



**DATAPULSE**  
TECHNOLOGY

# 2022 ANNUAL REPORT





## CONTENTS

|           |  |            |   |
|-----------|--|------------|---|
| <b>01</b> | CHAIRMAN'S STATEMENT                           | <b>75</b>  | CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME |
| <b>03</b> | REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE | <b>76</b>  | STATEMENTS OF FINANCIAL POSITION  |
| <b>05</b> | FINANCIAL HIGHLIGHTS                           | <b>77</b>  | CONSOLIDATED STATEMENT OF CHANGES IN EQUITY                             |
| <b>08</b> | BOARD OF DIRECTORS                             | <b>78</b>  | CONSOLIDATED STATEMENT OF CASH FLOWS                                    |
| <b>10</b> | CORPORATE INFORMATION                          | <b>80</b>  | NOTES TO THE FINANCIAL STATEMENTS                                       |
| <b>12</b> | SUSTAINABILITY REPORT 2022                     | <b>129</b> | STATISTICS OF SHAREHOLDINGS   |
| <b>32</b> | CORPORATE GOVERNANCE REPORT                    | <b>131</b> | NOTICE OF ANNUAL GENERAL MEETING  |
| <b>64</b> | DIRECTORS' STATEMENT                           |            |   |
| <b>68</b> | INDEPENDENT AUDITORS' REPORT                   |            |   |

# CHAIRMAN'S STATEMENT



## Dear Shareholders,

On behalf of the Board of Directors (the “Board”) of Datapulse Technology Limited (the “Company”, together with its subsidiaries, collectively the “Group”), I am pleased to present to you the Annual Report for the financial year ended 31 July 2022 (“FY2022”).

FY2022 continues to be a challenging year for the Group. Since the outbreak of the COVID-19 pandemic more than two year ago, most countries have now evolved to “Living with COVID” with the situation being described as “endemic” as opposed to being a “pandemic”.

Our wholly owned hotel asset, Travelodge Myeongdong City-Hall (“TLMC”) in Seoul, South Korea, pivoted into residential style accommodation from August 2021 to early December 2021 and operated as a treatment centre for COVID-19 patients from end of December 2021 to beginning of May 2022. It resumed full hotel operations in June 2022.

Our other hotel investment in Seoul, Travelodge Myeongdong Euljiro (“TLME”), in which we hold 15%, also operated as a COVID-19 quarantine facility from August 2021 to early December 2021 and again from January 2022 to February 2022.

Renovations at our hotel investment in Singapore, Travelodge Harbourfront Singapore (“TLHS”), delayed because of the COVID 19 pandemic, were completed towards the end of FY2022. TLHS is now well-positioned to benefit from the strong recovery of inbound tourists as Singapore became one of the first major regional economies to announce it would end all COVID-19 testing for incoming vaccinated travellers in April 2022.

## DIVIDEND

Given the Group’s current loss position for FY2022, the Group continues to be mindful of the need to conserve cash to fund its operations. The Board is not recommending the payment of a dividend for FY2022.

## CHAIRMAN'S STATEMENT

### BUSINESS OUTLOOK

Soon after the Group announced its full year results, the South Korean government announced that it will no longer require on-arrival COVID-19 polymerase chain reaction ("PCR") testing for inbound visitors and its returning residents, with effect from 1 October 2022. In addition to the easing of COVID-19 testing requirements by the South Korean government, the further relaxation of COVID-19 testing and restrictions for the fully vaccinated travellers announced by a few other countries recently is expected to have a positive effect on our two hotels operating in Seoul. However, China, the largest contributor to the regional tourism before COVID-19, has continued its "Zero-COVID" policy which discourages outbound travel and requires Chinese tourists to be subject to lengthy quarantine on their return. This will continue to have a dampening effect on regional tourism.

Looking ahead, the Group will actively seek and evaluate investment opportunities in spite of COVID-19. In order to position ourselves for potential investment opportunities, we have announced a rights issue of warrants on 29 September 2022.

Mr Yee Chia Hsing, an experienced banking professional, joined our management team as Executive Director in August 2022. The Board and the entire management team are committed to deliver long term value for all our shareholders.

### APPRECIATION

Mr Teo Choon Kow @ William Teo, our Lead Independent Director, will be retiring as a Director of the Board after the Annual General Meeting. I would like to take this opportunity to thank him for his valuable service to the Company in the past.

On behalf of the Board of Directors, I would also like to extend my sincere appreciation to our shareholders, business partners, and all our stakeholders for their support in this challenging times. I would also like to thank our management team for their hard work and dedication throughout the year as they continue to ride through the COVID-19 crisis together with the Group.

**AW CHEOK HUAT**  
NON-INDEPENDENT  
NON-EXECUTIVE CHAIRMAN



# REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

## REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

### FINANCIAL PERFORMANCE

The Group's revenue is contributed by 3 business segments; namely the hotel operations, asset management and investment trading segments.

The Group recorded total revenue of \$1.9 million in FY2022. The hotel operations business contributed \$1.5 million through the Group's hotel namely Travelodge Myeongdong City-Hall ("TLMC"), while asset management fees and investment income each contributed \$0.2 million.

Hotel operations revenue increased from \$0.6 million in year ended 31 July 2021 ("FY2021") to \$1.5 million in FY2022 as TLMC was offering residential style accommodation for long stay guests prior to its conversion to operate as a treatment centre for COVID-19 patients from end of December 2021 to beginning of May 2022. From June 2022 onwards, TLMC has resumed its normal hotel operations. TLMC only operated for approximately eight months in FY2021 with minimal inbound tourism due to the temporarily closure of the hotel from August 2020 to end of November 2020 amid to the severe COVID-19 situation.



Revenue from asset management fees and investment trading each remains at \$0.2 million in FY2022, similar to FY2021.

The decrease in other income of the Group from \$0.7 million in FY2021 to \$0.2 million in FY2022 was mainly due to the decrease in government grant income, other sundry income and fair value gain on short-term investments.

The increase in hotel operation expenses and staff costs in FY2022 were mainly due to TLMC operated for the full year in FY2022 whilst it was partially closed in FY2021.

The depreciation cost of \$1.0 million for FY2022 came mainly from depreciation charge on the freehold building, and renovation works for the Group's property in Seoul, South Korea. The decrease in depreciation for FY2022 mainly due to the appreciation of the Singapore dollar ("SGD") against the South Korean won ("KRW"), non-renewal of lease for office space and motor vehicle ended in FY2022.

The decrease in finance cost is mainly due to the repayment of the KRW term loan during the year.

The other operating expenses increased from \$1.1 million in FY2021 to \$1.3 million in FY2022 mainly due to professional fees and other expenses incurred in connection with a corporate action announced in December 2021, short term operating leases, office reinstatement costs and other miscellaneous expenses incurred by the Group.

Based on the above, the Group's loss attributable to the shareholders was \$3.3 million in FY2022 against a loss of \$3.7 million in FY2021.

### FINANCIAL POSITION

The property, plant and equipment decreased from \$46.0 million as at 31 July 2021 to \$40.5 million as at 31 July 2022 due to foreign exchange movement arising from the appreciation of SGD against KRW and depreciation charged during the year.

Rights-of-use assets of \$0.1 million as at 31 July 2022 mainly relates to the Group's office lease.

Long-term investment securities of \$2.7 million as at 31 July 2022 relates to a 15% minority interest in a hotel in Seoul, South Korea and a 5% minority interest in a hotel in Singapore.

## REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Long-term receivables of \$6.2 million as at 31 July 2022 mainly relates to loans to investee companies in which the Group has minority interests. The increase of \$0.5 million as at 31 July 2022 was due to additional loans extended to investee companies.

Trade and other receivables as at 31 July 2022 mainly relate to trade receivables from the hotel guests, and other trade related deposits and prepayments. The decrease of \$1.5 million as at 31 July 2022 was mainly due to the term loan deposit pledged to a bank being utilised to repay the KRW term loan and the receipt of the FY2021 government grant during the year.

Short term investment securities of \$3.3 million as at 31 July 2022 relates to quoted investments that are held for trading and carried at fair value through profit or loss.

The decrease in trade and other payables was mainly due to the repayment of accrued expenses during the year.

The decrease in loans and borrowings was mainly due to the repayment of the KRW term loan during the year.

### CASH FLOWS

Net cash generated from operating activities of \$0.4 million for FY2022 was mainly due to the release of the term loan deposit pledged to a bank. Subsequently, the amount was used to repay the KRW term loan during the year.

Net cash used in investing activities of \$0.5 million for FY2022 was mainly due to shareholder loans being provided to two investee companies in which the Group has minority interests.

Net cash used in financing activities of \$20.9 million for FY2022 was mainly due to the repayment of the KRW term loan during the year.

As a result of the above, the Group's cash and bank balances decreased from \$29.3 million as at 31 July 2021 to \$8.3 million as at 31 July 2022.



# FINANCIAL HIGHLIGHTS

|   | 2018    | 2019     | 2020    | 2021    | 2022    |
|---|---------|----------|---------|---------|---------|
| <b>FINANCIAL PERFORMANCE</b>                                      |         |          |         |         |         |
| Revenue (\$'000) <i>(note 1)</i>                                  | 8,920   | 3,148    | 2,714   | 1,040   | 1,921   |
| Profit/(Loss) for the year (\$'000)                               | 34,480  | 200      | (5,752) | (3,665) | (3,306) |
| Profit/(Loss) attributable to owners of the Company (\$'000)      | 34,480  | 200      | (5,752) | (3,665) | (3,306) |
| Earnings/(Loss) per share (cents)                                 | 15.74   | 0.09     | (2.63)  | (1.67)  | (1.51)  |
| Return on assets (%) <i>(note 2)</i>                              | 50.07   | 0.21     | (5.79)  | (3.96)  | (4.37)  |
| Return on equity (%) <i>(note 2)</i>                              | 52.61   | 0.25     | (7.77)  | (5.39)  | (5.35)  |
| <b>FINANCIAL POSITION</b>   |         |          |         |         |         |
| Total assets (\$'000)   | 85,072  | 103,558  | 95,131  | 90,148  | 61,322  |
| Total liabilities (\$'000)  | 3,907   | 25,709   | 24,838  | 24,538  | 3,298   |
| Total equity/shareholders' funds (\$'000)                         | 81,165  | 77,849   | 70,293  | 65,610  | 58,024  |
| Net current assets (\$'000)                                       | 78,833  | 48,282   | 35,133  | 12,708  | 10,072  |
| Net asset value per share (cents)                                 | 37.05   | 35.54    | 32.09   | 29.95   | 26.49   |
| <b>CASH FLOW</b>  |         |          |         |         |         |
| Net cash (used in)/generated from operating activities (\$'000)   | (5,193) | (11,250) | 1,799   | (1,552) | 403     |
| Net cash and bank balances (\$'000) <i>(note 3)</i>               | 81,061  | 14,974   | 11,558  | 6,214   | 6,274   |
| Net cash per share (cents)  | 37.00   | 6.84     | 5.28    | 2.84    | 2.86    |
| <b>DIVIDENDS</b>  |         |          |         |         |         |
| Total dividend per share (cents)                                  | 2.00    | 0.50     | Nil     | Nil     | Nil     |
| Total dividend declared (\$'000) <i>(note 4)</i>                  | 4,381   | 1,095    | Nil     | Nil     | Nil     |
| Dividend payout (%)   | 12.70   | 547.70   | Nil     | Nil     | Nil     |
| Dividend yield (%) <i>(note 5)</i>                                | 7.41    | 2.44     | Nil     | Nil     | Nil     |
| <b>SHARE PRICE</b>  |         |          |         |         |         |
| Highest (cents)   | 44.00   | 30.00    | 28.00   | 28.00   | 17.40   |
| Lowest (cents)  | 26.50   | 21.00    | 16.00   | 16.00   | 7.10    |
| Average (cents)   | 31.45   | 26.14    | 20.50   | 18.54   | 11.39   |
| Weighted average number of shares (million)                       | 219     | 219      | 219     | 219     | 219     |
| Average market capitalisation (\$'million) <i>(note 6)</i>        | 69      | 57       | 45      | 41      | 25      |
| Average shareholders' funds (\$'million)                          | 66      | 80       | 74      | 68      | 62      |
| Market value added/(market discount) (\$'million) <i>(note 7)</i> | 3       | (23)     | (29)    | (27)    | (37)    |

**Note 1:**

Figures comprised of revenue from continuing and discontinued operations.

