2) Mr. Lew Fan Jong, the former Financial Controller of the Group, left our Group on 1 February 2022.

Given the general sensitivity and confidentiality of remuneration matters, this report does not disclose the exact remuneration of each Director and KMP (who are not Directors or the CEO) or the aggregate remuneration of such persons. The Board is of the view that full disclosure of the total remuneration paid to each of the above KMP would not be in the interests of the Company as such information may be exploited by competitors. Additionally, such disclosure may undermine the cohesion and team spirit currently prevailing among senior management executives of the Group. However, the Company makes disclosure of remuneration in bands of S\$250,000 for Directors and KMP (who are not Directors or the CEO) and in bands of S\$100,000 for employees who are substantial shareholders of the Company, which provides a good overview and is informative of the remuneration of each such persons. The Company is cognisant of the new Catalist Rule 1204(10D), which was implemented with effect from 11 January 2023 and will disclose the exact amounts with breakdown of remuneration paid to each individual director and the CEO, on a named basis, by the Company and its subsidiaries in its annual report in respect of the financial year ending 31 December 2024 onwards.

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Save as disclosed, there is no employee of the Group who is a substantial shareholder of the Company or an immediate family member of any Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2022.

The Board is of the opinion that the information disclosed above is sufficient for shareholders to have an adequate appreciation of the Group's compensation policies and practices and therefore does not intend to issue a separate remuneration report, the contents of which would be largely similar.

3. ACCOUNTABILITY AND AUDIT

3.1. Risk Management and Internal Controls

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

The Board is responsible for the governance of risk, overall risk management and internal controls framework, and places high importance on the need to put in place a system of internal controls within the Group to safeguard shareholders' interest and the Group's assets. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

Having assessed the current size of the Group's business operations, the Board does not deem it necessary to establish a board risk committee. Notwithstanding, the Board, with the assistance of the AC, oversees the Management in the design, implementation and monitoring of the risk management and internal controls, and reviews the adequacy and effectiveness of such controls at least annually. The Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. In addition, the Management regularly reviews risk management and internal control policies and procedures and highlights significant matters to the Board and the AC. Appropriate measures are put in place to control and mitigate these risks when identified.

The Board and the AC note that all internal controls contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities. The Board maintains an on-going risk assessment process with a view to improve the Group's internal control system.

The Board and the AC, with the assistance of the internal and independent auditors, annually review the adequacy and effectiveness of the Group's risk management and internal controls, including financial, operational, compliance and information technology controls.

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The Board, under the AC's recommendation, selected and appointed Wensen Consulting Asia (S) Pte Ltd ("**Wensen Consulting**") as the internal auditor of the Group to review, recommend and carry out subsequent follow-up reviews of the Group's internal controls. Meanwhile, the independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) ("**CLA Global TS**"), has a keen understanding of the key internal accounting controls assessed to be relevant to their statutory audit. The AC has reviewed the findings of both the internal and independent auditors and will ensure that the Company follows up on the auditors' recommendations raised during the audit processes. No material internal control weakness had been raised by the internal and independent auditors in the course of their audits for FY2022.

The Board has received assurance from the CEO and the Finance Manager that the Group's financial records have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances.

In addition, the Board has received assurance from the Executive Directors and the Finance Manager that the Group has implemented and will continue to maintain adequate and effective systems of risk management and internal controls.

Based on the internal controls established and maintained by the Group, work performed by the internal auditor and the independent auditor, and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the risk management system and internal controls in place are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group as at 31 December 2022.

3.2. Audit Committee

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

The AC comprises two Directors, both of whom are Independent Non-Executive Directors, namely:

Ms. Lo Fui Chu	(Chairman)
Mr. Ng Fook Ai Victor	(Member)

As mentioned above, the Board is currently in the process of identifying and appointing a suitable third member to the AC, and thus wishes to reassure that the departure from Provision 10.2 of the Code requiring the AC to comprise at least three Directors is merely temporary.

All members of the AC are appropriately qualified and have relevant accounting or financial management expertise and experience. None of them are former partners or directors of the Company's auditing firm.

The AC assists the Board in discharging its responsibility to safeguard the assets of the Group, maintain adequate accounting records and develop and maintain effective internal controls, with the overall objective of ensuring that the Management creates and maintains an effective system of controls in the Group. The AC also serves as a channel of communication between the Board, the Management and the external auditor on matters relating to audit.

CORPORATE GOVERNANCE REPORT

The AC has written terms of reference clearly setting out its authority and duties. The AC is authorized to investigate any matter falling within its written terms of reference and has full access to and co-operation of the Management. The AC has full discretion to invite any Director or KMP to attend its meeting, as well as reasonable resources to enable it to discharge its functions properly. Further, the AC has the authority to obtain independent professional advice.

The AC shall meet half-yearly and as and when the need arises, to perform, inter alia, the following functions as part of its terms of reference:

- (a) review the audit plan of the internal auditor, and the internal auditor's review and evaluation of the Group's system of internal controls;
- (b) review the audit plan of the independent auditor, including the annual consolidated financial statements and the external auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Financial Reporting Standards in Singapore, concerns and issues arising from such audits including any matters which the independent auditor may wish to discuss in the absence of management, where necessary, before submission to the Board for approval;
- (c) review the half-yearly consolidated financial statements comprising the statement of comprehensive income and the balance sheets and such other information required by the Catalist Rules, before submission to the Board for approval;
- (d) review and discuss with the external and internal auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- (e) review the co-operation given by the Management to the external and internal auditors;
- (f) review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;
- (g) review potential conflicts of interests (if any);
- (h) review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
- (i) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (j) undertake generally such other functions and duties as may be required by the Board, law or the Catalist Rules, and by such amendments made thereto from time to time;

CORPORATE GOVERNANCE REPORT

- (k) review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- (l) review the assurance from the CEO and the Finance Manager on the financial records and financial statements;
- (m) make 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; and
- (n) review the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function.

Internal Audit

The AC is aware of the need to establish a system of internal controls within the Group to manage risks, safeguard the shareholders' interests and the Group's assets, and provide reasonable but not absolute assurance against material misstatements or loss. Such system also aims to ensure the maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulations and best practices, and the identification and containment of business risks.

The AC approves the engagement, removal, evaluation and compensation of the internal auditor and reviews the activities of the internal auditor on a regular basis. This includes overseeing and monitoring the implementation of the improvements required to tackle any weaknesses in inter controls identified by the auditor.

Having regard to the size of the Group's operations, it is not necessary to appoint an in-house internal audit function. The Company has therefore appointed Wensen Consulting, an external risk advisory consultancy firm, to undertake the functions of an internal auditor for the Group. The internal audit function is independent of the activities it audits and carries out its activities in compliance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. Wensen Consulting comprises of a team of 10 persons, and is headed by Mr. Edward Yap who is assisted by an audit team comprising of an Engagement Director, Managers and Consultants.

Mr. Edward Yap is a member of the Malaysian Institute of Accountants (MIA), a member of Institute of Singapore Chartered Accountants (ISCA), Fellow Member of the Association of Certified Chartered Accountants (FCCA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). The audit team (including junior executives/fresh graduates) possess at least a degree (BSc Hons) in Accounting and Finance from local or overseas universities, while some possess professional qualification certificates (i.e. ACCA).

The internal auditor reports any audit findings directly to the AC and liaises with the Executive Directors and Management in respect of fact-finding matters arising during the audit process. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

CORPORATE GOVERNANCE REPORT

The internal auditor plans its internal audit schedules in consultation with, but makes a decision on such schedules independent of, the Management. The audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The AC reviews and endorses the internal audit plan and internal audit reports of the Group. Any material non-compliance or failures in the internal audit function and recommendations for improvements are reported to the AC. In addition, the AC reviews the adequacy and effectiveness of the internal audit function on an annual basis.

During FY2022, the internal auditors completed an internal control review of the Group's Sustainability Reporting Process. A summary of findings and recommendations by the internal auditors were discussed at the AC meetings. The related internal audit report, including the Management's responses and implementation status, have been reviewed and approved by the AC. No material weaknesses were identified based on the work done in FY2022.

The AC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's internal audit function. The AC is also satisfied that the internal audit function is staffed by suitably qualified and experience professionals with the relevant experience.

Independent Audit

It is the Company's practice for the independent auditor to present its audit plan to the AC with updates relating to any change in accounting standards impacting the financial statements of the Group. During FY2022, the changes in accounting standards did not have any material impact on the Group's financial statements.

In line with the recommendations of the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and the SGX-ST, the AC can help to improve transparency and enhance the quality of corporate reporting by providing a commentary on Key Audit Matters ("KAM"). The AC reviewed the KAM and concurred and agreed with CLA Global TS and the Management on their assessment, judgements and estimates on the significant matter reported by CLA Global TS.

The Group is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of CLA Global TS.

The AC is mindful of the need to maintain a balance between the independence and objectivity of the independent auditor and the work carried out by the independent auditor based on a value for money consideration. During FY2022, the aggregate amount of fees paid or payable to CLA Global TS for audit services amounted to S\$70,000. During FY2022, the non-audit services provided to the Group by CLA Global TS included only financial due diligence services provided in relation to the Company's entry into an Equity Transfer Agreement and the transactions contemplated thereunder (please refer to the Company's announcements on 6 October 2020, 4 November 2022, 16 December 2022 and 30 December 2022 for further information on this transaction). The aggregate amount of fees paid to CLA Global TS for these non-audit services amounted to S\$25,000, with no fees remaining payable. The AC has received confirmation at an AC meeting from CLA Global TS on its independence and that no person is a member of both the CLA Global TS team which provides audit services to the Group and the CLA Global TS team which provided non-audit services to the Group. Having considered the scope and value of the audit services and the confirmation of CLA Global TS, the AC is satisfied that the independence and objectivity of the independent auditor is not impaired.

CORPORATE GOVERNANCE REPORT

In the AC's opinion, CLA Global TS is suitable for re-appointment as the Group's independent auditor and it has accordingly recommended to the Board that CLA Global TS be nominated for re-appointment as independent auditor of the Company at the forthcoming AGM.

The AC has met with the internal and independent auditors, without the presence of the Management, to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit, and the independence, objectivity and observations of the auditors.

Whistleblowing Policy

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. The Group has a Whistleblowing Policy in place which encourages the reporting of fraud, corruption or dishonest and unethical practices and sets out the procedures for a whistleblower to make a report to the Chairman of the Board and the AC on misconduct or wrongdoing relating to the Company and its officers. The Whistleblowing Policy has been communicated to all staff.

The Group undertakes to investigate complaints or suspected fraud and unethical behaviour in an objective manner and has put in place, with the AC's endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The objective of such arrangements is to ensure independent investigation of matters raised and allow appropriate actions to be taken. All such concerns are to be raised in confidentiality directly to the Chairman of the Board and AC, and the AC is responsible for oversight and monitoring of whistleblowing. The Company will strictly endeavour to protect the whistleblower against detrimental or unfair treatment arising from the making of any whistleblowing report. The Group did not receive any whistleblowing reports in FY2022.

4. SHAREHOLDER RIGHTS AND ENGAGEMENTS

4.1. 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.

The Board is accountable to the shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to shareholders in compliance with legislative and statutory requirements and the Catalist Rules.

The Group's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Group ensures that all material information is disclosed on a comprehensive, accurate and timely basis via the SGXNet. The Group recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company.