**Note 2:**

Calculations of return on assets and return on equity are based on profit for the year divided by the average total assets and average total equity, respectively.

**Note 3:**

Calculation of net cash and bank balances is based on cash and bank balances less interest bearing borrowings.

**Note 4:**

Calculation of total dividend declared is based on the sum of interim, final and special dividends declared, multiply by the number of shares on the date of announcement of the respective full year results.

**Note 5:**

Calculation of dividend yield is based on total dividend per share divided by the closing share price on the date of announcement of the respective full year results.

**Note 6:**

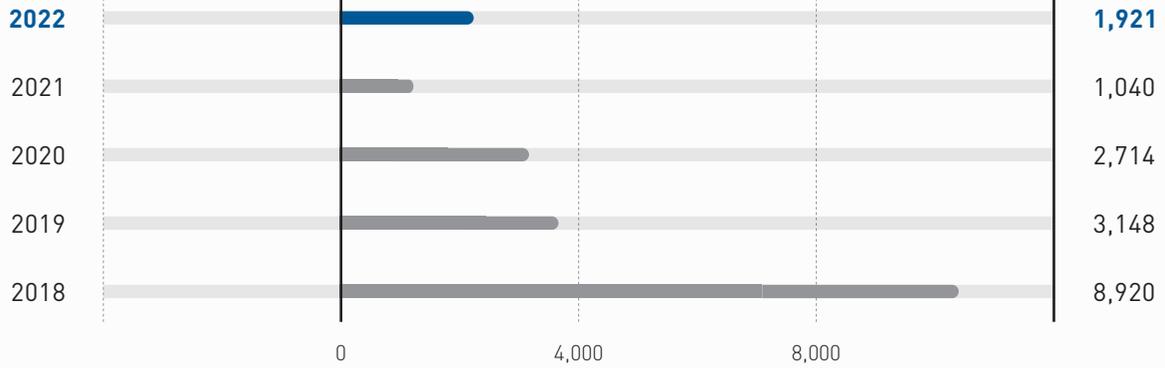
Calculation of average market capitalisation is based on weighted average number of shares multiplied by the average share price for the year.

**Note 7:**

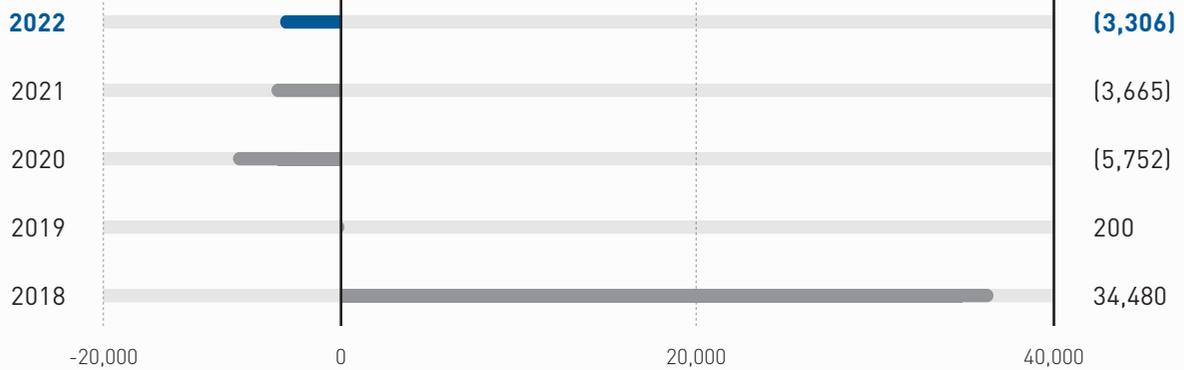
Calculation of market value/(market discount) added is based on the excess/(deficit) of the average market capitalisation over average shareholders' funds for the year.

## FINANCIAL HIGHLIGHTS

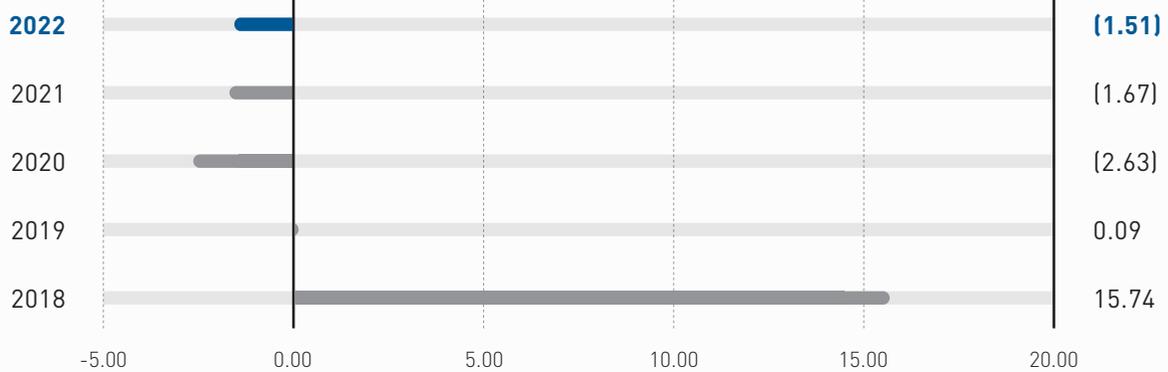
### REVENUE (\$'000)



### PROFIT/(LOSS) FOR THE YEAR (\$'000)



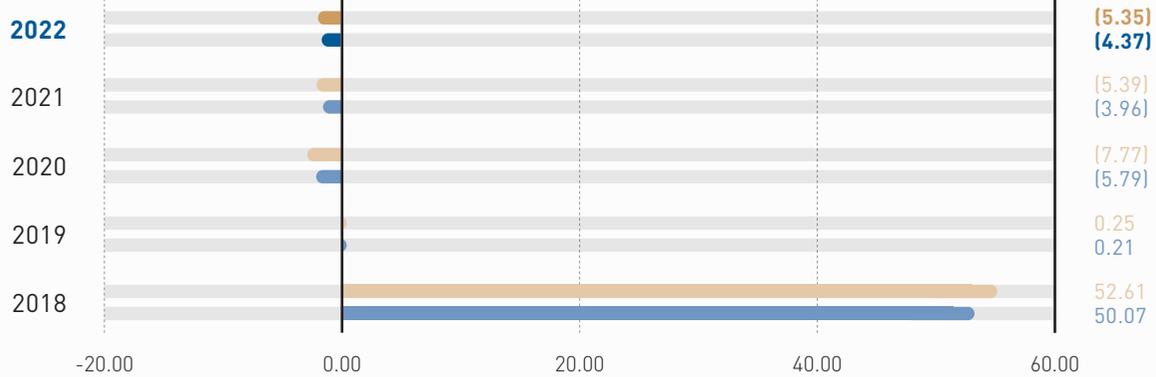
### EARNINGS/(LOSS) PER SHARE (CENTS)



# FINANCIAL HIGHLIGHTS

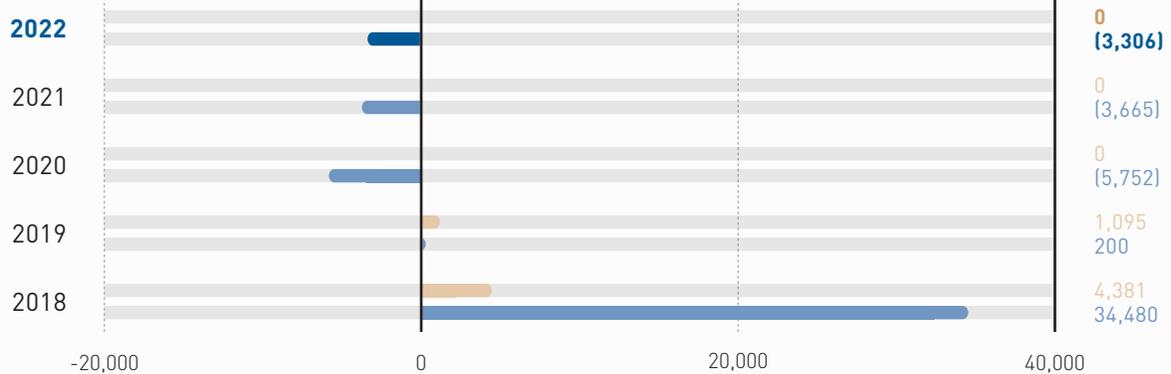
## RETURN RATIOS (%)

Return on assets (%) Return on equity (%)



## PROFIT/(LOSS) AND DIVIDEND DECLARED (\$'000)

Profit/(loss) for the year Dividend declared



## DIVIDEND YIELD (%)



# BOARD OF DIRECTORS

## AW CHEOK HUAT

Chairman of the Board and Non-Independent Non-Executive Director

Mr Aw Cheok Huat was appointed to the Board on 15 August 2018 as a Non-Independent and Non-Executive Director and was last re-elected on 27 November 2020. He is Chairman of the Board of Directors.

Mr Aw's background is in mergers and acquisitions and corporate restructuring. In addition, he has some 25 years of experience in the hospitality industry.

Mr Aw holds a Master of Commerce from the University of New South Wales and a Bachelor of Accountancy from the National University of Singapore.

## YEE CHIA HSING

Executive Director

Mr Yee Chia Hsing was appointed to the Board on 1 August 2022 as Executive Director.

Mr Yee, a First-Class Honours graduate in Accountancy from Nanyang Technological University Singapore, has significant experience in corporate finance, capital markets and management.

Prior to his appointment, Mr Yee was the Director of Corporate Affairs at iX Biopharma Ltd and General Manager of its nutraceutical business from 2021 to 2022 and Head of Catalist, CIMB Bank Berhad, Singapore Branch from 2011 to 2021.

Mr Yee is currently the Lead Independent Director of First Sponsor Group Limited and a Member of Audit Committee of Ren Ci Hospital (a Singapore charity).

Mr Yee also served as a Member of Parliament of Chua Chu Kang GRC ("Nanyang division") from 2015 to 2020.

## TEO CHOON KOW @ WILLIAM TEO

Lead Independent Director

Mr Teo Choon Kow @ William Teo was appointed to the Board on 25 August 2019 as Lead Independent Director and a member of the Nominating Committee. He was last re-elected on 13 November 2019.

Mr Teo is currently a consultant providing corporate advisory services and is an Independent Director of Wee Hur Holdings Ltd, Kitchen Culture Holdings Ltd and Axington Inc. He was the Vice-President of Walden International Investment Group from 1997 to 2004 where he was responsible for its investment function. From 1989 to 1997, Mr Teo was a Senior Manager with Coopers & Lybrand Management Consultants Pte Ltd, involved in corporate finance work.

Mr Teo holds a Masters in Management from Asian Institute of Management, Philippines. He is also a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a member of the Institute of Singapore Chartered Accountants ("ISCA").

## CHOONG CHEE PENG BERT

Independent Non-Executive Director

Mr Choong Chee Peng Bert was appointed to the Board on 25 August 2019 as an Independent Non-Executive Director and was re-elected on 13 November 2019.

Mr Choong founded Nobel Design Holdings Ltd, a renowned industry leader in lifestyle furnishing in 1982 and was the Executive Chairman of the Company till 2013.

Mr Choong previously held directorships in Shelford Terraces Pte Ltd, ACT-Nobel Homes Pte Ltd, Astrid Hill Residences Pte Ltd, JBT Investments Pte Ltd and Urban Lofts Pte Ltd.

Mr Choong is currently the Director of International Furniture Fair Singapore Pte Ltd. In addition, he is the Presidential Advisor of the Singapore Furniture Industries Council since 2002.

## BOARD OF DIRECTORS

### LAU YAN WAI

Independent Non-Executive Director

Mr Lau Yan Wai was appointed to the Board on 31 January 2020 as an Independent Non-Executive Director. He was last re-elected on 27 November 2020.

Mr Lau is currently a Partner of Donaldson & Burkinshaw LLP in Singapore and practices in the field of corporate and securities law. He also serves as Independent Director of MS Holdings Limited and Sen Yue Holdings Limited, which are listed on Catalist Board. Mr Lau started practice as an Associate in the corporate and conveyancing department of Jeyaratnam & Chong, a law firm based in Malaysia in 2003 and left the firm in 2004. He joined KhattarWong LLP Singapore as a Foreign Lawyer in 2005 and became a Partner of the firm in 2010.

Mr Lau was a Partner at RHTLaw Taylor Wessing LLP as well as a registered professional with RHT Capital Pte Ltd where he had undertaken continuing sponsor activities for several companies listed on Catalist from 2011 to 2014. He was a Director of Equity Law LLC from 2014 to 2019.

Mr Lau graduated with a Bachelor of Laws from the University of Sheffield in 1999 and a Master of Laws (Chinese Law) from the National University of Singapore in 2005. He also holds a Master of Science in Information Systems from the University of Sheffield. Mr Lau is qualified to practise in Singapore and West Malaysia. He is a member of the Singapore Academy of Law, the Law Society of Singapore and the Malaysian Bar.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Aw Cheok Huat

Chairman of the Board and Non-Independent Non-Executive Director

### Yee Chia Hsing

Executive Director

### Teo Choon Kow @ William Teo

Lead Independent Director

### Choong Chee Peng Bert

Independent Non-Executive Director

### Lau Yan Wai

Independent Non-Executive Director

## AUDIT COMMITTEE

### Teo Choon Kow @ William Teo

Chairman

### Choong Chee Peng Bert

Member

### Lau Yan Wai

Member

## NOMINATING COMMITTEE

### Choong Chee Peng Bert

Chairman

### Aw Cheok Huat

Member

### Teo Choon Kow @ William Teo

Member

## REMUNERATION COMMITTEE

### Lau Yan Wai

Chairman

### Teo Choon Kow @ William Teo

Member

### Choong Chee Peng Bert

Member

## COMPANY SECRETARY

### Lau Yin Whai

## REGISTERED OFFICE

Company Registration No. 198002677D  
10 Anson Road  
#13-10 International Plaza  
Singapore 079903  
Tel: (65) 6382 7989  
Email: dtpulse@datapulse.com.sg  
Website: www.datapulse.com.sg

## SHARE REGISTRAR

B.A.C.S. Private Limited  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

## AUDITORS

Mazars LLP  
135 Cecil Street  
#10-01  
Singapore 069536  
Partner-in-charge: Quek Siew Eng  
Date of appointment: Since financial year ended 31 July 2021

## PRINCIPAL BANKERS

Hongkong and Shanghai Banking Corporation Limited  
Oversea-Chinese Banking Corporation Limited  
United Overseas Bank Limited



 **Travelodge  
Hotels**

**Welcome  
Home**



# SUSTAINABILITY REPORT 2022

## | TABLE OF CONTENTS

### Page

|    |                                 |
|----|---------------------------------|
| 13 | BOARD STATEMENT                 |
| 14 | ABOUT THIS REPORT               |
| 15 | CORPORATE PROFILE               |
| 16 | SUSTAINABILITY APPROACH         |
| 18 | STAKEHOLDER ENGAGEMENT          |
| 19 | MATERIAL ESG FACTORS            |
| 22 | CORPORATE GOVERNANCE            |
| 24 | ENVIRONMENTAL COMPLIANCE        |
| 25 | DIVERSITY & EQUAL OPPORTUNITIES |
| 27 | DATA SECURITY                   |
| 28 | OCCUPATIONAL HEALTH & SAFETY    |
| 29 | GRI CONTENT INDEX               |



# SUSTAINABILITY REPORT 2022

## ABOUT THIS REPORT

As a responsible business, we are committed to presenting the impacts of our actions in a broad, transparent and systematic manner.

This is Datapulse's 5th Sustainability Report, within which we describe our approach to and performance on our most material ESG issues over the past year.

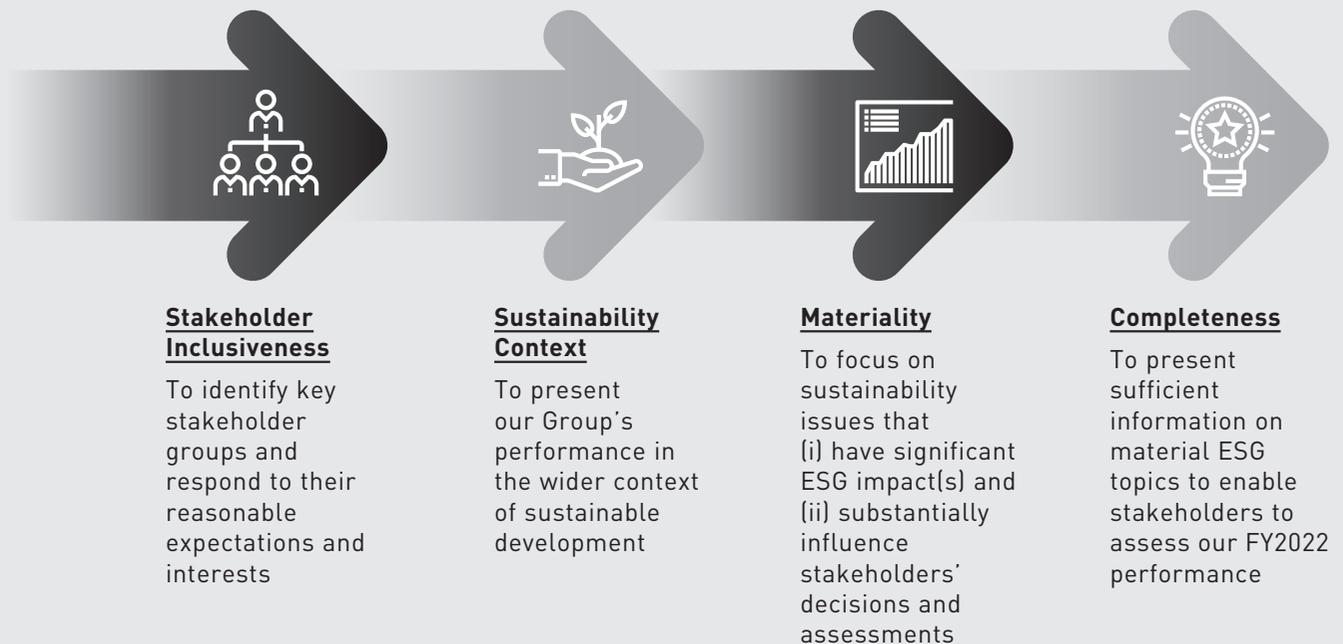
## REPORTING SCOPE AND PERIOD

The Report focuses primarily on operations wholly owned and/or directly managed by Datapulse. This includes our Investment Business in Singapore as well as a portion of our Property Business, specifically the management of our hotel, TLMC, in Seoul, South Korea. Information in this report covers our financial year dated 1 August 2021 to 31 July 2022 ("FY2022"), and relevant historical performance data has been included for comparison where available.

We have not sought external assurance for this Report. All performance data presented in this Report has been extracted from internal information systems and original records, and we have relied on internal verification to ensure the accuracy of the Report.

## REPORTING STANDARDS AND PRINCIPLES

This Report has been prepared in compliance with the Mainboard Listing Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") and all applicable provisions set out in SGX-ST's Practice Note 7.6 Sustainability Reporting Guide. This Report has also been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option and its Reporting Principles, as follows:



## CONTACT US

If you have any comments, questions or suggestions regarding the Report and/or our sustainability initiatives, please contact us at <http://www.datapulse.com.sg/contact-us/>.





# SUSTAINABILITY REPORT 2022

## OUR SUSTAINABILITY GOVERNANCE

Good corporate governance is key to protecting the interests of our stakeholders.

The Board is ultimately responsible for the Group's ESG strategies, reviewing the effectiveness of our risk management processes, and reviewing the progress we have made against our ESG goals and targets each year.

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

### **MR AW CHEOK HUAT**

Chairman of the Board and Non-Independent  
Non-Executive Director

### **MR YEE CHIA HSING**

Executive Director

### **MR TEO CHOON KOW & WILLIAM TEO**

Lead Independent Director

### **MR CHOONG CHEE PENG BERT**

Independent Non-Executive Director

### **MR LAU YAN WAI**

Independent Non-Executive Director

Our Independent Directors of diverse backgrounds, skillsets and experiences further strengthens the capabilities of the Board and ensures that all strategic decisions made by Management are in the best interest of the Group and its stakeholders.



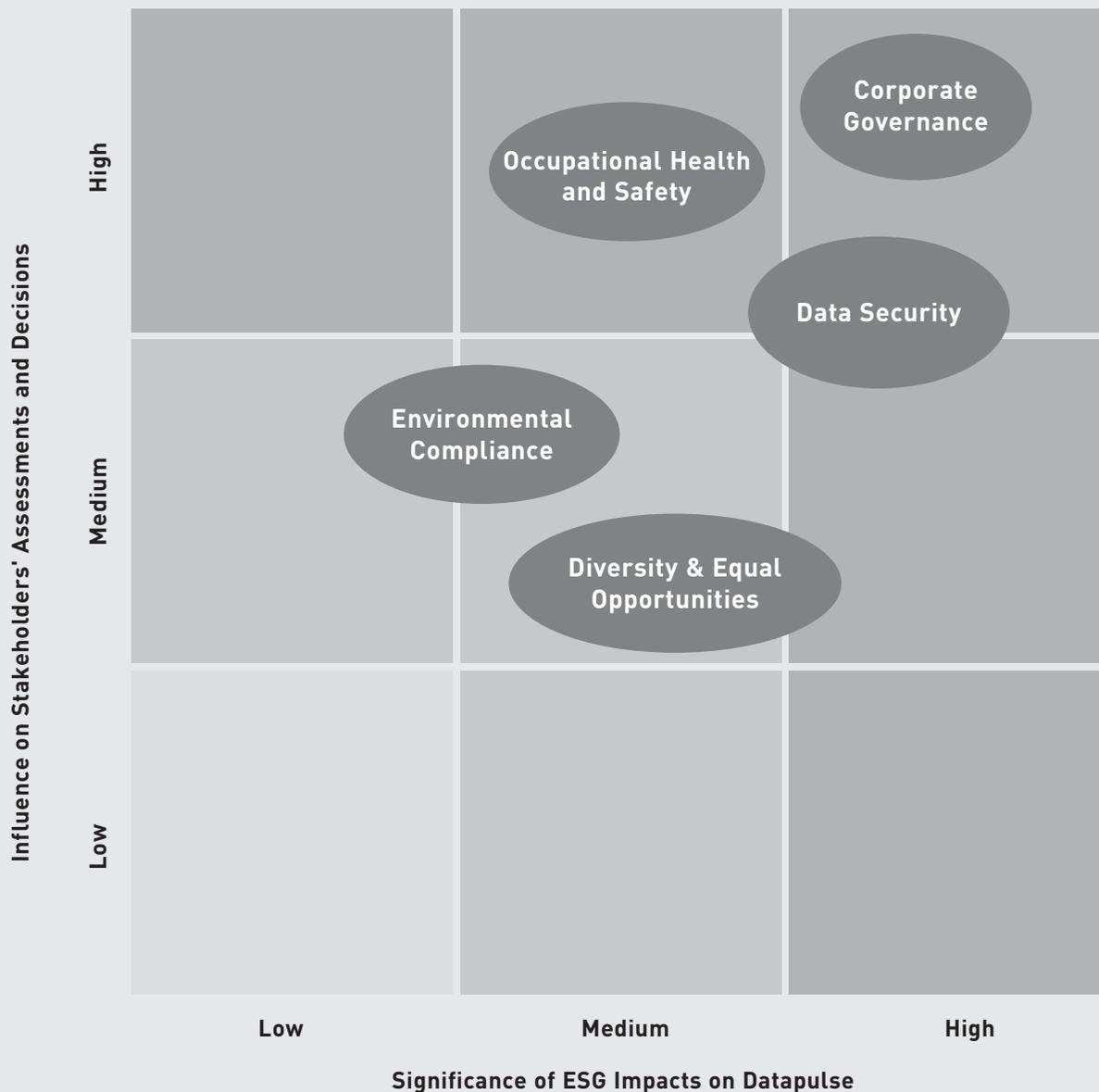


# SUSTAINABILITY REPORT 2022

To ensure the continued relevance and significance of the material ESG factors to the Group's business and our stakeholders, we conduct a yearly strategic review of our material topics, where we seek to incorporate stakeholders' feedback, emerging sustainability trends, and changes to our business operations and industry landscape into our reporting.