CORPORATE GOVERNANCE REPORT

The Company's forthcoming AGM will be convened and held by electronic means. Shareholders will not be able to attend the AGM in person, but they may attend the proceedings of the AGM virtually, including utilising real-time electronic voting and real-time electronic communications at the AGM. Shareholders may appoint a proxy/proxies to vote on their behalf at the AGM. In this regard, the Constitution of the Company allows a shareholder of the Company, if he/she is unable to attend the meeting, to appoint up to two (2) proxies to attend and vote on his/her behalf at the general meetings. Any relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the general meetings. Where a Shareholder does not identify the appointed proxy, the Chairman will act as said proxy. The Board and Management will endeavour to address relevant and substantial questions received before and during the AGM, before or at the AGM. Shareholders are strongly encouraged to submit questions relating to the business of the meeting in advance. Please refer to the Notice of AGM and announcement dated 13 April 2023 for further information.

All shareholders of the Company will receive the Annual Report and Notice of AGM via the Company's announcement on the SGXNet. The Board regards the AGM as the principal communication channel with shareholders, where shareholders are given the opportunity to communicate their views and are encouraged to raise pertinent questions to the Board members and to vote at shareholders' meetings. The detailed results of the electronic poll voting on each resolution tabled at the AGM, including the total number of votes cast for or against each resolution tabled, are released immediately at the AGM and announced to SGX-ST and shareholders via SGXNet on the same day. The Company Secretary prepares minutes of general meetings that include a summary of comments or queries made by shareholders during that meeting, and responses from the Board. Generally, during general meetings, shareholders are invited to raise questions, and this would be recorded in the minutes. Minutes of the upcoming AGM shall be made available via the SGXNet as soon as practicable. This will give shareholders who did not attend the meeting a balanced and understandable assessment of the Group's performance, position and prospects. Additionally, this will ensure that attendees whose attendance or participation at the AGM was adversely affected by the virtual format of the AGM have a written report to refer to for understanding.

All shareholders are entitled to attend and vote at the general meetings and are afforded the opportunity to participate effectively at the general meetings. Each separate issue is tabled as a separate resolution unless they are interdependent and linked. Any inter-conditionality across resolutions will be clearly explained by the Company.

All Directors, including the chairpersons of various Board committees, and the KMP(s), shall attend general meetings to address shareholders' queries and receive feedback from shareholders. The external auditor shall also be invited to attend general meetings and will assist in addressing queries from the shareholders relating to the conduct of the audit and the preparation and content of the independent auditor's report. The Chairman of the meeting will facilitate constructive dialogue between shareholders and the Board, the Management, the external auditors and other relevant professionals.

The Company adopts voting by poll for all resolutions in the AGM in accordance with the requirement of the Catalist Rules. Announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages will also be made on the same day.

CORPORATE GOVERNANCE REPORT

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of shareholders' identities through the internet are not compromised, and would also require legislative amendment to recognise electronic voting.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends payable will be decided by the Board having regard to the Company's earnings, general financial condition, results of operations, capital requirement, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. No dividend has been declared or recommended in view of the losses incurred for FY2022.

4.2. Engagement with Shareholders

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

The Company applies the following guidelines to its communication and conduct of relations with shareholders:

- (a) information deemed to be trade-sensitive or price-sensitive is disseminated without delay via announcements on the SGXNet;
- (b) the Company endeavours to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions;
- (c) notices for AGMs and other general meetings are issued with explanatory memoranda, where relevant;
- (d) shareholders are informed of significant developments having an impact on the Group in a timely, accurate and comprehensive manner via announcement on the SGXNet;
- (e) investors' enquiries are addressed honestly and transparently; and
- (f) the Company does not practise selective disclosure, and results and Annual Reports are announced or issued within the mandatory period.

Additionally, the Company is committed to maintaining and where necessary improving its level of corporate transparency in relation to financial results and other pertinent information.

In view of the present scale of its operations and limited queries from the public, the Company does not have a dedicated investor relations team. However, the investor relations efforts of the Company are overseen by the Finance Manager, Ms. Kerk Chin Lee, with a dedicated email address (healthbank123@gmail.com) where the emails from the public will be attended to. The Company will assess the need to establish a dedicated investor relations team when the scale, complexity and the demand for such services render it necessary.

CORPORATE GOVERNANCE REPORT

5. MANAGING STAKEHOLDER RELATIONSHIPS

5.1. 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 takes a pragmatic approach to managing stakeholders' expectations to support its long-term strategy. Stakeholders are identified as those impacted by the Group's business and operations and those able to impact the Group's business and operations. Key stakeholders of the Group include customers, suppliers, employees, investors, business partners, governments and regulators.

The Company has considered the size of the Group's operations, the nature of the Group's business and costs factors, and taken a pragmatic approach in not establishing a corporate website. Notwithstanding, the Company is committed to engaging its stakeholders, and does so through various channels, including through timely and regular announcements through the SGXNet and meeting the shareholders at general meetings, to ensure that the business interests of the Group are balanced against the needs and interest of its stakeholders. Furthermore, the Company welcomes feedback from the stakeholders to be sent (i) via mail to 15 Scotts, 15 Scotts Road, #04-08, Suite 22, Singapore 228218 or; (ii) via email at healthbank123@gmail.com.

The Group's strategy and key areas of focus in managing stakeholder relationships are disclosed in the latest Sustainability Report. Feedback from stakeholders is welcome as it allows continual improvement in the Company's sustainability policies, processes and performance.

ADDITIONAL INFORMATION

6. DEALINGS IN SECURITIES

The Company has devised and adopted policies in line Rule 1204(19) of the Catalist Rules on dealings in the Company's securities.

The Company and its officers are prohibited from dealing in the Company's shares on short-term considerations or at any time when they are in possession of unpublished trade-sensitive or price-sensitive information. They are also prohibited from dealing in shares of the Company during the period commencing one (1) month before the date of announcement of the Company's half year and full year financial results and ending on the date of the announcement of the relevant results.

In addition, the Directors and employees of the Group are expected to observe insider trading laws at all times when dealing in securities within the permitted trading period. Directors are required to report all dealings to the Company Secretary.

CORPORATE GOVERNANCE REPORT

7. INTERESTED PERSON TRANSACTIONS

In line with the Group's internal policy on transactions with interested persons, all such transactions are to be made on normal commercial terms and not prejudicial to the interests of the Company and its shareholders. Additionally, such transactions are to be reviewed by the AC to ensure compliance with the requirements of the Catalist Rules on interested person transactions.

If the Group enters into an interested person transaction and a potential conflict of interest arises, the Director concerned shall abstain from any discussions and refrain from exercising influence over other members of the Board.

The Company did not enter into interested person transactions which are required to be disclosed pursuant to Rule 1204(17) of the Catalist Rules during FY2022.

8. NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees incurred in FY2022 paid/payable to the Company's continuing sponsor, SAC Capital Private Limited, during or in respect of FY2022.

9. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiary corporations which involved the interests of the CEO or any Director or controlling shareholder of the Company, which are either still subsisting at the end of FY2022 or which were entered into since the end of the financial year ended 31 December 2021.

SUSTAINABILITY REPORT

The Company strives towards a sustainable future for the Group and ensuring that stakeholders enjoy long-term value and sustainable returns. In light of the need to create lasting value for all stakeholders, the Company has adopted a sustainability policy, as set out in its Sustainability Report found at page 11 to 25 of this Annual Report.

The Company's Sustainability Report is prepared in compliance with the requirements of Rules 711A and 711B of the Catalist Rules, and with reference to the Global Reporting Initiative ("GRI") Standards 2021, as well as the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The Company's sustainability reporting process has been reviewed by its internal auditors in FY2022 pursuant to the requirement of the Catalist Rules.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the statements of financial position of the Company as at 31 December 2022.

In the opinion of the Directors,

- (i) the statements of financial position of the Company and the consolidated financial statements of the Group as set out on pages 63 to 111 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 December 2022 and the financial performance, changes in equity and statement of cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) 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. Peng Fei George
 Mr. Peng Weile
 Mr. Ng Fook Ai Victor
 Ms. Lo Fui Chu

Arrangements to enable directors to acquire shares or debentures

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

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:

	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022	At 31.12.2022	At 1.1.2022
The Company				
(No. of ordinary shares)				
Mr. Peng Weile	20,899,000	20,899,000	-	-

The Directors' interests in the ordinary shares of the Company as at 21 January 2023 were the same as those as at 31 December 2022.

By virtue of Section 7 of the Singapore Companies Act 1967, Mr. Peng Weile is deemed to have an interest in the shares of all the Company's subsidiary corporations at the end of financial year.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 options 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 date of this statement are set out as follows:

Ms. Lo Fui Chu	Independent Director (Chairman)
Mr. Ng Fook Ai Victor	Independent Director (Member)

All members of the AC are Independent Directors and all of them are Non-Executive Directors of the Company. The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act. In performing those functions, the AC reviewed:

- (a) the audit plan of the internal auditor, and internal auditor's findings on review and evaluation of the Group's system of internal controls;
- (b) the audit plan of the independent auditor, including the annual consolidated financial statements and the independent auditor's report on those financial statements, and discussed any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards (International), concerns and issues arising from its audit including any matters which the independent auditor may wish to discuss in the absence of management, where necessary, before submission to the Board for approval;
- (c) the half-yearly consolidated financial statements comprising the statement of comprehensive income and the statements of financial position and such other information required by the SGX-ST Catalist Rules, before submission to the Board for approval;
- (d) whether there is any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the management's response;
- (e) the co-operation given by our management to the independent auditor;
- (f) re-appointment of the independent auditor;
- (g) interested person transactions falling within the scope of Chapter 9 of the SGX-ST Catalist Rules;
- (h) potential conflicts of interests (if any);

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Audit committee (Continued)

- (i) the procedures that allows employees of the Group to report possible improprieties in financial reporting or other matters to the Chairman of the AC in confidence. Additionally, the AC shall ensure that independent investigations are conducted and appropriate follow-up actions are taken;
- (j) new projects as and when requested by the Board of Directors ("the Board"), and the AC shall continue to do so and periodically report to the Board on matters arising that require the AC's attention based on its findings; and
- (k) any other functions and duties as may be required by law or the SGX-ST Catalist Rules, and by such amendments made thereto from time to time.

The AC convened two (2) meetings during the financial year with full attendance from all members. The AC met with the independent auditor and internal auditor once without the presence of the management. The meeting enable the independent auditor and internal auditor to raise issues they had encountered in their course of work directly to the AC.

The AC has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), be nominated for reappointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), has expressed its willingness to accept reappointment.

On behalf of the directors,

Peng Fei George
Director

Peng Weile
Director

7 April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEALTHBANK HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HealthBank Holdings Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, 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 statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 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 of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEALTHBANK HOLDINGS LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Going concern

[Refer to Note 2.1(b) to the financial statements]

The Group reported a net loss of RMB11,183,000 for the financial year ended 31 December 2022 and as at that date, total cash and bank balances decreased by RMB5,172,000 which mainly resulted from the net cash outflows in operating and financing activities.

The Board has assessed that the preparation of the financial statements on a going concern basis remain appropriate after having considered the following assumptions:

- The Group and the Company were in net current assets of RMB10,970,000 and RMB11,935,000 and net assets position of RMB60,076,000 and RMB56,741,000 respectively as at 31 December 2022. The Group and the Company will have sufficient cash flows to meet their operating requirements and to pay their debts as and when they fall due; and
- The other receivables of RMB9,514,000 (Note 12) are due by June and July 2023 in accordance with the loan agreement. As of the date of the financial statements, the Group has received a payment of S\$200,000 (approximately RMB1,031,000).