As reflected in the materiality matrix below, we have identified a total of five (5) material ESG topics for disclosure in this year's Sustainability Report.

In this reporting period, we have decided to include 'Occupational Health and Safety' as a new material topic in recognition of the importance of creating a safe, healthy work environment. As our TLMC hotel was utilised as a COVID-19 treatment centre for a few months in FY2022, the safety and health of our visitors and employees was a key concern for the Group.



# SUSTAINABILITY REPORT 2022

As outlined in the table below, we have established effective management strategies for our material ESG factors, and we will be elaborating on the relevant topic-specific disclosures in subsequent sections of the Report.

| Topic   | Description of Key Initiatives   | Page Reference |
|---|--|----------------|
| <b>Corporate Governance</b><br>                  | As an organisation, we embrace the tenets of good governance – accountability, trust, and transparency. Guided by our Code of Conduct and groupwide policies, we act lawfully and with integrity in every aspect of our business. We also actively engage our stakeholders by providing regular, timely and accurate updates on material developments.   | Page 22-23     |
| <b>Environmental Compliance</b><br>            | Datapulse is committed to achieving our environmental objectives by complying with all environment-related laws and regulations that apply to the jurisdictions we operate within. As a hotel owner, we strive to provide our guests with their desired travel experience while minimising any adverse impact on the environment. We have implemented a series of “going-green” initiatives to minimise our carbon footprint in our hotel. | Page 24        |
| <b>Diversity &amp; Equal Opportunities</b><br> | We actively strive to foster a diverse, inclusive and equitable workplace where employees can grow and thrive. Our employees bring with them a diversity of experiences and perspectives, which we believe propels the Group’s growth.   | Page 25-26     |
| <b>Data Security</b><br>                       | Data privacy is essential, not just to comply with stringent regulations but also to uphold the rights of our customers. We have put in place several controls to ensure the privacy of personal data at the corporate level and for our hotel operations, and we recognise the importance of being completely transparent with our customers about how we use the data entrusted to us.   | Page 27        |
| <b>Occupational Health &amp; Safety</b><br>    | The health, safety and wellbeing of our employees is of the utmost importance to Datapulse. Throughout the ongoing COVID-19 pandemic, we have been striving to provide our employees and hotel guests with a safe and healthy environment to work and stay in.   | Page 28        |

# SUSTAINABILITY REPORT 2022

## CORPORATE GOVERNANCE

As a good corporate citizen, Datapulse is committed to building and sustaining a culture of ethical compliance. We take a zero-tolerance stance towards fraud, corruption and malpractice, and we aim to conduct our affairs in full compliance with all applicable laws, rules, and regulations.

### MANAGEMENT APPROACH

In line with the principles and guidelines set out in the Code of Corporate Governance 2018, we have established a corporate governance framework, with its underlying policies and procedures, that apply across the Group. Our employees are expected to adhere to the internal policies that our Board has approved and put in place, as follows:

#### Whistleblowing Policy

Our Whistleblowing Policy provides a direct channel for internal and external stakeholders to raise their concerns about suspected matters of impropriety or wrongdoing in confidence and without fear of reprisals in any form. All whistleblowing reports are directed to the Audit Committee, who is charged with ensuring that an independent, thorough and fair investigation is promptly conducted, where warranted.

#### Conflict of Interest Policy

In line with our Code of Ethics, all employees are required to complete a Conflict of Interest Declaration Form upon joining the firm and thereafter, as an annual exercise. Employees must also update the Human Resource Department as and when circumstances change. This policy is communicated to our employees during their orientation, and we periodically send updates and reminders to employees via the appropriate internal communication channel.

#### Related Parties Policy

Under the Related Parties policy, any transaction, arrangement, or relationship that a related person has direct or indirect material interest in, will have to be disclosed. This policy clearly sets out the procedures by which relevant stakeholders may disclose any related party transactions they are involved in.

#### Dealing in Securities Policy

This policy prohibits the Directors, Management and certain employees from dealing in the securities of the Group while in possession of price-sensitive information. This covers the period commencing one month before the announcement of our full year financial results and two weeks before the announcement of our financial results for the first half of the financial year, ending on the date of announcement of the relevant results.

# SUSTAINABILITY REPORT 2022

## Investor Relations Policy

In line with the SGX-ST listing rules and the Code of Corporate Governance 2018, Datapulse is committed to disclosing material information of the Group's performance, position and prospects to the public, in a timely, accurate, fair and transparent manner. Our Investor Relations policy lays out the relevant framework, processes and practices to ensure the proper communication of information to the investment community. This helps our investors better understand the business and operations of the Group and make well-informed investment decisions.

## Financial Reporting Policy

This policy outlines the roles and responsibilities of the Directors and Management in ensuring that the Group's financial reporting is completed in accordance with all relevant accounting standards, legal and ethical requirements. It also describes the procedures and internal controls in place for financial reporting.

## Board Diversity Policy

As a Group, we are committed to encouraging more diversity and inclusion in our Board. This policy seeks to optimise the collective strength of the Board by having members who possess diverse abilities, knowledge, perspectives and professional experiences. The Board's Nominating Committee is responsible for promoting and achieving our diversity goals by appointing willing and able Directors of different profiles. Such an approach will effectively spur more innovative thinking and help the Group cultivate a competitive advantage that would sustain Datapulse's long-term growth and success.

All new employees are briefed on the abovementioned policies upon joining the Company. The Group's corporate service provider will also provide updates on relevant changes in the SGX-ST listing rules or the Companies Act to the Management, who will then circulate the relevant information to Directors and the employees.

## PERFORMANCE AND TARGETS

In FY2022, the Group maintained zero cases of breaches in relation to SGX-ST's listing rules. Likewise, there were no reported cases of employee misconduct or any confirmed incidents of corruption. Our goal is to maintain this for FY2023.

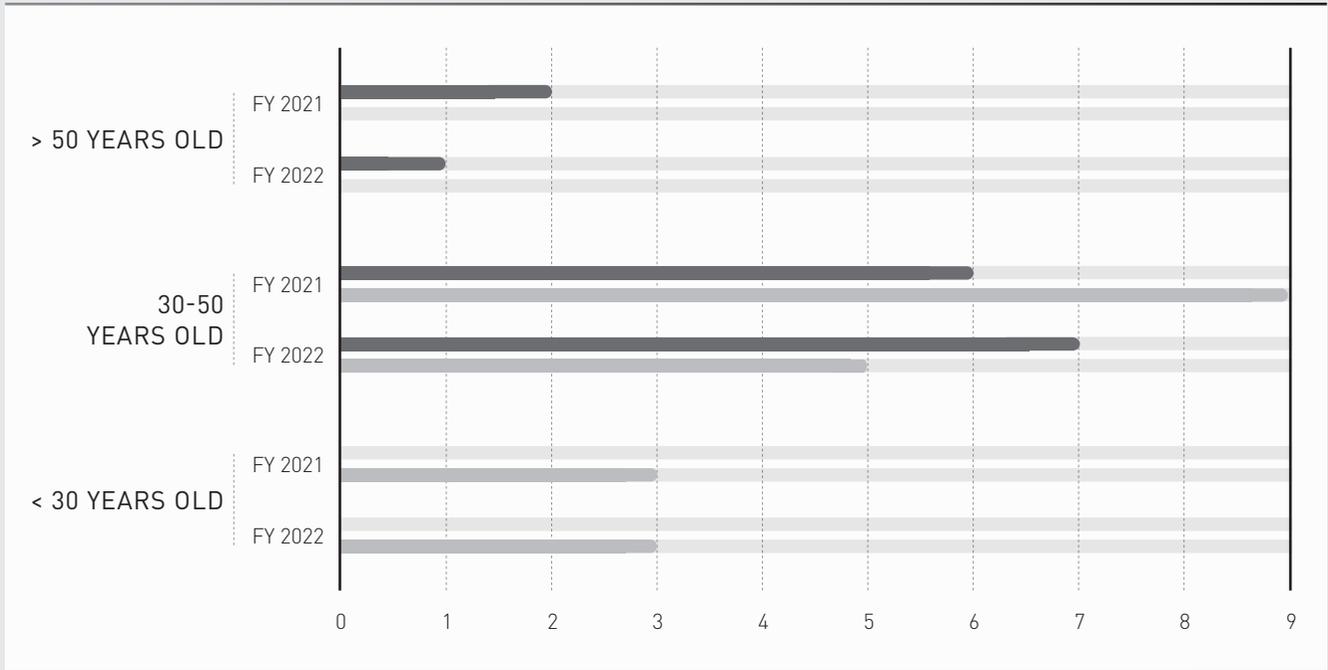
The Group will continue to periodically review and enhance our corporate governance policies and Code of Ethics. Our whistleblowing policy has been updated to reflect SGX-ST's mandatory enhancements to issuers' whistleblowing policies. On top of putting in place the proper safeguards, we also continually remind our employees to adhere to the highest possible ethical standards.





# SUSTAINABILITY REPORT 2022

## EMPLOYEE PROFILE BY AGE



● Management ● Non-Management

On top of maintaining the accuracy of our records on employee diversity, we strive to also achieve a balanced gender ratio at all levels in our workforce.







# SUSTAINABILITY REPORT 2022

| GRI Standard/Disclosure                           |  | Page Reference     |
|---|--|--------------------|
| <b>Reporting Practice</b>                         |  |                    |
| 102-45  | Entities included in the consolidated financial statements                                   | Page 106           |
| 102-46  | Defining report content and topic boundaries   | Page 14            |
| 102-47  | List of material topics  | Page 21            |
| 102-48  | Restatements of information  | Not applicable     |
| 102-49  | Changes in reporting   | Page 20            |
| 102-50  | Reporting period   | Page 14            |
| 102-51  | Date of most recent report   | 31 July 2021       |
| 102-52  | Reporting cycle  | Annually           |
| 102-53  | Contact point for questions regarding the report   | Page 14            |
| 102-54  | Claims of reporting in accordance with the GRI Standards                                     | Page 14            |
| 102-55  | GRI content index  | Page 29, 30 and 31 |
| 102-56  | External assurance   | Page 14            |
| <b>Management Approach</b>                        |  |                    |
| 103-1   | Explanation of the material topic and its boundaries   | Page 22 to 28      |
| 103-2   | The management approach and its components   | Page 22 to 28      |
| 103-3   | Evaluation of the management approach  | Page 22 to 28      |
| <b>GRI 205: Anti-corruption</b>                   |  |                    |
| 205-2   | Communication and training about anti-corruption policies and procedures                     | Page 22 and 23     |
| 205-3   | Confirmed incidents of corruption and actions taken  | Page 23            |
| <b>GRI 307: Environmental Compliance</b>          |  |                    |
| 307-1   | Non-compliance with environmental laws and regulations                                       | Page 24            |
| <b>GRI 405: Diversity and Equal Opportunities</b> |  |                    |
| 405-1   | Diversity of governance bodies and employees   | Page 25 and 26     |
| <b>GRI 418: Customer Privacy</b>                  |  |                    |
| 418-1   | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Page 27            |

# SUSTAINABILITY REPORT 2022

| GRI Standard/Disclosure                        |  | Page Reference |
|--|--|----------------|
| <b>GRI 403: Occupational Health and Safety</b> |  |                |
| 403-5  | Worker training on occupational health and safety                            | Page 28        |
| 403-6  | Promotion of worker health   | Page 28        |
| 403-7  | Prevention and mitigation of occupational health and safety impacts directly | Page 28        |
| 403-9  | Work-related injuries  | Page 28        |
| 403-10   | Work-related ill health  | Page 28        |

# CORPORATE GOVERNANCE REPORT

Datapulse Technology Limited (the “**Company**”) is committed to high standards of corporate governance so as to ensure greater transparency and protect the interests of its employees, customers and shareholders. The board of Directors (“**Board**”) and Management believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group’s businesses and performance.

To discharge its governance function, the Board and its committees have established policies and procedures to govern their activities. The Board and its committees are guided by their respective Terms of References.

The Board is pleased to report to its shareholders on the Company’s corporate governance practices for the financial year ended 31 July 2022 (“**FY2022**”) with specific reference to each provision of the Code of Corporate Governance 2018 (the “**Code**”) issued in August 2018. The Board confirms that the principles and provisions of the Code have been adhered to save as highlighted and explained in this report.

## PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

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

The Board oversees the overall strategy and business direction of the Group and is collectively responsible for its success. Management also plays a pivotal role in providing the Board with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

### ***Provision 1.1***

#### ***Board’s Role***

The principal functions of the Board include, *inter alia*, providing entrepreneurial leadership, setting the appropriate tone-from-the-top and desired organisational culture, monitoring Management’s performance, establishing a framework for prudent and effective internal controls to manage risk, safeguarding shareholders’ interests and the Company’s assets as well as setting values and standards (including ethical standards) for the Company. The Board is also mindful of the Company’s social responsibilities.

The Board sets the directions for the Company where ethics and values are concerned. This helps to nurture an environment where integrity and accountability are key.

#### ***The Board’s Conduct of Affairs***

The principal functions of the Board include, *inter alia*:

- (a) Reviewing and monitoring the Group’s policies and practices for compliance with legal and regulatory requirements;
- (b) Monitoring and ensuring the training and continuous professional development of Directors and Management;
- (c) Setting long-term strategic goals, and reviewing and assessing the strategies of the Group from time to time, and monitoring the progress towards achieving these goals;
- (d) Approving the appointment of key management positions;

# CORPORATE GOVERNANCE REPORT

- (e) Approving the compensation packages and incentive payment structure for key management positions;
- (f) Reviewing and approving significant acquisitions and divestments by the Group;
- (g) Setting the dividend policy of the Group and declaring dividends, where appropriate;
- (h) Determining and reviewing the Company's risk profile, risk tolerance level and risk strategy; and
- (i) Conducting an annual, rigorous assessment of the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, the effectiveness of its internal audit, risk management and compliance functions, and the adequacy of the resources allocated to these functions.

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with Management to take objective decisions in the interest of the Group.

The Group has a conflict of interest policy for the objective review and approval of potentially conflicting relationships so that transactions which may be unfair or create the appearance of favoritism will be avoided and those which are fair and in the interests of the Group can continue to be enjoyed in the future. Any Director who has a conflict of interest which is likely to impact his or her independence or conflict with a subject under discussion by the Board is required to immediately declare his or her interest to the Board, remove himself or herself from the information flow and recuse from participating in any further discussion or voting on the subject matter.

## ***Provision 1.2***

### ***Continuous Training and Development of Directors***

To ensure that the Directors keep pace with regulatory changes that will have an important bearing on the Company's or Directors' obligations, the Directors are updated on such changes in between or during Board meetings and/or on specially convened sessions by professionals. The Company Secretary informs the Directors of upcoming conferences and seminars relevant to their roles as directors of the Company.

The Directors are also encouraged to read up on and actively engage in informal discussions on subjects which are relevant to the Group's business.

### ***Orientation for New Directors***

Orientation programmes will be organised during the year for new incoming Directors to ensure that they are familiar with the Company's key businesses and corporate governance practices. This also allows the new Director(s) to get acquainted with Management, thereby facilitating board interaction and independent access to Management. The Directors may also at any time request further explanations, briefings and informal discussions on any aspect of the Company's operations or business.

## ***Provision 1.3***

### ***Internal Guidelines on Matters Requiring Board Approval***

The Company has adopted internal guidelines governing matters that require the Board's approval.

# CORPORATE GOVERNANCE REPORT

Matters which are specifically reserved to the Board for approval include but are not limited to:

- (a) Annual plans, risk appetite and performance targets for the Group;
- (b) The establishment of effective procedures for monitoring and control of operations including internal procedures for audit, risk and compliance;
- (c) Strategic business plans and policies of the Group;
- (d) Material acquisitions and disposals by the Group; and
- (e) Terms of reference of the Board and its Committees.

The matters which are specifically decided on and approved by the Board are clearly documented in the minutes of meetings and kept with the Company.

## ***Provision 1.4***

### ***Delegation of Authority to Board Committees***

The Board is supported by a number of committees which assist it in the discharge of its responsibilities and also enhance the Company's corporate governance framework. These committees include the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Audit Committee ("**AC**"). Each Board committee has its own specific Terms of Reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

## ***Provision 1.5***

### ***Meetings of Board and Board Committees***

The Board and its committees meet regularly through scheduled meetings and as warranted by particular circumstances. If Directors are unable to attend meetings in person, telephonic means of communication are allowed under the Constitution of the Company. To enable members of the Board and its committees to prepare for the meetings, agendas are circulated in advance, with board papers and related materials dispatched before the meetings.

The Board normally meets at least two times a year with additional meetings convened as and when necessary.

During FY2022, the Company has held five (5) Board Meetings.

### ***Multiple Board Representations***

All Directors are required to declare their Board Representations. The NC will review the multiple board representations held by the Directors on an annual basis to ensure that sufficient time and attention is given to the affairs of the Company. The NC considers that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties as a Director of the Company.

# CORPORATE GOVERNANCE REPORT

The Directors had committed considerable time towards the many board meetings and board committee meetings held in FY2022 and adjusted their schedules to ensure participation in board and board committee meetings for the deliberation of issues. The NC is of the view that the Directors have committed their time effectively to discharge their responsibilities.

A record of the Directors' attendance at the Board and Board Committee meetings for FY2022 and General Meeting(s) for FY2021 held in 2022 is set out below:

|  | Board Meetings                     | Audit Committee  | Remuneration Committee | Nominating Committee | General Meeting |
|--|------------------------------------|------------------|------------------------|----------------------|-----------------|
| <b>Number of meetings held in FY2022</b> | 5                                  | 3                | 1                      | 1                    | 1               |
| <b>Name of Director</b>                  | <b>Number of meetings attended</b> |                  |                        |                      |                 |
| Mr Aw Cheok Huat                         | 5                                  | –                | –                      | 1                    | 1               |
| Mr Yee Chia Hsing <sup>(1)</sup>         | –                                  | –                | –                      | –                    | –               |
| Mr Teo Choon Kow @ William Teo           | 5                                  | 3                | 1                      | 1                    | 1               |
| Mr Choong Chee Peng Bert                 | 5                                  | 3                | 1                      | 1                    | 1               |
| Mr Lau Yan Wai                           | 5                                  | 3                | 1                      | –                    | 1               |
| Mr Lee Kam Seng <sup>(2)</sup>           | 5                                  | 2 <sup>(2)</sup> | 1 <sup>(2)</sup>       | 1 <sup>(2)</sup>     | 1               |

**Notes:**

(1) Mr Yee Chia Hsing was appointed as an executive director of the Company on 1 August 2022.

(2) Mr Lee Kam Seng was not a member of the relevant Board Committee at the time of the meeting and had attended the meetings by invitation. He resigned as an executive director of the Company on 27 March 2022.

**Provision 1.6**

**Board's Access to information**

Management places a high priority on providing complete, adequate and timely information to the Board on an on-going basis, in order for the Directors to discharge their duties efficiently and effectively. Board members receive half-yearly management reports pertaining to the operational and financial performance of the Group, including updates on the Group's financials, cash flow positions and operational performance of the Group's assets. The Board will also be updated on industry trends and developments. As far as is practicable, Board members will receive all Board papers not less than three business days in advance of the meeting to enable them to have sufficient time to fully consider and deliberate issues to be considered at the meetings. Minutes of the previous meetings are tabled and confirmed at Board meetings for the Directors' information.

# CORPORATE GOVERNANCE REPORT

## ***Provision 1.7***

### ***Board's Access to Management and Company Secretary***

The Board has at all times separate and independent access to Management through electronic mail, telephone and face-to-face meetings and are entitled at all times to request for any additional information needed to make informed decisions. Similarly, key Management staff, the Company's auditors or external consultants are invited to attend Board and Board Committee meetings to update and provide independent professional advice on specific issues, where necessary.

Directors have separate and independent access to the Company Secretary through electronic mail, telephone and face-to-face meetings.

The role of the Company Secretary includes the responsibility for ensuring that Board procedures are followed and applicable rules and regulations are complied with. Further, the Company Secretary assists in coordinating the flow of information within the Board and Board Committees as well as between Management and the Board. The Company Secretary also assists the Chairman of the Board and the Board in implementing and strengthening corporate governance practices and processes.

### ***Appointment and Removal of Company Secretary***

The appointment and removal of the Company Secretary is subject to the approval of the Board.

### ***Board's Access to Independent Professional Advice***

Where required, procedures are also in place for the Board and individual Board Committees to seek independent professional advice, at the Company's expense.

## **PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE**

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

### ***Provisions 2.1, 2.2 & 2.3***

#### ***Independent Element of the Board, Composition of Independent Directors and Non-Executive Directors on the Board***

The Board comprises five Directors of which one is an Executive Director, one is a Non-Independent Non-Executive Director and the remaining three directors are Independent Directors, including a Lead Independent Director, thus providing a strong independent element on the Board, capable of open, constructive and robust debate on pertinent issues affecting the affairs and business of the Company and the Group.

### ***Independence of Directors***

The NC, in its determination in respect of the independence of a Director, takes into account, *inter alia*, the criteria given in the Listing Manual and the Code, the existence of any relationships between such Director and the Group, its related corporations, its substantial shareholders and officers and if applicable, whether such relationships can interfere, or be reasonably perceived to interfere, with the exercise of such Director's independent judgment.

# CORPORATE GOVERNANCE REPORT

The NC, having considered the declarations made by the Independent Directors in respect of their independence, is of the view that the current Board has an appropriate level of independence to enable it to make decisions in the best interests of the Company.

The Board confirms that none of the Independent Directors has served on the Board beyond nine (9) years from the date of his first appointment. However, taking into account the need for Board refreshment, the Board may consider formulating a policy on this at an appropriate time.