We focused on this matter due to significant management's judgements involved and assumptions made in the preparation of financial statements on a going concern basis.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- Discussed and evaluated management's assumptions used in the preparation of the Group's financial statements on going concern basis by obtaining management's cash flows projection of the Group over the next 12 months from reporting date;
- Verified the supporting documents of payments from other receivables; and
- Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEALTHBANK HOLDINGS LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Financial assets, at fair value through profit or loss ("FVTPL")

[Refer to Notes 2.8, 13 and 21(f) to the financial statements]

During the financial year ended 31 December 2019, the Group acquired a 90% equity interest in Libre Hospitality Limited and its subsidiary corporation ("LHL Group"). Subsequently, during the financial year of 2021, the Group increased its equity interest to 100% in LHL Group who holds 8% of equity interests in (i) Hainan Fuda Construction Materials Co., Ltd and (ii) Hainan Fufa Plantations Co., Ltd, (individually refer to as "Fuda and Fufa"), respectively. The 8% equity interest of Fuda and Fufa are classified as financial assets at fair value through profit or loss ("FVTPL") on the Statements of Financial Position of the Group. Fuda and Fufa are set up to undertake the project development of Atlantis Garden Project ("AG" project).

The FVTPL amounted to RMB49,100,000 as at 31 December 2022 which has contributed 80% of the Group's total assets, representing one of the significant components to the financial statements. A fair value loss of RMB6,127,000 has recognised during the financial year ended 31 December 2022.

With reference to SFRS(I) 9 *Financial Instruments* and SFRS(I) 13 *Fair Value Measurement*, equity investments are subsequently measured at their fair values and any movements in the fair values would be recognised in profit or loss. As the fair value of the FVTPL would be dependent on the completion and sale of the developed property units, the management has engaged an independent certified valuer to assist in establishing the fair value of AG project and derive the fair value of FVTPL using net adjusted assets method.

As these FVTPL do not have observable market price, the valuation of these instruments is considered as a key audit matter because of its nature, financial significance, and the significant judgement applied in determining the appropriate valuation methodology and assumptions.

How our audit addressed the matter

In obtaining sufficient audit evidence, the following procedures were carried out:

- With the assistance of our internal experts, assessed the reliability of the data and information used by the independent certified valuer in determining the fair value of the AG project and the unobservable inputs used by management to derive the fair value of FVTPL using net adjusted assets approach. This could involve evaluating the source of the data and information and considering the degree of subjectivity involved in interpreting the data and information;
- Reviewed credentials, independence and professionalism of the independent certified valuer;
- Performed a sensitivity analysis to determine the impact of changes in key assumptions on the fair value of the FVTPL; and
- Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEALTHBANK HOLDINGS LIMITED

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Expected credit loss ("ECL") on other receivables

[Refer to Notes 2.8, 12 and 21(b) to the financial statements]

As at 31 December 2022, other receivables amounting to RMB9,514,000 relate to loans to a non-related party which has contributed to 15% of the Group's total assets.

With reference to SFRS(I) 9 *Financial Instruments*, the Group has applied the general approach (12 months expected credit losses) in assessing the ECL. In determining the ECL, the Group has assessed the probability of default and estimation of the cash flows from the loans.

We focused on this matter as significant management judgements and assumptions are involved in determining the credit risk of the other receivables.

How our audit addressed the matter

In obtaining sufficient audit evidence, the following procedures were carried out:

- Reviewed the loan agreement with the non-related party;
- Evaluated the basis and assumptions applied in ECL by understanding the purpose of the loan and assessed the financial capability of the non-related party to meet the repayment as and when it falls due; and
- Reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEALTHBANK HOLDINGS LIMITED

Report on the Audit of the Financial Statements (Continued)

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 that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEALTHBANK HOLDINGS LIMITED

Report on the Audit of the Financial Statements (Continued)

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEALTHBANK HOLDINGS LIMITED

Report on the Audit of the Financial Statements (Continued)

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 Lee Look Ling.

CLA Global TS Public Accounting Corporation
(formerly Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants

Singapore

7 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group	
		2022 RMB'000	2021 RMB'000
Revenue	4	379	99
Other income			
– Interest income	5	-	34
– Others	5	105	167
		105	201
Other (losses)/gains			
– Gain on disposal of plant and equipment		-	4
– Gain on disposal of a subsidiary corporation		598	-
– Fair value loss on FVTPL		(6,127)	-
– Currency exchange (loss)/gain – net		(851)	715
		(6,380)	719
Expenses			
– Depreciation of plant and equipment	15	(4)	(4)
– Directors' fees		(304)	(297)
– Employee compensation	6	(1,453)	(1,840)
– Finance costs	8	(1,288)	(1,005)
– Other expenses	7	(2,238)	(1,730)
Total expenses		(5,287)	(4,876)
Loss before tax		(11,183)	(3,857)
Tax expense	9	-	-
Loss after tax		(11,183)	(3,857)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – gain/(loss)	19(a)	612	(663)
Other comprehensive income/(loss), net of tax		612	(663)
Total comprehensive loss		(10,571)	(4,520)
Loss attributable to:			
Equity holders of the Company		(11,131)	(3,643)
Non-controlling interests		(52)	(214)
		(11,183)	(3,857)
Total comprehensive loss attributable to:			
Equity holders of the Company		(10,519)	(4,306)
Non-controlling interests		(52)	(214)
		(10,571)	(4,520)
Loss per share for attributable to equity holders of the Company (RMB cents per share)			
– Basic loss per share	10(a)	(13.65)	(4.67)
– Diluted loss per share	10(b)	(11.13)	(3.64)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group	
		2022 RMB'000	2021 RMB'000
ASSETS			
Current assets			
Cash and bank balances	11	2,737	7,909
Other receivables	12	9,543	360
		12,280	8,269
Non-current assets			
Financial assets, at FVTPL	13	49,100	55,227
Other receivables	12	-	9,500
Plant and equipment	15	6	15
		49,106	64,742
Total assets		61,386	73,011
LIABILITIES			
Current liability			
Other payables	16	1,310	831
Non-current liability			
Convertible loans	17	-	9,125
Total liabilities		1,310	9,956
NET ASSETS		60,076	63,055
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	18	37,507	29,194
Other reserves	19	4,632	5,462
Retained profits	20	17,958	28,368
		60,097	63,024
Non-controlling interests	14	(21)	31
Total equity		60,076	63,055

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Company	
		2022 RMB'000	2021 RMB'000
ASSETS			
Current assets			
Cash and bank balances	11	2,370	7,097
Other receivables	12	10,507	2,108
		12,877	9,205
Non-current assets			
Other receivables	12	-	9,500
Investments in subsidiary corporations	14	44,800	44,800
Plant and equipment	15	6	10
		44,806	54,310
Total assets		57,683	63,515
LIABILITIES			
Current liability			
Other payables	16	942	590
Non-current liability			
Convertible loans	17	-	9,125
Total liabilities		942	9,715
NET ASSETS		56,741	53,800
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	18	37,507	29,194
Other reserves	19	4,692	5,413
Retained profits	20	14,542	19,193
Total equity		56,741	53,800

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group 2022	Attributable to equity holders of the Company						
	Share capital RMB'000	Equity component of convertible loans RMB'000	Currency translation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
Beginning of financial year	29,194	1,442	4,020	28,368	63,024	31	63,055
Loss for the year	-	-	-	(11,131)	(11,131)	(52)	(11,183)
Other comprehensive income for the financial year	-	-	612	-	612	-	612
Total comprehensive income/ (loss) for the financial year	-	-	612	(11,131)	(10,519)	(52)	(10,571)
Issuance of shares	8,313	(721)	-	-	7,592	-	7,592
Redemption of convertible loans	-	(721)	-	721	-	-	-
End of financial year	37,507	-	4,632	17,958	60,097	(21)	60,076
2021							
Beginning of financial year	29,194	-	4,683	30,985	64,862	5,522	70,384
Loss for the year	-	-	-	(3,643)	(3,643)	(214)	(3,857)
Other comprehensive loss for the financial year	-	-	(663)	-	(663)	-	(663)
Total comprehensive loss for the financial year	-	-	(663)	(3,643)	(4,306)	(214)	(4,520)
Share capital contributed by non-controlling interest	-	-	-	-	-	245	245
Acquisition of additional equity interests in subsidiary corporation	-	-	-	322	322	(5,522)	(5,200)
Issuance of convertible loans	-	2,146	-	-	2,146	-	2,146
Redemption of convertible loans	-	(704)	-	704	-	-	-
End of financial year	29,194	1,442	4,020	28,368	63,024	31	63,055

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
Net loss for the financial year		(11,183)	(3,857)
Adjustments for:			
– Depreciation of plant and equipment	15	4	4
– Fair value loss on FVTPL		6,127	–
– Gain on disposal of a subsidiary corporation		(598)	–
– Gain on disposal of plant and equipment		–	(4)
– Unwinding of discount on convertible loans	8	1,288	1,005
– Unrealised currency translation differences		626	(969)
		<u>(3,736)</u>	<u>(3,821)</u>
Change in working capital:			
– Other receivables		(1)	(314)
– Other payables		479	16
		<u>(3,258)</u>	<u>(4,119)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Share capital contributed by non-controlling interests		–	245
Additions to plant and equipment	15	–	(31)
Disposal of plant and equipment	15	–	16
Disposal of a subsidiary corporation, net of cash disposed of	14	907	–
		<u>907</u>	<u>230</u>
Net cash provided by investing activities			
Cash flows from financing activities			
Proceeds from issuance of convertible loans, net of transaction costs	17	–	15,753
Issuance of share capital		1,933	–
Redemption of convertible loans		(4,754)	(5,181)
		<u>(2,821)</u>	<u>10,572</u>
Net cash (used in)/provided by in financing activities			
Net (decrease)/increase in cash and bank balances			
		<u>(5,172)</u>	<u>6,683</u>
Cash and bank balances			
Beginning of financial year		7,909	1,226
End of financial year		<u>2,737</u>	<u>7,909</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

1 GENERAL INFORMATION

HealthBank Holdings Limited (the "Company") is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore.

With effect from 21 March 2022, the address of its registered office was changed from 60 Paya Lebar Road, Paya Lebar Square #04-30/31 Singapore 409051 to 15 Scotts, 15 Scotts Road #04-08, Suite 22, Singapore 228218.

The principal activity of the Company is investment holding. The principal activities of its subsidiary corporations are described in Note 14 to the financial statements.

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

(a) Interpretations and amendments to published standards effective in 2022

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

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

The financial statements are presented in Renminbi ("RMB") and all values in the tables are rounded to nearest thousands (RMB'000), except when otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation

(b) *Going concern assumption*

The Group reported a net loss of RMB11,183,000 for the financial year ended 31 December 2022 and as at that date, total cash and bank balances decreased by RMB5,172,000 which mainly resulted from the net cash outflows in operating and financing activities.

Notwithstanding the above mentioned, management has prepared the financial statements on a going concern basis based on the factors as set out below:

- (i) The Group and the Company were in net current assets of RMB10,970,000 and RMB11,935,000 and net assets position of RMB60,076,000 and RMB56,741,000 respectively as at 31 December 2022. The Group and the Company will have sufficient cash flow to meet their operating requirements and to pay their debts as and when then they fall due, and;
- (ii) The other receivables of RMB9,514,000 (Note 12) are due by June and July 2023 in accordance with the loan agreement. As of the date of the financial statements, the Group has received a payment of S\$200,000 (approximately RMB1,031,000).

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 amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation ("PO") by transferring promised goods or services to the customer, which is when the customer obtains control of the goods or services. The performance obligation is satisfied at overtime or at point-in-time.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual stand-alone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (Continued)

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

The Group recognises revenue from the following sources:

(a) *Landscape management services*

Landscape management services are recognised over time when the Group satisfies performance obligation by delivery of promised service to the customer. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The output method is used to recognise revenue by reference to the Group's progress towards completing the services rendered. The measure of progress is determined based on actual work performed.