## **Provision 2.4**

### **Composition and Size of the Board**

The NC conducts an annual review on the composition of the Board which comprises members from different backgrounds and whose core competencies, qualifications, skills and experiences are extensive and other aspects such as gender and age. Having reviewed and considered the composition and diversity of the Board and its committees, the NC has determined that the current Board size and structure is adequate for the existing business operations of the Company.

The Board is also well supported by accurate, complete and timely information, and has unrestricted access to Management.

A summary of the composition of the Board and its Committees as at the date of this report is set out below:

| Director                       | Board  | AC       | NC       | RC       |
|--------------------------------|--|----------|----------|----------|
| Mr Aw Cheok Huat               | Chairman, Non-Independent Non-Executive Director | -        | Member   | -        |
| Mr Yee Chia Hsing              | Executive Director                               | -        | -        | -        |
| Mr Teo Choon Kow @ William Teo | Lead Independent Director                        | Chairman | Member   | Member   |
| Mr Choong Chee Peng Bert       | Independent Director                             | Member   | Chairman | Member   |
| Mr Lau Yan Wai                 | Independent Director                             | Member   | -        | Chairman |

The NC with the concurrence of the Board, is of the view that the current Board size of five (5) Directors is appropriate and that the Board possesses the appropriate diversity. The NC also takes into account the mix of skills and core competencies of its members, to ensure a good balance and diversity of skills, knowledge and experience. Amongst the directors are hotel investments and management, real estate development and REITs, interior design, legal, accounting and finance professionals who possess the relevant expertise and skill sets in their respective fields for effective decision making.

The Board is committed to ensuring diversity on the Board and Board Committees including but not limited to appropriate balance and mix of skills, knowledge, experience, gender, age and the core competencies of accounting, finance, legal and regulatory, business or management experience, industry knowledge, technical skills and know-how and strategic planning.

The Board has adopted a Board diversity policy and framework for promoting diversity on the Board and the NC is responsible for ensuring that this policy is implemented in an effective and practical manner. The NC will report to the Board periodically on the progress made in achieving the objectives set for promoting diversity.

# CORPORATE GOVERNANCE REPORT

The Board's internal policy in identifying directors is primarily to have an appropriate mix of members with complementary skills, core competencies and experience that could effectively contribute to the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes but would extend to sectorial diversity, diversity as to experience and skills across various disciplines and would strive to ensure the diversity would enhance the long-term success of the Group. The objective of the policy is to guard against groupthink and foster robust and constructive debate leading to better decision making. This ensures that the Board composition is adequate to support the Group's needs in the short and long term.

The Board takes the following steps to maintain or enhance its balance and diversity:

- (a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- (b) annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the potential gaps in the areas of expertise and competencies of the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors. As the Group's activities continue to grow, the NC will continuously review the composition of the Board and further consider other aspects of diversity such as gender and age so that it will have the necessary competency to be effective.

The Board, in concurrence of the NC, is of the view that the current Directors combined core competencies and experience is adequate to provide management with a diverse and objective perspective to enable balanced and well-considered decisions to be made. The Directors' profiles are set out on page 8 to 9 of this Annual Report.

## ***Provision 2.5***

### ***Regular Meetings of Non-Executive Directors and Independent Directors***

During the year, the Directors communicate among themselves without the presence of Management as and when the need arises and feedback is provided to the Board and/or Management, as appropriate. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committee meetings.

## **PRINCIPLE 3: CHAIRMAN AND EXECUTIVE DIRECTOR**

***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.***

### ***Provisions 3.1 & 3.2 Roles and Responsibilities of Chairman & Executive Director***

The functions of the Chairman and the Executive Director are assumed by two separate individuals so as to ensure effective supervision and maintenance of an appropriate balance of power and authority. There is a clear demarcation between the roles of the Chairman and the Executive Director, which promotes increased accountability and a greater capacity of the Board for independent decision making.

# CORPORATE GOVERNANCE REPORT

Mr Aw Cheok Huat is the Chairman of the Board. He is responsible for the overall leadership of the Board and engages Management regularly on pertinent issues. He approves the agendas for Board Meetings and promotes a culture of open and free discussion amongst the Board. He also ensures that the Board receives timely and accurate information from Management, and provides valuable insight, guidance and advice on corporate governance systems and processes.

The Executive Director, Mr Yee Chia Hsing, leads Management and has full executive responsibility for the overall management and performance of the Group's business. He translates the Board's decisions into executive action and is accountable to the Board.

The Chairman and the Executive Director are not related.

### **Provision 3.3**

Mr Teo Choon Kow @ William Teo is the lead independent director of the Company. He is responsible for providing leadership in situations where the Chairman is conflicted, and is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

## **PRINCIPLE 4: BOARD MEMBERSHIP**

***The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.***

### **Provision 4.1 and 4.2**

#### **NC Membership and Terms of Reference**

The NC comprises three members, a majority of whom, including the Chairman, are Independent Directors. The composition of the NC is as follows:

|                                    |  |
|------------------------------------|--|
| Mr Choong Chee Peng Bert, Chairman | (Independent Director)                   |
| Mr Aw Cheok Huat                   | (Non-Independent Non-Executive Director) |
| Mr Teo Choon Kow @ William Teo     | (Lead Independent Director)              |

During FY2022, the NC has held one meeting, which all members attended.

The NC is guided by its written Terms of Reference, which sets out its authority and duties. The principal functions of the NC include, *inter alia*:

- (a) Making recommendations to the Board on all Board appointments and re-appointments;
- (b) Reviewing the multiple board representations of the Directors;
- (c) Formally assessing the effectiveness of the Board as a whole, the effectiveness of the Board Committees and the contribution by each individual Director to the effectiveness of the Board;
- (d) Reviewing the training and professional development programmes for the Board;

# CORPORATE GOVERNANCE REPORT

- (e) Reviewing the structure, size and mix of expertise and experience of the Board; and
- (f) Assessing the independence of Directors and level of independent element within the Board.

Each NC member shall abstain from voting on any resolution in respect of the assessment of his own performance or re-nomination as a director.

## ***NC Responsibilities***

The key responsibilities of the NC include making recommendations to the Board on relevant matters such as the process for evaluating the performance of the Board as a whole. It also ensures compliance with the provisions of the Constitution of the Company which stipulates that at each annual general meeting of the Company ("**AGM**"), one-third of the Directors (or, if their number is not three or a multiple of three, the number nearest to one-third) shall retire from office by rotation in accordance with the Constitution, and may stand for re-election.

Each member of the NC abstains from voting on any resolution and making any recommendation and/or participating in respect of matters in which he is interested.

In accordance with the Constitution of the Company, new Directors must submit themselves for re-election at the next Annual General Meeting of the Company and one third of the Directors (excluding Directors who were appointed to fill a casual vacancy or as an additional Director) must retire by rotation at each Annual General Meeting and they shall be available for re-election.

The NC has recommended the nomination of Mr Yee Chia Hsing, a Director who is retiring pursuant to Regulation 105 of the Constitution of the Company, for re-election at the forthcoming AGM. Upon re-election, Mr Yee Chia Hsing will remain as an Executive Director of the Company.

Mr Teo Choon Kow @ William Teo, who is due to retire at the forthcoming AGM pursuant to Regulation 101, will not be seeking re-election. He will cease to be a Director of the Company and relinquish his positions as Lead Independent Director, Chairman of the Audit Committee and member of the Nominating and Remuneration Committees, at the conclusion of the AGM.

## ***Alternate Directors***

There are currently no Alternate Directors on the Board.

## ***Provision 4.4***

### ***Determining Directors' Independence***

Each Independent Director completes a declaration to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned at page 36 and 37 of this report. In the opinion of the NC, Mr Teo Choon Kow @ William Teo, Mr Choong Chee Peng Bert and Mr Lau Yan Wai are independent based, *inter alia*, on the criteria given in the Listing Manual and the Code and their respective declarations.

# CORPORATE GOVERNANCE REPORT

## ***Provisions 4.3 and 4.5***

### ***Process for the Selection and Appointment of New Directors***

The NC evaluates the balance of skills, knowledge and experience of the Directors and determines the suitable size and composition of the Board required to add value to and facilitate effective decision-making of the Company, taking into consideration the scope and nature of the operations of the Company. In respect of an appointment of a new Director, a rigorous search process is undertaken by the NC which includes evaluating the academic and professional qualifications, knowledge and experience of potential candidate(s) in relation to the business of the Group, the independence (if applicable) and other directorships of the candidate(s). After deliberations, the NC would provide its recommendation to the Board in respect of the new Director.

New Directors are presently appointed by way of Board resolution or at a Board meeting, with the Board taking into account the evaluation and recommendation by the NC. Before making a recommendation to the Board, extensive searches on the candidates(s) are conducted and the NC ensures that the potential candidate(s) possesses the necessary skills, knowledge, qualifications, working experience and other relevant factors that could facilitate the Board in making sound and well considered decisions. Incoming Director(s) will also be required to make a declaration as to their interests in and/or independence from the Company.

A formal letter is sent to a newly-appointed Director upon his/her appointment stating his/her duties and obligations as director.

### ***Key Information on Directors***

Key information of each Director including directorships and chairmanships in other listed companies, other major appointments and principal commitments, academic/professional qualifications, membership/chairmanship in the Company's Board committees, date of first appointment and last re-election, etc. can all be found under the Directors' profile section on page 8 to 9 of this Annual Report.

## **PRINCIPLE 5: BOARD PERFORMANCE**

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

### ***Provisions 5.1 and 5.2***

#### ***Board Performance***

The principal commitments of the directors, if any, and other key information regarding the directors are set out in the Board of Directors' profile section on page 8 to 9 of this Annual Report.

The Board has an established process to assess and evaluate the effectiveness of the Board as a whole and additionally, has for FY2022 implemented a process to assess and evaluate the effectiveness of individual directors in carrying out their roles, duties and responsibilities on the respective Board committees.

The evaluation process involves each Director completing a questionnaire on the overall effectiveness of the Board covering areas such as board's composition and conduct, board's processes and procedures, board's accountability, and evaluation and succession planning of key executives, as well as each Board committee member completing a self-assessment questionnaire in respect of the effectiveness of their respective Board committees.

# CORPORATE GOVERNANCE REPORT

The NC is of the view that such evaluation processes provides an opportunity for directors to give their feedback (if any) on the procedures and processes of the Board or Board committees and to identify the areas of improvement or enhancement which can be recommended or made to the Board.

The NC will, taking into account the results of the performance evaluation, where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors. Based on the evaluation results and findings for FY2022, the NC has assessed the contribution of each individual director to the effectiveness of the Board and is of the view that each director had adequately carried out his duties and contributed effectively to the Board.

The Company does not engage an external facilitator in respect of the Board Performance Evaluation.

## REMUNERATION MATTERS

Matters concerning remuneration of the Board, key management personnel and employees who are related to the substantial shareholders, the CEO and/or Directors (if any) are handled by the RC whose primary functions include the development of formal and transparent policies on remuneration matters in the Company.

### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

#### ***Provisions 6.1, 6.2 and 6.3***

#### ***Remuneration Committee and Terms of Reference***

The RC comprises the following three Directors, all of whom are Non-Executive and independent:

|                                |                             |
|--------------------------------|-----------------------------|
| Mr Lau Yan Wai, Chairman       | (Independent Director)      |
| Mr Teo Choon Kow @ William Teo | (Lead Independent Director) |
| Mr Choong Chee Peng Bert       | (Independent Director)      |

During FY2022, the RC held one meeting, which all members attended.

The RC is guided by its written Terms of Reference, which sets out its authority and duties. The principal functions of the RC include, *inter alia*:

- (a) Making recommendations to the Board on the Group's framework of executive remuneration;
- (b) Reviewing and providing a recommendation to the Board on the adequacy and form of compensation of the Directors and key executives of the Group to ensure that the compensation is realistically commensurate with the responsibilities and performance of the Director and/or key executive and the Group;
- (c) Reviewing and recommending to the Board the terms of renewal for those Executive Director(s) whose current employment contracts with the Group has or is due to expire;

# CORPORATE GOVERNANCE REPORT

- (d) Reviewing the fees for Non-Executive Directors before proposing such fees to the Board for approval, taking into account factors such as the effort and time spent by and the responsibilities of such Non-Executive Directors;
- (e) Reviewing and recommending to the Board the talent management and remuneration framework for the Company, including staff development and succession planning; and
- (f) Reviewing and recommending to the Board the engagement of stakeholders with respect to remuneration matters.

## ***Provision 6.4***

### ***RC's Access to Advice on Remuneration Matters***

The RC has access to the professional advice of external experts in the area of remuneration, where required.

No remuneration consultants were engaged by the Company in FY2022.

## **PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION**

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

### ***Provision 7.1***

#### ***Remuneration of Executive Director and Key Management Personnel***

The Company's remuneration structure for its Executive Director and key management personnel comprises both fixed and variable components. The variable component is linked to the Group/Company's performance and the individual personnel's performance. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long term success of the Group.

#### ***Contractual Provisions Protecting the Company's Interests***

The Company does not have any contractual provisions in the employment contracts with the Executive Director and key management personnel pursuant to which the Company may reclaim the variable components of remuneration from the Executive Director and key management personnel in exceptional circumstances, such as any misstatement of financial results, or misconduct resulting in financial loss to the Company and the Group. Notwithstanding the foregoing, the Executive Director owes a fiduciary duty to the Company and the Company should be able to avail itself of the relevant remedies at law against the Executive Director in the event of such breach of fiduciary duties.

# CORPORATE GOVERNANCE REPORT

## **Provision 7.2**

### **Remuneration of Non-Executive Directors**

The Company's framework for Non-Executive Directors' fees on per annum basis after taking into consideration of the Group's financial performance and the challenges brought about by the COVID-19 situation (unless otherwise indicated) for FY2022 is as follows:

|                        | <b>Chairman</b> | <b>Member</b> |
|------------------------|-----------------|---------------|
|                        | <b>\$</b>       | <b>\$</b>     |
| Board of Directors     | 45,900          | 30,600        |
| Audit Committee        | 11,500          | 5,700         |
| Nominating Committee   | 5,400           | 2,700         |
| Remuneration Committee | 2,300           | 1,100         |

## **Provision 7.3**

### **Remuneration Framework**

To attract, retain and motivate Directors and employees to provide good stewardship of the Company, the RC establishes appropriate remuneration packages for the Directors and key management personnel of the Company. Such remuneration packages are based on an established framework and are reviewed periodically to ensure that they remain relevant.

During the year, the RC considered and approved the Executive Director's remuneration package which included salary, bonus and benefits-in-kind. In addition, the RC reviewed the performance of the key management personnel and considered the Executive Director's recommendation for bonus and remuneration for the key management personnel.

## **PRINCIPLE 8: DISCLOSURE ON REMUNERATION**

***The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.***

### **Provisions 8.1 and 8.3**

#### **Remuneration Report**

Details on the remuneration of Directors and key management personnel for FY2022 are presented in the following table. The framework for directors' fees for the Non-Executive Directors is set out above and the remuneration for the Executive Director is based on his employment contract with the Company.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Directors

The table below shows the breakdown of the remuneration and fees of the Directors for FY2022. Shareholders' approval will be sought at the Annual General Meeting for payment of fees to Directors for the financial year ending 31 July 2023.

The Company had not disclosed the exact remuneration paid to each individual Director including the Executive Director due to the sensitive and confidential nature of such remuneration matters and to ensure the Company's competitive advantage in the retention of such personnel.

| Name                           | Fixed component % | Variable component % | Contributions to Central Provident Fund % | Benefits in kind % | Fees % | Total % |
|--------------------------------|-------------------|----------------------|---|--------------------|--------|---------|
| <b>Executive Directors</b>     |                   |                      |   |                    |        |         |
| <b>Below \$250,000</b>         |                   |                      |   |                    |        |         |
| Yee Chia Hsing <sup>(1)</sup>  | -                 | -                    | -   | -                  | -      | -       |
| Lee Kam Seng <sup>(2)</sup>    | 85                | -                    | 3   | -                  | 12     | 100     |
| <b>Non-Executive Directors</b> |                   |                      |   |                    |        |         |
| <b>Below \$100,000</b>         |                   |                      |   |                    |        |         |
| Mr Aw Cheok Huat               | -                 | -                    | -   | -                  | 100    | 100     |
| Mr Teo Choon Kow @ William Teo | -                 | -                    | -   | -                  | 100    | 100     |
| Mr Choong Chee Peng Bert       | -                 | -                    | -   | -                  | 100    | 100     |
| Mr Lau Yan Wai                 | -                 | -                    | -   | -                  | 100    | 100     |

### Notes:

(1) Mr Yee Chia Hsing was appointed as an executive director on 1 August 2022 (after FY2022).

(2) Mr Lee Kam Seng resigned as an executive director on 27 March 2022.

# CORPORATE GOVERNANCE REPORT

## **Remuneration of Key Management Personnel**

As the Group only has one key management personnel (who is not a Director or the CEO) during FY2022, the Company has not disclosed the remuneration paid to the said key management personnel due to the sensitive and confidential nature of such remuneration matters and to ensure the Company's competitive advantage in the retention of such personnel. The details of the remuneration paid to the key management personnel of the Company during FY2022 are set out below in bands (in percentage terms):

| Name and Position of Key Management Personnel             | Fixed component % | Variable component % | Contributions to Central Provident Fund % | Benefits in kind % | Fees % | Total % |
|---|-------------------|----------------------|---|--------------------|--------|---------|
| <b>Below \$250,000</b>                                    |                   |                      |   |                    |        |         |
| Lau Yin Whai, Financial Controller <sup>(1)</sup>         | 90                | –                    | 10  | –                  | –      | 100     |
| Lee Changwei, Eugene, Financial Controller <sup>(2)</sup> | 86                | –                    | 14  | –                  | –      | 100     |

### **Notes:**

(1) Mr Lau Yin Whai was appointed as the financial controller of the Company with effect from 21 January 2022.

(2) Mr Lee Changwei, Eugene resigned as the financial controller of the Company with effect from 31 August 2021.

## **Provision 8.2**

### **Employee(s) related to Directors/CEO/Substantial Shareholders**

There is no employee who is a substantial shareholder of the Company or who is an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded \$50,000 during FY2022.

## **ACCOUNTABILITY AND AUDIT**

### **PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS**

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

#### **Provision 9.1**

### **Risk Management and Internal Controls System**

The Board recognises the importance of maintaining sound systems of risk management and internal controls to safeguard shareholders' interests and the Group's assets. The AC oversees and ensures that such systems have been appropriately implemented and are monitored.

# CORPORATE GOVERNANCE REPORT

A summary of the Company's risk management and internal controls system is appended below.

## ***Risk Management***

The Group adopts a comprehensive and systematic approach towards Enterprise Risk Management ("ERM") to help identify, measure, prioritise and respond to the risks challenging its objectives, initiatives, and day-to-day operating activities.

As part of the Group's approach towards ERM, the Group has conducted on an annual basis a Risk Assessment exercise where the key risks of the Group have been identified and evaluated. In addition, the Group evaluates its risk exposure based on the likelihood and impact of each risk identified.

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately Management and the Board, working as a team.

## ***Internal Controls***

A system of internal controls has been implemented to enhance the Group's internal control function in areas such as finance, operations, compliance and information technology. The internal control measures aim to ensure that the Group's assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for reporting is reliable.

## ***Risk Committee***

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC with the assistance of the internal auditors. Having considered the Company's business operations as well as its existing internal controls and risk management systems, the Board is of the view that a separate Risk Committee is not required for the time being.

## ***Provision 9.2***

### ***Adequacy and Effectiveness of Risk Management and Internal Control Systems***

ERM is an essential part of the Group's business planning and monitoring process, and has been incorporated into its business cycle. The Group engages a professional audit firm, CLA Global TS Risk Advisory Pte. Ltd. (formerly known as Nexia TS Risk Advisory Pte. Ltd.) ("**Nexia**") to conduct internal audit reviews based on the plan approved by the AC.

During the year, the AC also reviewed reports submitted by the internal auditors relating to the effectiveness of the Group's internal controls, including the adequacy of the Group's financial, operational, compliance and information technology controls.

### ***Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Controls***

The Board is satisfied that the Company has worked closely with the internal and external auditors of the Group to implement the recommended measures and procedures, and has strived to achieve high standards in risk management and internal controls.

# CORPORATE GOVERNANCE REPORT

Based on the framework of risk management and internal controls established and maintained by the Group, the work performed by the internal auditors, as well as the statutory audit review undertaken by the external auditors, the Board with the concurrence of the AC, is of the opinion that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems that the Group has put in place are adequate and effective as at 31 July 2022. However, to meet the changing needs of the Group's business environment, continuous improvements will be required as the Group grows its business. The Board, has received assurance from the Executive Director and the Financial Controller that:

- (a) the financial records of the Group have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are adequate and effective.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

## PRINCIPLE 10: AUDIT COMMITTEE

***The Board has an Audit Committee ("AC") which discharges its duties objectively.***

### ***Provision 10.1***

#### ***Roles, Responsibilities and Authorities of AC***

The AC is guided by its written Terms of Reference, which sets out its authority and duties. The key functions of the AC include, *inter alia*:

- (a) Reviewing the financial reports of the Group and the related reporting process;
- (b) Reviewing the Group's risk management framework, system of internal controls and management of financial risks;
- (c) Reviewing the internal and external audit process of the Group, including making recommendations to the Board on the appointment, re-appointment, removal, remuneration and terms of engagement of such auditors and reviewing the annual audit plans (internal and external);
- (d) Reviewing the Company's processes for monitoring compliance with the applicable laws and regulations and code of business conduct;
- (e) Reviewing significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance;
- (f) If deemed necessary, reviewing the assurance provided that the financial records have been properly maintained, and that the financial statements give a true and fair view of the Company's operations and finances;

# CORPORATE GOVERNANCE REPORT

- (g) Reviewing the assurance provided on the adequacy and effectiveness of the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- (h) Overseeing the establishment and operation of the whistleblowing process in the Company;
- (i) Commissioning and reviewing the findings of internal investigations conducted where fraud or impropriety is suspected, or where there is a failure of internal controls or infringement of any Singapore law, rule or regulation which is likely to have a material impact on the Group; and
- (j) Considering the various disclosure requirements, particularly those required by regulatory bodies and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

The AC has explicit authority to investigate any matter within its Terms of Reference. It has full access to, and has had the full co-operation of Management and staff. It also has full discretion to invite any Director or any member of Management to attend its meetings.

The AC reviews all interested person transactions entered into by the Group, including any interested person transactions in accordance with the Company's mandate for Interested Person Transactions which was approved by shareholders at the extraordinary general meeting of the Company on 14 March 2019 and renewed at the annual general meeting of the Company on 10 November 2021 and shareholders' approval will be sought at the AGM for the renewal of the mandate for FY2022. Directors who are interested in the Group's transactions recuse themselves from the deliberation and approval process in both the AC and Board. On a half-yearly basis, the AC also reviewed the financial results announcements of the Company before their submission to the Board for approval.

The AC has explicit authority to investigate whistle-blowing complaints and all whistle-blower complaints are reviewed by the AC and/or the Board pursuant to the Company's Whistle Blowing Policy to ensure independent and thorough investigation and adequate follow-up.