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Government grant

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 of the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence 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 statements of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

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

The consideration transferred for the acquisition of a subsidiary corporation 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(a) *Subsidiary corporations* (Continued)

(ii) *Acquisitions* (Continued)

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 previous 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 profits if required by a specific Standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (Continued)

(a) *Subsidiary corporations* (Continued)

(iii) *Disposals* (Continued)

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 corporation" 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.

2.5 Plant and equipment

(a) *Measurement*

(i) *Plant and equipment*

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment (Continued)

(b) Depreciation

Depreciation on 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>
Office equipment	3 years

Fully depreciated plant and equipment still in use are retained in the financial statements.

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

(c) Subsequent expenditure

Subsequent expenditure relating to 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 plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other (losses)/gains - net".

2.6 Investments in subsidiary corporations

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets

- (a) *Plant and equipment*
Investments in subsidiary corporations

Plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets

(a) *Classification and measurement*

The Group classifies and measures its financial assets at amortised cost and fair value through profit or loss ("FVTPL"). The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

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 FVTPL, transaction costs that are directly attributable to the acquisition of the financial assets. 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 of the Group mainly comprise cash and bank balances and other receivables.

The subsequent measurement categories depend on the Group's business model for managing the assets and the cash flow characteristic of the assets. The Group manages these groups of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition. Interest income from these financial assets is included as interest income using the effective interest rate method.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income ("FVOCI") are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gain and losses".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

(a) Classification and measurement (Continued)

At subsequent measurement (Continued)

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in the fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains or losses", except for those equity securities which are not held for trading. The Group has elected to recognise changes in the 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 value of investment classified as FVTPL 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 instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 21(b) details how the Group determines whether there has been a significant increase in credit risk.

For cash and bank balances and other receivables, the Group use the general approach is applied. The loss allowance is measured at an amount equal to 12-month credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

(c) Recognition and derecognition

Regular way purchase 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 financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (Continued)

(c) Recognition and derecognition (Continued)

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit and 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.

2.9 Offsetting of financial instruments

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

2.10 Borrowings

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

Convertible loans

The total proceeds from convertible loans issued are allocated to the liability component and the equity component, which are separately presented on the statement of financial position.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible loans. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the loans.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Other payables

Other payables represent liabilities for goods and services provided to the Group prior to the end of the 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.

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

2.12 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.

Short-term and low value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets, 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.

2.13 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considered 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 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, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Income taxes (Continued)

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 reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income and 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 credit can be utilised.

2.14 Provisions

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

2.15 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Employee compensation (Continued)

(b) *Defined contribution plans – retirement benefits*

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the PRC subsidiary corporations of the Group ("PRC Subsidiary Corporations") have participated in central pension schemes ("the Schemes") operated by local municipal government whereby the PRC Subsidiary Corporations are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund its retirement benefits. The local municipal government undertakes to assume the retirement benefit obligations of all existing and future retired employees of the PRC Subsidiary Corporations. The only obligation of the PRC Subsidiary Corporations with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged to profit or loss when incurred.

2.16 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 Company's functional currency is Singapore Dollar ("S\$"). The financial statements are presented in Chinese Renminbi ("RMB") as the presentation currency of the Group.

(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 reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity instruments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

Foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "Other (losses)/gains – net".

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 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 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 operation.

2.17 Segment reporting

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

2.18 Cash and bank balances

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and bank deposits which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessments is made on the economic substances of the restriction and whether they meet the definition of cash and bank balances.

2.19 Share capital

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) *Financial assets, at FVTPL*

During the financial year ended 31 December 2019, the Group acquired 90% equity interest in Libre Hospitality Limited and its subsidiary corporation ("LHL Group"). Subsequently, during the financial year of 2021, the Group increased its equity interest to 100% in LHL Group who holds 8% of equity interests in (i) Hainan Fuda Construction Materials Co., Ltd and (ii) Hainan Fufa Plantations Co., Ltd, (individually refer to as "Fuda and Fufa"), respectively. The 8% equity interest of Fuda and Fufa are classified as financial assets at fair value through profit or loss ("FVTPL") on the Statements of Financial Position of the Group. Fuda and Fufa are set up to undertake the project development of Atlantis Garden Project ("AG" project).

As the fair value of the FVTPL would be dependent on the completion and sale of the developed property units, the management has engaged an independent certified valuer to assist in establishing the fair value of AG project and derive the fair value of FVTPL using net adjusted assets method.

A fair value loss of RMB6,127,000 (2021: Nil) was recognised during the financial year ended 31 December 2022. The fair value of financial assets, at FVTPL at the end of each financial year are disclosed in Note 13 to the financial statements and the details of the fair value measurement are disclosed in Note 21(f) to the financial statements.

(b) *Expected credit loss allowance for other receivables*

The Group has applied the general approach (12 months expected credit losses) in assessing the expected credit loss ("ECL") allowance for other receivables. In determining the ECL, the Group has assessed the probability of default and estimation of cash flows recoverable from the outstanding receivables.

As at each reporting date, the Group assesses whether the credit risk of a financial instruments 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.

The carrying amounts of other receivables at the end of each financial year are disclosed in Note 12 to the financial statements. No allowance is required as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. REVENUE

Revenue represents the amount received/receivable from rendering of services, net of sales related taxes. Revenue is predominantly attributable from PRC. Revenue are recognised over time.

	Group	
	2022 RMB'000	2021 RMB'000
Landscape management service	<u>379</u>	<u>99</u>

5. OTHER INCOME

	Group	
	2022 RMB'000	2021 RMB'000
<i>Interest income:</i>		
Loan to non-related party	-	32
Bank interest income	-	2
	-	34
<i>Others:</i>		
Forfeited the prepayment from customer ⁽¹⁾	-	96
Government grant		
– Job Support Scheme ⁽²⁾	-	71
– Job Growth Incentive ⁽³⁾	59	-
– Others ⁽⁴⁾	12	-
Others	34	-
	<u>105</u>	<u>167</u>
	<u>105</u>	<u>201</u>

- (1) This pertains to prepayment received from a customer being forfeited due to termination of service contract.
- (2) Government grant of RMB71,000 was recognised in the previous financial year ended 31 December 2021 under the Job Support Scheme (the "JSS"). Under the JSS, the Singapore Government would co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees. The JSS was a temporary scheme introduced in the Singapore Budget 2020 and had been extended up to 2021 by the Government.
- (3) Government grant of RMB59,000 was recognised during the financial year under Jobs Growth Incentive (the "JGI"). The function of the JGI is to support employers to expand local hiring from September 2020 to March 2023. The duration of JGI support will vary depending on when the local hire was hired and the characteristics of the local hire.
- (4) Government grant of RMB12,000 was recognised during the financial year. This relates to the China government to support small business enterprise development for the period from April 2022 to December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. EMPLOYEE COMPENSATION

	Group	
	2022 RMB'000	2021 RMB'000
Wages and salaries	1,317	1,685
Contribution to defined contribution	136	155
	1,453	1,840

7. OTHER EXPENSES

	Group	
	2022 RMB'000	2021 RMB'000
Auditor's remuneration paid/payable		
- Auditor of the Company	323	301
- Other auditors	-	14
Travel, entertainment and insurance	250	203
Professional fees	1,365	852
Short-term lease	47	203
Printing, stationery and postages	30	36
Others	223	121
	2,238	1,730

8. FINANCE COSTS

	Group	
	2022 RMB'000	2021 RMB'000
Unwinding of discount on:		
- existing convertible loans (Note 17)	363	413
- redemption of convertible loans	925	592
	1,288	1,005

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. TAX EXPENSE

There are no tax expenses for the financial year ended 31 December 2022 and 2021 as the Group did not derive any taxable profits.

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	
	2022 RMB'000	2021 RMB'000
Loss before tax	<u>(11,183)</u>	<u>(3,857)</u>
Tax calculated at tax rate of 17% (2021: 17%)	(1,901)	(656)
Effects of:		
different tax rates in other countries	(26)	(65)
- expenses not deductible for tax purposes	1,927	693
- income not subject to tax	-	(7)
- others	-	35
	<u>-</u>	<u>-</u>

The Group has unrecognised tax losses of S\$20,185 (2021: S\$20,185) equivalent to approximately RMB98,831 (2021: RMB95,075) as at 31 December 2022 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 in their respective countries of incorporation. The unrecognised tax losses have no expiry date.

10. LOSS PER SHARE

- (a) Basic 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.

	Group	
	2022 RMB'000	2021 RMB'000
Net loss attributable to equity holders of the Company	<u>(11,131)</u>	<u>(3,643)</u>
Weighted average number of ordinary shares outstanding for basic loss per share	<u>81,536</u>	<u>78,000</u>
Basic loss per share (RMB cents per share)	<u>(13.65)</u>	<u>(4.67)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has the dilutive potential ordinary shares for convertible loans.

Convertible loans are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

Diluted earnings per share for continuing operations and discontinued operations attributable to equity holders of the Company is calculated as follows:

	Group	
	2022 RMB'000	2021 RMB'000
Net loss attributable to equity holders of the Company	(11,131)	(3,643)
Weighted average number of ordinary shares outstanding for basic loss per share	81,536 18,474	78,000 22,089
	100,010	100,089
Basic loss per share (RMB cents per share)	(11.13)	(3.64)

11. CASH AND BANK BALANCES

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Cash and bank balances	2,737	7,909	2,370	7,097

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. OTHER RECEIVABLES

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
<i>Current</i>				
Non-trade receivables				
- Subsidiary corporation ⁽¹⁾	-	-	964	1,964
- Non-related party	-	16	-	16
Non-trade receivables - net	-	16	964	1,980
Deposits	1	40	1	40
Prepayments	28	304	28	88
Loan to a non-related party ⁽²⁾	9,514	-	9,514	-
	9,543	360	10,507	2,108
<i>Non-Current</i>				
Loan to a non-related party ⁽²⁾	-	9,500	-	9,500
Total	9,543	9,860	10,507	11,608

(1) Non-trade receivables due from subsidiary corporation are unsecured, interest-free and repayable on demand.

(2) As at 31 December 2020, the loan to a non-related party is unsecured, interest-bearing of 4.75% per annum and repayable by December 2021 and January 2022 which are classified as current and non-current receivables respectively. As stated in the loan agreement, the Company also has the right to recall the debts before the repayment due date. On 31 December 2021, the Company entered into a supplemental loan agreement (the "Agreement") with the non-related party, pursuant to which, the non-related party will transfer its partial settlement of the loans amounting to RMB5,200,000 to a non-controlling shareholder (the "Shareholder") in one of the Company's subsidiary corporations. The partial settlement is to satisfy the consideration of the Company's acquisition of 10% equity interests from the Shareholder in the subsidiary corporation. The details of the acquisition are disclosed in Note 14 to the financial statements. As a result to the Agreement, the loans principal was revised to RMB9,500,000 which includes the outstanding interest receivables of RMB700,000. The revised loans bear interest of 3.8% per annum and are repayable by June and July 2023. However, the loan interest has been waived since financial year ended 31 December 2021. The loan to non-related party is now reclassified from non-current assets to current assets as the loan is repayable by June and July 2023.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. FINANCIAL ASSETS, AT FVTPL

	Group	
	2022 RMB'000	2021 RMB'000
Beginning of financial year	55,227	55,227
Fair value loss	(6,127)	-
End of financial year	49,100	55,227

The instruments are measured at fair value through profit or loss. The unquoted equity instrument is a private equity and classified as non-current financial assets, at FVTPL.

The fair value measurement is disclosed in Note 21(f) to the financial statements.

14. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2022 RMB'000	2021 RMB'000
<i>At cost</i>		
Beginning of financial year	44,800	39,600
Addition	-	5,200
Disposal	-*	-
End of financial year	44,800	44,800

* Less than RMB1,000

On 31 December 2021, the Company acquired remaining 10% of the equity interests of its subsidiary corporation, Libre Hospitality Limited ("LHL") from the non-controlling shareholder with purchase consideration of RMB5,200,000. As disclosed in Note 12 to the financial statements, the consideration is satisfied through the partial settlement of loans from non-related party. Accordingly, LHL became the wholly owned subsidiary corporation to the Company.

LHL was incorporated on 5 July 2018 in Hong Kong Special Administrative Region. The registered address is at New Era Square, 181 Queen's Ave Central, Hong Kong Special Administrative Region. LHL holds a 100% interest in Hainan Zhong Zhi Cultural Tourism Limited ("WOFE"), an entity incorporated in People's Republic of China. Through the WOFE, LHL holds 8% shareholdings respectively in Fu Da and Fu Fa.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Company has the following subsidiary corporations as at 31 December 2022 and 31 December 2021:

Name of companies	Principal activities	Country of business/ incorporation	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	
			2022	2021	2022	2021	2022	2021
			%	%	%	%	%	%
Subsidiary corporations of the Company								
Elite Management (Singapore) Pte. Ltd. ⁽¹⁾	Investment holdings	Singapore	100	100	100	100	-	-
Libre Hospitality Limited ⁽²⁾	Investment holdings	Hong Kong	100	100	100	100	-	-
Subsidiary corporation of Libre Hospitality Limited								
Hainan Zhong Zhi Cultural Tourism Limited ⁽²⁾⁽³⁾	Property investment	People's Republic of China	-	-	100	100	-	-
Subsidiary corporations of Elite Management (Singapore) Pte. Ltd.								
Hainan Zhongyuan Cultural Tourism Co., Ltd. ⁽²⁾	Property investment and management	People's Republic of China	-	-	51	51	49	49
Healthbank Technology Development (Liaoning) Limited ⁽²⁾⁽⁴⁾	Dormant	People's Republic of China	-	-	-	100	-	-

* Parent referred to the Company

- (1) Audited by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), Singapore.
- (2) Audited/reviewed by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), for group consolidation purposes.
- (3) Owned 8% of equity interests in Hainan Fuda Construction Materials Co., Ltd and Hainan Fufa Plantation Co., Ltd. which are classified as financial assets, FVTPL as disclosed in Note 13 to the financial statements.
- (4) Upon the completion of the disposal on 22 July 2022, the Company ceased to be subsidiary of the Group.

In accordance to Rule 716 of the Catalist Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations would not compromise the standard and effectiveness of the audit of the Group.

Significant restriction

Cash and bank balances of RMB149,285 (2021: RMB710,013) are held in the PRC 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Non-controlling interests

	Group	
	2022 RMB'000	2021 RMB'000
Carrying value of non-controlling interests		
Libre Hospitality Limited and its subsidiary corporations ("LHL Group")*	-	-*
Hainan Zhongyuan Cultural Tourism Co., Ltd	(21)	31
Total	(21)	31

* LHL Group became wholly-owned subsidiary corporations to the Company as at 31 December 2021, accordingly, no non-controlling interest presented.

There are no material non-controlling interests as at 31 December 2021.

Disposal of subsidiary corporation

On 20 July 2022, the Group had entered into a Sales and Purchase agreement to dispose its entire equity interest in its 100% owned subsidiary corporation, HealthBank Technology Development (Liaoning) Limited (held via a subsidiary corporation ("HBTD"), Elite Management (Singapore) Pte. Ltd.) to a non-related party for a cash consideration of S\$250,000 (approximately RMB1,214,000). On 22 July 2022, the Company announced the disposal of have been completed. Accordingly, HBTD ceased to be the subsidiary of the Group.

The effect of the cash flows are as follows:

	Healthbank Technology Development (Liaoning) Limited RMB'000
2022	
Carrying amounts of assets and liabilities as at the date of disposal	
Cash and bank balances	308
Other receivables	305
Plant and equipment	3
Total assets	616
Net assets disposed of	616
Gain on disposal	598
Consideration on disposal	1,214
Less:	
- Cash and bank balances in the subsidiary corporations disposed of	(307)
Net cash inflow on disposal	907

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. PLANT AND EQUIPMENT

	Office equipment RMB'000
Group	
2022	
<i>Cost</i>	
Beginning of financial year	17
Disposal	<u>(6)</u>
End of financial year	<u>11</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	2
Depreciation charge	4
Disposal	<u>(1)</u>
End of financial year	<u>5</u>
<i>Net carrying amount</i>	
End of financial year	<u><u>6</u></u>
2021	
<i>Cost</i>	
Beginning of financial year	-
Addition	31
Disposal	<u>(14)</u>
End of financial year	<u>17</u>
<i>Accumulated depreciation</i>	
Beginning of financial year	-
Depreciation charge	4
Disposal	<u>(2)</u>
End of financial year	<u>2</u>
<i>Net carrying amount</i>	
End of financial year	<u><u>15</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. PLANT AND EQUIPMENT (CONTINUED)

	Office equipment RMB'000
Company	
2022	
<i>Cost</i>	
Beginning and end of financial year	11
Accumulated depreciation	
Beginning of financial year	1
Depreciation charge	4
End of financial year	5
Net carrying amount	
End of financial year	6
2021	
<i>Cost</i>	
Beginning of financial year	-
Addition	25
Disposal	(14)
End of financial year	11
<i>Accumulated depreciation</i>	
Beginning of financial year	-
Depreciation charge	3
Disposal	(2)
End of financial year	1
<i>Net carrying amount</i>	
End of financial year	10

16. OTHER PAYABLES

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
<i>Non-trade payables:</i>				
- non-related parties	144	67	134	67
Accruals for operating expenses	1,166	764	808	523
	1,310	831	942	590

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. CONVERTIBLE LOANS

On 22 March 2021, the Company entered into a Convertible Loan Subscription Agreement with three non-related parties, namely, (1) EnerlHC Holding Limited; (2) Royal Investment Global Limited; and (3) Shenyang Pufei Technology Co., Ltd (individually referred as "subscriber" and collectively known as "subscribers"). The Company has issued unsecured convertible loan notes ("convertible loans") to subscribers totaling to a principal amount of S\$3,300,000, equivalent to approximately RMB16,071,000 with a maturity date of 36 months from subscription date ("maturity date").

The convertible loans are interest-free and may be converted at any time before the maturity date, at fixed conversion price of S\$0.088 subject to adjustments in the manner set out in the terms and conditions of the convertible loans. Any outstanding convertible loans as at the maturity date, will be redeemed by the Company at 100% of their principal amount.

On 23 December 2021, the Company has redeemed the convertible loan with principal amount of S\$1,100,000, equivalent to approximately RMB5,181,000 from one of the subscribers, Shenyang Pufei Technology Co., Ltd. The Company has repaid the subscriber as at current financial year end.

On 24 June 2022 and 19 September 2022, the Company has redeemed the Notes Issue from EnerlHC Holding Limited, amounting to principal amount of S\$500,000 (approximately RMB2,300,000) and S\$600,000 (approximately RMB2,900,000) respectively.

On 23 September 2022, Royal Investment Global Limited has transferred all its Notes to Ms. Feng Li, amounting to a principal amount of S\$1,100,000 (approximately RMB5,500,000).

On 15 November 2022, the Company received an original copy of the written notice from Ms. Feng Li, notifying the Company of her intention to exercise her Conversion Rights in respect of all the Notes held by her, the Conversion Right has been converted into 12,500,000 Conversion Shares at the Conversion Price of S\$0.088.

The fair value of the liability component, included in non-current liabilities, is calculated using a market interest rate for an equivalent non-convertible loan at the date of issuance. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves, as "equity component of convertible loan".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. CONVERTIBLE LOANS (CONTINUED)

The carrying amount of the liability component of the convertible loans at the reporting date is derived as follows:

	Group and Company	
	2022	2021
	RMB'000	RMB'000
Face value of convertible loans at issuance (net of transaction cost)	-	15,753
Equity conversion component on initial recognition	-	(2,145)
Liability component on initial recognition	-	13,608
<u>Movement of liability component of convertible loans during the financial year:</u>		
Liability component on initial recognition (as above)	9,125	13,608
Early redemption	(5,386)	(4,599)
Conversion of shares	(5,386)	-
Accumulated unwinding of discount on convertible loans (Note 8)	1,288	413
Currency translation differences	359	(297)
Liability component at end of financial year	-	9,125

18. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	Issued and paid-up share capital RMB'000	Number of shares '000	Issued and paid-up share capital RMB'000
<u>Group and Company</u>				
Beginning of financial year	78,000	29,194	78,000	29,194
Issuance of shares	3,800	1,933	-	-
Issuance of shares upon conversion of convertible loans	12,500	6,380	-	-
	<u>94,300</u>	<u>37,507</u>	<u>78,000</u>	<u>29,194</u>

Pursuant to a shares subscription exercise based on the subscription agreement entered between the Company and the subscriber on 11 June 2022, the Company issued 3,800,000 ordinary shares at S\$0.105 per share on 30 June 2022 (equivalent to RMB1,933,000), to provide funds for the Group's general working capital purposes but not limited to due diligence expenses in connection with potential investment projects to be undertaken by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. SHARE CAPITAL (CONTINUED)

On 15 November 2022, the convertible notes holder, Ms. Feng Li, exercised her conversion rights to convert her convertible notes into 12,500,000 ordinary shares at the conversion price of S\$0.088 (equivalent to RMB5,659,000). Additionally, as part of the conversion, there was a transfer of equity component of convertible notes of RMB721,000.

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.

19. OTHER RESERVES

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Currency translation reserve (Note 19(a))	4,632	4,020	4,692	3,971
Equity component of convertible loans (Note 19(b))	-	1,442	-	1,442
	4,632	5,462	4,692	5,413

(a) Movement of currency translation reserve as follows:

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Beginning of financial year	4,020	4,683	3,971	4,693
Net currency translation differences arising from consolidation - gain/(loss)	612	(663)	721	(722)
End of financial year	4,632	4,020	4,692	3,971

The currency translation reserve represents exchange differences arising from the translation of the financial statements of operations whose functional currencies are different from that of the Group's presentation currency, RMB.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. OTHER RESERVES (CONTINUED)

(b) Movement in equity component of convertible loans is as follows:

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Beginning of financial year	1,442	-	1,442	-
Issuance of convertible loans	-	2,146	-	2,146
Issuance of ordinary shares upon conversion	(721)	-	(721)	-
Redemption of convertible loans	(721)	(704)	(721)	(704)
End of financial year	<u>-</u>	<u>1,442</u>	<u>-</u>	<u>1,442</u>

Other reserves are non-distributable.

20. RETAINED PROFITS

(a) *Retained profits of the Group and the Company are distributable.*

(b) *Movement in retained profits for the Company is as follows:*

	Company	
	2022 RMB'000	2021 RMB'000
Beginning of financial year	19,193	21,517
Net loss for the year	(4,651)	(2,324)
End of financial year	<u>14,542</u>	<u>19,193</u>

21. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(a) *Market risk*

(i) *Currency risk*

The Group operates in PRC and Singapore. Entities in the Group also 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 other than its functional currency.

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

	<u>RMB</u> <u>RMB'000</u>	<u>S\$</u> <u>RMB'000</u>	<u>USD</u> <u>RMB'000</u>	<u>Total</u> <u>RMB'000</u>
Group				
At 31 December 2022				
Financial assets				
Cash and bank balances	149	2,567	21	2,737
Financial assets, at FVTPL	49,100	-	-	49,100
Other receivables	9,514	1	-	9,515
Intra-group receivables	-	964	-	964
	<u>58,763</u>	<u>3,532</u>	<u>21</u>	<u>62,316</u>
Financial liabilities				
Other payables	(192)	(1,118)	-	(1,310)
Intra-group payables	-	(964)	-	(964)
	<u>(192)</u>	<u>(2,082)</u>	<u>-</u>	<u>(2,274)</u>
Net financial assets	<u>58,571</u>	<u>1,450</u>	<u>21</u>	<u>60,042</u>
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u>9,514</u>	<u>-</u>	<u>21</u>	<u>9,535</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(a) *Market risk* (Continued)

(i) *Currency risk* (Continued)

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

	RMB RMB'000	S\$ RMB'000	USD RMB'000	Total RMB'000
Group				
At 31 December 2021				
Financial assets				
Cash and bank				
balances	710	7,179	20	7,909
Financial assets, at FVTPL	55,227	-	-	55,227
Other receivables	9,500	56	-	9,556
Intra-group receivables	-	1,965	-	1,965
	<u>65,437</u>	<u>9,200</u>	<u>20</u>	<u>74,657</u>
Financial liabilities				
Other payables	(39)	(792)	-	(831)
Convertible loans	-	(9,125)	-	(9,125)
Intra-group payables	-	(1,965)	-	(1,965)
	<u>(39)</u>	<u>(11,882)</u>	<u>-</u>	<u>(11,921)</u>
Net financial assets	<u>65,398</u>	<u>(2,682)</u>	<u>20</u>	<u>62,736</u>
Currency exposure of financial assets net of those denominated in the respective entities' functional currencies	<u>9,500</u>	<u>-</u>	<u>20</u>	<u>9,520</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(a) *Market risk* (Continued)

(i) *Currency risk* (Continued)

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

	<u>RMB</u> <u>RMB' 000</u>	<u>S\$</u> <u>RMB' 000</u>	<u>USD</u> <u>RMB' 000</u>	<u>Total</u> <u>RMB' 000</u>
Company				
At 31 December 2022				
Financial assets				
Cash and bank balances	-	2,362	8	2,370
Other receivables	9,514	965	-	10,479
	<u>9,514</u>	<u>3,327</u>	<u>8</u>	<u>12,849</u>
Financial liabilities				
Convertible loans	-	-	-	-
Other payables	-	942	-	942
	<u>-</u>	<u>942</u>	<u>-</u>	<u>942</u>
Net financial assets	<u>9,514</u>	<u>2,385</u>	<u>8</u>	<u>11,907</u>
Currency exposure of financial assets in the Company's functional currency				
	<u>9,514</u>	<u>-</u>	<u>8</u>	<u>9,522</u>
At 31 December 2021				
Financial assets				
Cash and bank balances	-	7,090	7	7,097
Other receivables	9,500	2,020	-	11,520
	<u>9,500</u>	<u>9,110</u>	<u>7</u>	<u>18,617</u>
Financial liabilities				
Convertible loans	-	9,125	-	9,125
Other payables	-	590	-	590
	<u>-</u>	<u>9,715</u>	<u>-</u>	<u>9,715</u>
Net financial assets	<u>9,500</u>	<u>(605)</u>	<u>7</u>	<u>8,902</u>
Currency exposure of financial assets in the Company's functional currency				
	<u>9,500</u>	<u>-</u>	<u>7</u>	<u>9,507</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(a) *Market risk* (Continued)

(i) *Currency risk* (Continued)

As at 31 December 2022 and 2021, if the USD change against the RMB with all other variables held constant, the foreign exchange gains/losses on translation of USD-denominated financial assets are not expected to have any significant impact to the net profit of the Group and the Company for the respective financial year.

(ii) *Price risk*

The Group is exposed to equity securities price risk arising from the unquoted equity securities from PRC classified as financial assets, at FVTPL as disclosed on Note 13 to the financial statements. As at reporting date, there is no significant exposure to equity price risk.

(iii) *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 rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates. The Group does not have exposure to interest rate risk as it does not have any bank borrowings.

(b) *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 cash and bank balances and other receivables. 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 set 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.

(i) *Other receivables and deposits*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(b) *Credit risk* (Continued)

(i) *Other receivables and deposits* (Continued)

At each reporting date, the Group assesses 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 considers 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 historical experience.

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 ECL.

As at 31 December 2022 and 2021, the Group performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to press information and applying experienced credit judgement) and an assessment of expected credit loss using the 12-month ECL basis on these financial assets. The Group concluded that no loss allowance provided for other receivables as at 31 December 2022 and 2021.

(ii) *Non-trade receivables from subsidiary corporation*

Non-trade receivables from subsidiary corporation are provided mainly for short-term funding requirements. The Company uses a similar approach as described in Note 21(b)(i) assessment of ECL for these receivables. Expected credit loss on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Group concluded that the need to provide the loss allowance for non-trade receivables from subsidiary corporation is insignificant.

(iii) *Credit risk exposure*

Cash and bank balances are placed only with reputable licensed financial institutions with high credit-ratings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(c) *Liquidity risk*

As at the reporting date, assets held by the Group and the Company for managing liquidity risk included cash and bank balances as disclosed in Note 11 to the financial statements.

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 reporting 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. Balances due after 12 months differ from their carrying amounts due to the impact of discounting.

	Less than 1 year RMB'000	Between 1 and 5 years RMB'000	Total RMB'000
Group			
At 31 December 2022			
Other payables	1,310	-	1,310
At 31 December 2021			
Other payables	831	-	831
Convertible loans	-	10,362	10,632
	831	10,362	11,463
Company			
At 31 December 2022			
Other payables	942	-	942
At 31 December 2021			
Other payables	590	-	590
Convertible loans	-	10,362	10,632
	590	10,362	11,222

(d) *Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as other payables less cash and bank balances (2021: convertible loans plus other payables less cash and bank balances). Total capital is calculated as total equity plus net debt.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(d) *Capital risk* (Continued)

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Net debt	(1,427)	2,047	(1,428)	2,618
Total equity	60,076	63,055	56,741	53,800
Total capital	58,649	65,102	55,313	56,418
Gearing ratio	NM⁽¹⁾	3.1%	NM⁽¹⁾	4.6%

(1) *Not meaningful as the cash position exceeds the net debts.*

(e) *Financial instruments by category*

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

	Group		Company	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
Financial assets, at FVTPL	49,100	55,227	-	-
Financial assets, at amortised cost	12,252	17,465	12,849	18,617
Financial liabilities, at amortised cost	1,310	9,956	942	9,715

(f) *Fair value measurements*

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- input 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (Continued)

(f) *Fair value measurements* (Continued)

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found at Note 13.

	<u>Level 1</u> <u>RMB'000</u>	<u>Level 2</u> <u>RMB'000</u>	<u>Level 3</u> <u>RMB'000</u>	<u>Total</u> <u>RMB'000</u>
Group				
31 December 2022				
Assets				
Financial assets, at FVTPL	-	-	49,100	49,100
31 December 2021				
Assets				
Financial assets, at FVTPL	-	-	55,227	55,227

As at 31 December 2022 and 2021, the financial assets, at FVTPL represent the investment in unquoted equity. An independent certified valuer has been appointed by the Group to assist in establishing the fair value of FVTPL. Financial assets, at FVTPL is classified to Level 3 as significant unobservable inputs is used. The Group has applied Discounts for Lack of Marketability ("DLOM") and Discounts for Lack of Control ("DLOC") on the unquoted equity. The higher of the discount rate will result in a lower fair value. If the DLOM and DLOC 1% higher than management's estimates, the Group would have recognised a further fair value loss of RMB 540,000.

When determining DLOM and DLOC in an unquoted equity, there are several factors that can be considered. These factors include the size of the unquoted equity, industry and market conditions, financial performance, ownership structure, level of control, and liquidity.

The fair value of current financial assets carried at amortised cost approximate their carrying amount.

* DLOM – It is a term used in finance and business valuation to refer to the reduction in the value of the assets due to its lack of marketability or liquidity. This discount is applied to the fair market value of the asset to reflect the difficulty of selling it in the open market.

* DLOC – It is a term used in finance and business valuation to refer to the reduction in the value of an asset due to the lack of control over its management or decision-making. This discount is applied to the fair market value of the asset to reflect the fact that the owner does not have full control over the assets' operations or strategic direction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22. 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:

Key management personnel compensation is as follows:

	Group	
	2022 RMB'000	2021 RMB'000
Directors		
Wages and salaries	830	858
Contribution to defined contribution plans, including Central Provident Fund	60	43
Directors' fees	304	297
	1,194	1,198
Other key management personnel		
Wages and salaries	168	391
Contribution to defined contribution plans, including Central Provident Fund	28	59
	196	450
	1,390	1,648

23. SEGMENT INFORMATION

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

The Chief Executive Officer and Executive Directors consider the business from both geographical and business segment perspectives.

Property management segment includes landscaping, property and facilities management services.

Other services within Singapore mainly relate to investment holding and are not included within the reportable operations segments as they are not included in the segment reports provided to the Chief Executive Officer and Executive Directors. The result of its operations is included under "HQ and other investing activities".

The CODM assesses the performance of the operating segments based on a measurement of loss before interest, tax and depreciation ("Adjusted LBITDA"). This measure basis excludes the effects of expenditure from the operating segments such as gains from disposal or impairment loss that are not expected to recur regularly in every period which are separately analysed. Interest income and finance expenses are not allocated to segments, as this type of activity is driven by the Group Treasury, which manages the cash position of the Group.

Sales between segments are carried out at market terms. The revenue from external parties reported to the CODM is measured consistent with that in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. SEGMENT INFORMATION (CONTINUED)

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

	HQ and other investing activities		Property Management		Total	
	2022	2021	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue	-	-	379	99	379	99
Adjusted LBIDTA	(9,784)	(2,091)	(107)	(436)	(9,891)	(2,527)
Depreciation of plant and equipment	(4)	(4)	-	-	(4)	(4)
Interest income	-	34	-	-	-	34
Government grant	71	71	-	-	71	71
Finance expenses	(1,288)	(1,005)	-	-	(1,228)	(1,005)
Segment assets	61,237	72,908	149	103	61,386	73,011
Segment assets includes:						
Additions to plant and equipment	-	31	-	-	-	31
Segment liabilities	(1,118)	(9,917)	(192)	(39)	(1,310)	(9,956)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. SEGMENT INFORMATION (CONTINUED)

(a) *Reconciliations*

(i) *Segment assets*

The amounts reported to the Board of Directors with respect to the total assets are measured in a manner consistent with that of the financial statements. Hence, no reconciliation is provided.

(ii) *Segment liabilities*

The amounts reported to the Board of Directors with respect to the total liabilities are measured in a manner consistent with that of the financial statements. Hence, no reconciliation is provided.

(b) *Revenue for major services*

The Group's core business segment is the property management. The activities of the property management include landscaping, property and facilities management services.

(c) *Geographical information*

The Group's business segments operate in two main geographical areas:

- Singapore – the Company is headquartered and has no operations in Singapore.
- People's Republic of China – the operations in these areas are principally providing landscaping related management service.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. SEGMENT INFORMATION (CONTINUED)

(c) Geographical information (Continued)

	HQ and other investing activities		Property Management		Total	
	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000	2022 RMB'000	2021 RMB'000
<u>Revenue</u>						
PRC	-	-	379	99	379	99
<u>Non-current assets</u>						
PRC	49,100	64,732	-	-	49,100	64,732
Singapore	6	10	-	-	6	10
	<u>49,106</u>	<u>64,742</u>	<u>-</u>	<u>-</u>	<u>49,106</u>	<u>64,742</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. 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 Company's accounting periods beginning on or after 1 January 2023 and which the Company has not early adopted.

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

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

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

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

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

Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

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

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

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

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

25. EVENT OCCURRING AFTER REPORTING DATE

On 4 November 2022, the Group entered into an Equity Transfer Agreement with New Energy Industry Sweden AB (the "**Vendor**"), a Sweden-incorporated company, in relation to the proposed sale of 100% of the shares in the capital of New Energy International Investment Holding Limited to the Group (the "**Proposed Acquisition**"). The Company received a Notice of Compliance ("**NOC**") issued by the Singapore Exchange Regulation Pte Ltd (the "**SGX Regco**") on 24 February 2023, in relation to the Proposed Acquisition, along with a Trade with Caution alert.

On 27 February 2023, the Company made an announcement stating that it is seeking advice from its continuing sponsor on the NOC requirements.

On 3 April 2023, the Company entered into a Termination Agreement with Vendor to terminate the Equity Transfer Agreement on 4 November 2022, in relation to the Proposed Acquisition. This decision was made after considering the implications of the NOC on the Proposed Acquisition, specifically from commercial perspectives in terms of substantial costs and time to be incurred to complete the Proposed Acquisition.

Save for the professional fees and other expenses in relation to the Proposed Acquisition, the termination of the Equity Transfer Agreement with the Vendor does not have any financial impact on the current financial year's financial statements of the Company, as the Proposed Acquisition has not been completed.

26. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors of HealthBank Holdings Limited on 7 April 2023.

STATISTICS OF SHAREHOLDINGS

AS AT 27 MARCH 2023

SHARE CAPITAL

Issue and fully paid capital	-	\$S8,919,100	Class of shares	-	Ordinary shares
Total number of shares in issue	-	94,300,000	Voting rights	-	1 vote per share
Number of treasury shares and subsidiary holdings held	-	Nil			

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 30.25% of the issued ordinary shares of the Company were held in the hands of the public as at 27 March 2023 and therefore Rule 723 of the Catalist Rules is complied with.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	8	5.26	5,100	0.00
1,001 – 10,000	41	26.97	260,000	0.28
10,001 – 1,000,000	93	61.19	8,870,900	9.41
1,000,001 AND ABOVE	10	6.58	85,164,000	90.31
TOTAL	152	100.00	94,300,000	100.00

STATISTICS OF SHAREHOLDINGS

AS AT 27 MARCH 2023

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ZHANG TIAN BAO	23,361,000	24.77
2	PENG WEILE	20,899,000	22.16
3	FENG LI	12,605,000	13.37
4	LU NING	8,910,000	9.45
5	UOB KAY HIAN PRIVATE LIMITED	8,063,300	8.55
6	PHILLIP SECURITIES PTE LTD	4,481,200	4.75
7	HAFARY HOLDINGS LIMITED	2,344,400	2.49
8	MAYBANK SECURITIES PTE. LTD.	1,857,900	1.97
9	MRS KHOO CHENG ENG NEE LIM CHENG ENG	1,596,700	1.69
10	TAN THIAM CHYE	1,045,500	1.11
11	OCBC SECURITIES PRIVATE LIMITED	715,000	0.76
12	TIGER BROKERS (SINGAPORE) PTE. LTD.	614,000	0.65
13	ZHAO ZIQING DOMINIC	611,500	0.65
14	CITIBANK NOMINEES SINGAPORE PTE LTD	530,600	0.56
15	CHNG LAY GUAT	300,000	0.32
16	DBS NOMINEES (PRIVATE) LIMITED	297,900	0.32
17	OH ENG BIN (HU RONGMING)	239,000	0.25
18	TAN CHAY LONG	230,000	0.24
19	IFAST FINANCIAL PTE. LTD.	208,100	0.22
20	LOKE WEE CHOONG	200,000	0.21
	TOTAL	89,110,100	94.49

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Zhang Tian Bao	23,361,000	24.77	-	-
Peng Weile	20,899,000	22.16	-	-
Feng Li	12,605,000	13.37	-	-
Lu Ning	8,910,000	9.45	-	-

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST

Based on information available and to the best knowledge of the Directors, as at 27 March 2023, approximately 30.25% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of **HealthBank Holdings Limited** (the “**Company**”) will be held by way of electronic means on Friday, 28 April 2023 at 11:00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of up to S\$62,000 for the financial year ending 31 December 2023, to be paid half-yearly in arrears. (2022: S\$90,000). **(Resolution 2)**
3. To re-elect Mr. Peng Weile, who is retiring pursuant to Regulation 107 of the Company’s Constitution, as a Director. **(Resolution 3)**
(see explanatory note A)
4. To re-elect Mr. Ng Fook Ai Victor, who is retiring pursuant to Regulation 107 of the Company’s Constitution, as a Director. **(Resolution 4)**
(see explanatory note B)
5. To re-appoint CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as independent auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), the Directors be authorised and empowered to: **(Resolution 6)**
 - (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

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

- (b) (notwithstanding 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:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total 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 of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from the exercise of share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

NOTICE OF ANNUAL GENERAL MEETING

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

Adjustments for (a) and (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;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company for the time being; and
- (4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(see explanatory note C)

- 7. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Peng Fei George
Executive Director and CEO

13 April 2023
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- A. Mr. Peng Weile will, if re-elected as a Director, remain as an Executive Director of the Company. Detailed information on Mr. Peng Weile can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Company's Annual Report for FY2022.
- B. Mr. Ng Fook Ai Victor will, if re-elected as a Director, remain as the Independent Chairman of the Company, the Chairman of the Nominating Committee of the Company, and a member of each of the Audit Committee and Remuneration Committee of the Company. He is considered independent for the purposes of Rule 704(4) of the Catalyst Rules. Detailed information on Mr. Ng Fook Ai Victor can be found under the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-election" of the Company's Annual Report for FY2022.
- C. The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 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 shareholders of the Company.

Notes:

1. Printed copies of this Notice and the accompanying Annual Report for FY2022 and proxy form will not be sent to members of the Company ("**Members**"). Instead, these documents will be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
2. The AGM will be convened and held by electronic means.
3. Alternative arrangements will be put in place to allow Members to participate in the AGM by:
 - a. attending, asking questions and communicating "live" in real-time at the virtual AGM via electronic means. Members who wish to participate in the AGM proceedings as such will have to pre-register in the manner outlined in Note 4 below;
 - b. submitting questions to the Company in advance of or "live" at the virtual AGM. Please refer to Note 5 below for further details; and
 - c. voting by proxy or "live" in real-time at the virtual AGM via electronic means. Please refer to Note 6 below for further details.

Members may participate at the AGM by taking note of the following steps:

4. Registration for Live Webcast

A Member will be able to follow the proceedings of the AGM through a live audio-visual webcast or live audio-only stream (collectively, "**Live Webcast**") via mobile phone, tablet, computer or any such electronic device. Members will also be able to ask questions and communicate "live".

In order to do so, a Member must pre-register no later than **11:00 a.m. on 26 April 2023** ("**Registration Deadline**"), at the URL <https://conveneagm.com/sg/healthbank2023>, for authentication of their status as Members.

Members who have been authenticated will receive email instructions to access the Live Webcast of the proceedings of the AGM by **11:00 a.m. on 27 April 2023**. Members who have registered by the Registration Deadline but have not receive email instructions by 11:00 a.m. on 27 April 2023 should promptly contact the Company by email at healthbank123@gmail.com for assistance.

Members must not forward the abovementioned email instructions to other persons who are not Members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast platform.

Members are reminded that the AGM proceedings are private, recording of the live webcast in whatever form is strictly prohibited

Investors who hold shares through relevant intermediaries as defined in Section 181(6) of the Companies Act, including investors who hold shares under the Supplementary Retirement Scheme ("**SRS Investors**") and who wish to participate in the AGM must, in addition to pre-registering, approach their respective agents, including SRS operators, so that the necessary arrangements can be made by the relevant agents for their participation in the AGM or the appointment of the Chairman (or other person(s)) to act as their proxy. Such investors should note that they must in any event approach their respective agents to submit their votes **by 5:00 p.m. on 18 April 2023**.

NOTICE OF ANNUAL GENERAL MEETING

5. Members' Queries

Members will be able to speak and ask questions during the Live Webcast. To ensure that sufficient time and attention may be accorded to each question, Members are encouraged to submit questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM.

Members submitting their questions for a response by the Company in advance of the AGM must submit their questions **no later than 5:00 p.m. on 20 April 2023** ("Cut-off Time") to the Company:

- (a) **via the pre-registration website** at the URL <https://conveneagm.com/sg/healthbank2023>;
- (b) **in hard copy by post** to the registered office of the Company at 15 Scotts, 15 Scotts Road, #04-08, Suite 22, Singapore 228218; or
- (c) **via email** to healthbank123@gmail.com

For verification purposes, when submitting any questions by post or via email, Members **MUST** provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held).

The responses to substantial and relevant questions from Members in relation to the resolutions to be tabled at the AGM will be posted on the SGXNet as soon as possible and in any case, no later than **11:00 a.m. on 24 April 2023** (being 48 hours before the closing date and time for the lodgement of proxy forms). Any subsequent clarifications sought by Members after the Cut-off Time will be addressed at the AGM. The minutes of the AGM will be published on the SGXNet within one (1) month after the date of the AGM.

Investors who hold shares through relevant intermediaries as defined in Section 181(6) of the Companies Act, including SRS Investors, can submit their questions in relation to any resolution set out in the Notice of AGM upon pre-registration.

6. Proxy Voting or "Live" Voting at the AGM

A Member (including a relevant intermediary and whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM, must exercise his/her/its voting rights in one of the following manners:

- (a) a Member entitled to attend and vote at the AGM and who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote in his/her/its stead;
- (b) a Member entitled to attend and vote at the AGM and who is a relevant intermediary may appoint more than two (2) proxies provided that each proxy is appointed to exercise the rights attached to different shares held by such member; or
- (c) by personally attending and voting "live" at the AGM during the Live Webcast.

Where the Member opts to appoint one or more proxies in the manner as set out at Notes 6(a) and 6(b) above, the instrument appointing the proxy must be submitted to the Company in the following manner:

- (i) **via the pre-registration website** at the URL <https://conveneagm.com/sg/healthbank2023>;
- (ii) **if by post**, to the registered office of the Company, at 15 Scotts, 15 Scotts Road, #04-08, Suite 22, Singapore 228218; or
- (iii) **if sent by email**, to healthbank123@gmail.com,

in any case, not less than 48 hours before the time for holding the AGM and at any adjournment thereof, i.e., the Member's proxy form must be received by the Company no later than **11:00 a.m. on 26 April 2023**.

A Member who wishes to submit an instrument of proxy in the manner set out at Note 6(ii) or 6(iii) above must first download, complete and sign the proxy form, which has been uploaded together with this Notice of AGM on SGXNet on this same day, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. Members are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website.

NOTICE OF ANNUAL GENERAL MEETING

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

Investors who hold shares through relevant intermediaries as defined in Section 181(6) of the Companies Act, including SRS Investors, and who wish to have their votes cast in the AGM must do so by appointing a proxy, and must approach their respective agents to submit their votes **by 5:00 p.m. on 18 April 2023**.

In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy.

The Company shall be entitled to reject any instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument appointing a proxy). In addition, where the instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

Personal Data Privacy:

"**Personal data**" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes, *inter alia*, the Member's name and its proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend and vote at the Annual General Meeting 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, 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 or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (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, SAC Capital Private Limited (the "**Sponsor**"). This Notice has not been examined or approved by 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 Ms. Lee Khai Yinn (+65 6232 3210) at 1 Robinson Road #21-00 AIA Tower, Singapore 048542.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Peng Weile and Mr. Ng Fook Ai Victor are the Directors seeking re-election at the forthcoming annual general meeting of the Company (“**AGM**”) to be convened on 28 April 2023 under Ordinary Resolutions 3 and 4 as set out in the Notice of AGM dated 13 April 2023 (collectively, the “**Retiring Directors**”).

Pursuant to Rule 720(5) of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is set out below and to be read in conjunction with their respective biographies under the section entitled “Board of Directors” in the Annual Report for the financial year ended 31 December 2022:

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
Date of appointment	3 October 2016	4 May 2018
Date of last re-appointment	12 June 2020	28 April 2021
Age (as of 31 December 2022)	42	74
Country of principal residence	Singapore	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Nominating Committee of the Company (the “NC”), having assessed Mr. Peng’s qualifications, experience and present commitments, as well as his contributions and performance since his appointment, is of the view that Mr. Peng is suitable to be re-appointed as an Executive Director of the Company and has recommended to the Board of Directors of the Company (the “Board”) that he be so re-appointed.</p> <p>The Board, having considered the above factors and taken into account the NC’s recommendation, has approved Mr. Peng’s re-appointment as an Executive Director of the Company.</p>	<p>The NC, having assessed Mr. Ng’s qualifications, experience and present commitments, as well as his contributions and performance since his appointment, is of the view that Mr. Ng is suitable to be re-appointed as the Independent Chairman of the Board, the Chairman of the NC, and a member of each of the Remuneration Committee (the “RC”) and Audit Committee (the “AC”), and has recommended to the Board that he be so re-appointed.</p> <p>The Board, having considered the above factors and taken into account the NC’s recommendation, has approved Mr. Ng’s re-appointment as the Independent Chairman of the Board, the Chairman of the NC, and a member of each of the RC and AC.</p>
Whether appointment is executive, and if so, the area of responsibility	Executive Director. Mr Peng will be responsible for the Group’s corporate finance, investor relations, and property related investment.	Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Chairman of the Board, NC Chairman, RC Member, AC Member
Professional qualifications	<p>Master's degree in Finance from National University of Ireland, Dublin</p> <p>Diploma in Wealth Management from Wealth Management Institute of Singapore</p>	<p>Master of Science in Economics (Econometrics) from Birkbeck College, University of London</p> <p>Bachelor of Science in Economics (Honours) from Birkbeck College, University of London</p>
Working experience and occupation(s) during the past 10 years	<p>October 2019 – Present: Director of Prisma Technologies Pte Ltd</p> <p>March 2017 – Present: Executive Director of Elite Management (Singapore) Pte. Ltd.</p> <p>October 2015 – Present: Executive Director of Forise International Limited; August 2015 – September 2015: Non-Executive Director of Forise International Limited</p> <p>March 2020 – October 2022: Director of Forise Management Limited</p> <p>April 2022 – November 2022: Director of Raffles Neobank Solutions Pte Ltd</p> <p>August 2018 – December 2020: Director of Beijing Shengting Commercial Management Co., Ltd.</p> <p>August 2017 – July 2020: Non-Executive Director of TNT Global Capital Ltd. Ltd.</p> <p>2009 – 2016: Executive Director of Sino-Excel Energy Limited</p>	<p>January 2022 – Present: Independent Director and Chairman of Quantum Healthcare Limited (f.k.a QT Vascular Ltd)</p> <p>June 2021 – Present: Director of Wosh.World Holdings Pte. Ltd.</p> <p>March 2021 – Present: Director of Blu Monsoon Pte. Ltd.</p> <p>November 2020 – Present: Director of The Medici-Watermark Pte. Ltd.</p> <p>November 2018: Director of DConstruct Systems Pte. Ltd. (dissolved)</p> <p>May 2018 – May 2020: Director of Millet World Trading Post Private Limited (dissolved)</p> <p>April 2018 – May 2020: Director of Millet Capital Private Limited (dissolved)</p> <p>February 2018 – April 2018; September 2019 – Present: Director of Millet World Private Limited</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
	<p>2014 – 2015: Management Director, Investment Banking of Fuhua Holdings Limited</p> <p>2009 – 2014: Executive Director, Head of Investment of Beijing Weihao Investment Ltd</p> <p>2013: Executive Director of Cedar Strategic Holdings Ltd.</p>	<p>January 2018 – Present: Independent Director of The Place Holdings Limited</p> <p>November 2017 – Present: Director of Millet Holdings Private Limited</p> <p>September 2017 – April 2021: Director of Ocision Pte. Ltd.</p> <p>September 2017 – September 2019: Director of LI TV Asia Pte. Ltd. (dissolved)</p> <p>August 2017 – April 2021: Director of Star Publications (Singapore) Pte. Ltd.</p> <p>July 2017 – April 2020: Director of Sun Resources Holdings Pte. Ltd.</p> <p>May 2017 – August 2019: Director of Laviani Pte. Ltd. (dissolved)</p> <p>February 2017 – July 2018: Independent Director of SG Markers Association Ltd (dissolved)</p> <p>January 2017 – Present: Director of Caregiver Group Pte. Ltd.</p> <p>June 2016 – August 2017: Non-Executive Director of Cityneon Holdings Pte. Ltd.</p> <p>April 2016 – Present: Independent Director of Futsalarena @ Yishun Limited</p> <p>May 2015 – April 2021: Director of SB Reit Management Pte. Ltd.</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
		<p>January 2015: Director of Global Arena Asia Pte. Ltd. (dissolved)</p> <p>August 2014 – December 2017: Independent Director of Memories Group Limited</p> <p>February 2014 – Present: Independent Director of Sunshine 100 China Holdings Ltd</p> <p>July 2013 – November 2020: Independent Director of Nee Soon Social Enterprise Limited (dissolved)</p> <p>July 2013 – June 2015: Director of Jiahui New Climate Holdings Pte. Ltd. (dissolved)</p> <p>February 2013 – June 2015: Director of JH Global Resources Pte. Ltd. (dissolved)</p> <p>September 2013 – Present: Independent Director of 1Rockstead GIP Fund II Ltd</p> <p>April 2013 – June 2015: Director of New Climate Pte. Ltd. (dissolved)</p> <p>January 2013 – September 2014: Director of Grand Canal Property Pte. Ltd.</p> <p>May 2010 – Present: Independent Director of 1Rockstead GIP Fund Ltd</p> <p>January 2008 – December 2017: Independent Director of MY E.G. Services Berhad</p> <p>October 2002 – March 2014: Independent Director of Devotion Energy Group Limited (dissolved)</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
		<p>July 1999 – May 2019: Director of Mercur Business Control Asia Pte. Ltd. (dissolved)</p> <p>June 1999 – June 2014: Independent Director of Asia Power Corporation Limited</p> <p>November 1989 – Present: Independent Director of SHC Investments Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	Yes – Direct interest in 20,899,000 Shares in the Company, being 22.16% of the total number of voting Shares in the Company.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive director, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	Nil	No
Undertaking (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships (excluding the working experience and occupation(s) during the past 10 years listed above)		
Past (for the last 5 years from 1 January 2018 to the date of this Annual Report for FY2022)	Nil (excluding the above listed directorships and commitments)	Nil (excluding the above listed directorships)
Present	Nil (excluding the above listed directorships and commitments)	Nil (excluding the above listed directorships)

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
Information required pursuant to Catalist Rule 704(6)		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	PENG WEILE	NG FOOK AI VICTOR
(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
(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 on the SGX-ST? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the SGX-ST (if applicable).	Yes. Mr. Peng Weile is a director of Forise International Limited and was a director of Cedar Strategic Holdings Ltd.	Yes. Mr. Ng is presently a director of the following listed companies: The Place Holdings Limited Sunshine 100 China Holdings Ltd Soilbuild Construction Group Ltd. Quantum Healthcare Limited

HEALTHBANK HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201334844E)
(the "Company")

PROXY FORM

(Please see the notes overleaf before completing this form)

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend and vote at the AGM (please see Note 2 of this form for the definition of "Relevant Intermediary").
2. Investors who hold shares under the Supplementary Retirement Scheme ("SRS investors") may attend and cast their votes at the virtual AGM personally. If they are unable to attend personally if they are appointed by their SRS operator as proxy but would like to vote, they should inform their SRS operators to appoint the Chairman of the AGM or any other person(s) to act as their proxy, in which case, the SRS investor shall be precluded from attending the AGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.

This Proxy Form has been made available on SGXNet. A printed copy of this Proxy Form will **NOT** be despatched to members of the Company ("Members").

I/We, _____ (Name) _____ (NRIC/Passport/UEN)
of _____ (Address)
being a Member, hereby appoint:

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

and/or*:

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

or if no proxy is named, **the Chairman** of the annual general meeting of the Company ("AGM") as my/our* proxy to attend and vote for me/us* on my/our* behalf at the AGM to be convened and held by way of electronic means on 28 April 2023 at 11:00 a.m. and at any adjournment thereof. Appointed proxy(ies) will be prompted via email (within one (1) business day after the Company's receipt of a validly completed and submitted Proxy Form) to pre-register at the pre-registration website which is accessible from the URL <https://conveneagm.com/sg/healthbank2023> in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings

I/We* direct the aforesaid appointed proxy to vote for, or against, or abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

* Delete as appropriate

No.	Ordinary Resolution relating to:	No. of Votes For*	No. of Votes Against*	No. of Votes Abstain*
1.	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Independent Auditor's Report thereon			
2.	Payment of Directors' fees of up to S\$62,000 for the financial year ending 31 December 2023, to be paid half-yearly in arrears			
3.	Re-election of Mr. Peng Weile as a Director of the Company			
4.	Re-election of Mr. Ng Fook Ai Victor as a Director of the Company			
5.	Re-appointment of CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as independent auditor of the Company and for the Directors to fix their remuneration			
No.	Special Business:	No. of Votes For*	No. of Votes Against*	No. of Votes Abstain*
6.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967 of Singapore			

If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. **PLEASE NOTE THAT if no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the AGM is appointed as proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific direction in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2023

* Delete as appropriate

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
2. **The AGM will be convened and held by electronic means.** A Member of the Company (whether individual or corporate) may personally attend and vote at the AGM, or:
 - a. a Member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the AGM. Where such member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy; and
 - b. a Member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company

(*relevant intermediary* has the meaning ascribed to it in Section 181(6) of the Companies Act 1967 of Singapore).
3. SRS Investors who wish to appoint a proxy/proxies should approach their respective SRS operators to submit their votes and appoint a proxy/proxies by **5:00 p.m. on 18 April 2023** (that is, at least seven working days before the date of the AGM) in order to allow sufficient time for their respective CPF agent bank(s)/SRS Operator(s) to in turn submit a proxy form to appoint a proxy to vote on their behalf by the cut-off date.
4. A proxy need not be a Member.
5. The duly executed Proxy Form must be submitted to the Company in the following manner:
 - (a) **via the pre-registration website** at the URL <https://conveneagm.com/sg/healthbank2023>;
 - (b) **by email** to healthbank123@gmail.com; or
 - (c) in hard copy **by post** to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08, Suite 22, Singapore 228218.

in any case, **not less than 48 hours** before the time appointed for holding the AGM (and at any adjournment thereof), i.e. by **11:00 a.m. on 26 April 2023**. Members are strongly encouraged to submit the completed and signed Proxy Forms by email or via the pre-registration website.

6. This instrument of proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
7. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notorially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
9. The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument of proxy).
10. In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy. Otherwise, the Company shall be entitled to reject the instrument of proxy.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2023.



(Incorporated in the Republic of Singapore
on 31 December 2013)
(Company Registration Number: 201334844E)

15 Scotts, 15 Scotts Road #04-08, Suite 22, Singapore 228218

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