The AC had reviewed the external auditors' audit plan for FY2022 and agreed with the auditors' proposed significant areas of focus and assumptions that impact the financial statements. In its review of the financial statements of the Group for FY2022, the external auditors had discussed with Management the accounting principles that were applied and their judgment of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC also reviewed and addressed, amongst other matters, the key audit matters as reported by the external auditors for FY2022. The key audit matters can be found on page 69 to 72 of this Annual Report.

Management reported to and discussed with the AC the changes to the accounting standards and accounting issues which have a direct impact on the financial statements. Directors had also been invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

### ***AC to Keep Abreast of Changes to Accounting Standards***

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept up to date by the Management, external and internal auditors on changes to accounting standards, SGX-ST rules and other codes and regulations which can have an impact on the Group's business and financial statements.

# CORPORATE GOVERNANCE REPORT

## ***Independence of External Auditors***

The AC oversees the Group's relationship with its external auditors. It reviews the selection of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditors, the remuneration and terms of engagement of the external auditors. The annual re-appointment of the external auditors is subject to shareholders' approval at each AGM.

The AC has reviewed the independence and objectivity of the external auditors through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors.

In respect of the audit quality indicators, the AC had reviewed, in particular, the following areas: audit hours planned, experience of the team, adequacy of training received by the team, results of internal and third party's inspection of their work, compliance with independence requirement, quality control, staff oversight, and staff attrition rate.

A breakdown of the fees paid to the Group's external auditors (including its member firms) is disclosed in the table below:

| <b>External Auditor Fees for FY2022</b> | <b>\$'000</b> | <b>% of Total Fees</b> |
|---|---------------|------------------------|
| Total Audit Fees                        | 143           | 100                    |
| Total Non-Audit Fees                    | -             | -                      |
| Total Fees                              | 143           | 100                    |

The AC had recommended and the Board had accepted proposing to the shareholders, the reappointment of Mazars LLP as the independent auditors for the Group in the ensuing year. The Company has complied with Rules 712, 715 and 716 of the Listing Manual in relation to the Company's appointment of its auditors.

## ***Whistle Blowing Policy***

To encourage proper work ethic and facilitate the eradication of any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group, the Company has implemented a Whistle Blowing Policy. The policy provides a mechanism by which concerns about plausible improprieties in, including but not limited to, matters of financial reporting, dishonest practice, suspected fraud, bribery and corruption, may be raised.

The Company's Whistle Blowing Policy allows not just employees but also external parties to raise concerns and the policy sets out confidentiality clauses to ensure that the identity of the whistleblower will be kept strictly confidential unless disclosure is required by law or regulatory authorities.

The Company has put in place the following processes:

- (a) The Company has procedures for whistleblower to raise concerns to the AC Chairman via email at [whistleblow@datapulse.com.sg](mailto:whistleblow@datapulse.com.sg) and has an independent function comprising the AC Chairman and AC members to investigate whistleblowing reports made in good faith;

# CORPORATE GOVERNANCE REPORT

- (b) The Company has clear channels through which staff and other persons may, in confidence, raise their concerns about possible improprieties, fraudulent activities or malpractices within the Company in a responsible and effective manner;
- (c) The Company has arrangements to facilitate independent investigation of such concerns and for appropriate follow-up action;
- (d) The Company has confidentiality clauses that protect identification of the whistleblower and ensures that the identity of the whistleblower is kept confidential; and
- (e) The Company is committed to ensuring the protection of the whistleblower against any detrimental and unfair treatment, intimidation, retaliation or adverse employment action, for reports made in good faith and without malice.

The AC addresses issues and/or concerns raised and arranges for investigation and/or follow-up of appropriate action. The AC reports to the Board any issues and/or concerns received by it, at the ensuing Board meeting. Should the AC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external parties, where necessary, who have the required skills and expertise to conduct the relevant investigations. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

The Group takes concerns raised in respect of the integrity and honesty of its employees very seriously. The Whistle Blowing Policy as well as whistle blowing communication channel, has been disseminated to all staff via email on a yearly basis and is also posted on the Company's corporate website. A copy of the Whistle Blowing Policy is also made available at the Company's corporate website at <http://www.datapulse.com.sg/> and in the internal shared drive for staff reference. Staff are encouraged to report any behaviour or action that is reasonably suspicious or against any rules/regulations/accounting standards applicable to the Group (including the Group's internal policies). Whistleblowers may also approach the AC Chairman at [whistleblow@datapulse.com.sg](mailto:whistleblow@datapulse.com.sg) in confidence.

The Company treats all information received confidentially and protects the identity and the interests of all whistleblowers. The Group views concerns expressed anonymously as potentially less credible but the AC and/or the Board (where appropriate) nonetheless reserves the right to consider such concerns at their discretion.

All newly recruited employees are briefed on the existence of the Whistle Blowing Policy during the Group's induction programme.

The AC is responsible for the oversight and monitoring of whistleblowing and the Whistle Blowing Policy is reviewed by the AC from time to time to assess the effectiveness of the processes in place and to ensure that the said policy is updated to take into account any related changes in legal and regulatory requirements. The AC is satisfied that adequate arrangements are in place to ensure independent investigation and appropriate follow up actions are taken. The AC is of the view that the Whistleblowing Policy of the Company is in compliance with Listing Rule 1207(18B).

For FY2022 and up to the date of this report, there were no complaints, concerns or issues received by the AC.

# CORPORATE GOVERNANCE REPORT

## **Provision 10.2**

### **Membership**

The AC comprises the following three Directors, all of whom are Non-Executive and independent:

|  |                             |
|--|-----------------------------|
| Mr Teo Choon Kow @ William Teo, Chairman | (Lead Independent Director) |
| Mr Choong Chee Peng Bert                 | (Independent Director)      |
| Mr Lau Yan Wai                           | (Independent Director)      |

During FY2022, the AC held three (3) meetings, which all members had attended.

### **Expertise of AC Members**

The AC members bring with them invaluable professional expertise in the accounting and financial management domains.

The Chairman of the AC is a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants. The other members of the AC have many years of experience in business management and finance services. The Board is satisfied that the members of the AC have recent and relevant accounting or related financial management expertise and experience to discharge the functions of the AC.

## **Provision 10.3**

### **Cooling-off Period for Partners or Directors of the Company's Auditing Firm**

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

## **Provision 10.4**

### **Internal Auditors**

The AC's responsibilities over the Group's internal controls and risk management are complemented by the work of the Company's internal auditors ("IA").

The Company has outsourced its internal audit function to Nexia. The Board has approved the recommendation of the AC to engage Nexia as the IA. The AC assesses the adequacy of the Company's internal audit function through the review of Nexia's audit plan and the quality of its report. The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC. The IA's primary line of reporting is to the Chairman of the AC.

### **Internal Audit Function**

The Company's internal audit function is independent of the activities it audits. The IA, Nexia, is staffed with professionals with relevant qualifications and experience. Our engagement with Nexia stipulates that its work shall comply with Nexia's Internal Audit Services Methodology which is aligned with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

# CORPORATE GOVERNANCE REPORT

The internal audit was conducted based on an internal audit plan that was approved by the AC. The internal audit plan entails a review of the major functions or business units of the Group.

Having reviewed the audit plan of Nexia, the AC is satisfied that the Company's internal audit function is adequately resourced to perform the work for the Group.

## ***Adequacy and Effectiveness of Internal Audit Function***

The AC reviews the adequacy of the Company's internal audit function to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation to enable the IA to perform its function. The AC also reviews the IA's reports and remedial actions implemented by Management. The AC was satisfied that the internal control functions were adequate and effective.

### ***Provision 10.5***

#### ***Meeting with External and Internal Auditors***

During FY2022, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC meets with the Company's internal and external auditors without the presence of Management at least annually.

## **SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING**

***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.***

#### ***Provision 11.1***

##### ***Sufficient Information to Shareholders***

The Company believes in providing sufficient and regular information to its shareholders. In this respect, the Board adopts a comprehensive policy to provide clear, timely and fair disclosure of information about the Company's business developments and financial performance that may have a material impact on the price or value of its shares.

##### ***Providing Opportunity for Shareholders to Participate and Vote at General Meetings***

Shareholders are informed of general meetings through notices published in the newspaper, the Company's announcements via SGXNET and the reports/circulars sent to all shareholders. All resolutions tabled at general meetings are put to vote by poll voting, where appropriate.

Shareholders are also informed of the rules and voting procedures governing such meetings.

# CORPORATE GOVERNANCE REPORT

## ***Effective Shareholders' Participation***

To facilitate shareholders' effective participation at General Meetings, the Company holds its General Meetings at a location which is considered convenient and accessible to shareholders.

As a precautionary measure due to the prevailing COVID-19 situation, the Company will be conducting its forthcoming AGM ("**2022 AGM**") by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders are invited to participate at the 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via live audio-visual webcast or live audio only stream (b) submitting questions in advance of, or "live" at the 2022 AGM and (c) voting at the 2022 AGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the 2022 AGM) via electronic means or (ii) by appointing the Chairman of the 2022 AGM as proxy to vote on their behalf at the 2022 AGM. Details of the pre-registration, submission of questions and voting at the 2022 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released, together with the Notice of 2022 AGM, on the SGXNET and the Company's website.

The Group fully supports the Code's principle to encourage shareholders' participation during the general meetings. The Company's Constitution allows the appointment of not more than two proxies by shareholders to attend the AGM and vote on his/her behalf. Shareholders who hold shares through nominees are allowed to attend the general meetings as proxies without being constrained by the two-proxy requirement.

## ***Provision 11.2***

### ***Resolutions at General Meetings***

At the general meeting, the Board ensures that separate resolutions are proposed for approval on each distinct issue at General Meetings to the extent possible, (or if not, the appropriate reason(s) therefor). Shareholders can vote either in person or through proxies.

## ***Proxies for Nominee Companies***

The Constitution of the Company allows all shareholders (who are not relevant intermediaries as set out in the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the Central Provident Fund (CPF) agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

## ***Provision 11.3***

### ***Attendees at General Meetings***

The Directors attend all General Meetings of the Company to address issues raised by shareholders. The Company's external auditors are also present to address any relevant queries from shareholders on the conduct of the audit and the preparation and contents of the auditors' report. Appropriate key management executives are also present at the general meetings to respond, if necessary, to operational questions from shareholders.

Directors' attendance at the General Meetings can be found on page 35 of this Annual Report.

# CORPORATE GOVERNANCE REPORT

## **Provision 11.4**

The Company, however, has not implemented measures to allow shareholders who are unable to vote in person at the AGM the option to vote in absentia, whether by way of mail, electronic mail, facsimile transactions or otherwise as the authentication of shareholder identity and other related security issues still remain a concern.

## **Provision 11.5**

### **Minutes of General Meetings**

The minutes of general meetings will be published on the Company's corporate website at <http://www.datapulse.com.sg/>.

## **Provision 11.6**

### **Dividend Policy**

The Company has adopted a dividend policy to formalize the principles and practices that the Board applies in considering the level of dividend payments, if any. Pursuant to the Dividend Policy, the Board takes into account, *inter alia*:

- (a) the Company's actual and expected financial performance;
- (b) the level of cash, gearing, return on equity and retained earnings of the Group;
- (c) any restrictions on payment of dividends that maybe imposed by the Group's financing arrangement;
- (d) the Group's expected levels of capital expenditure and other investment plans; and
- (e) general economic conditions, business cycle of the Group's motion control business and other internal or external factors that may have an impact on the business or financial performance and position of the Company.

The declarations and/or payment of future dividends are subject to the Board's continuing determination that such declaration and/or payment would be in the best interests of the Group and shareholders, and are in compliance with all applicable laws and regulations.

Having considered that the Group is in a loss-making position for FY2022, the Board has therefore recommended that no dividend be declared for FY2022.

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

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

### *Provisions 12.1, 12.2 and 12.3*

#### *Communication with Shareholders*

In line with the continuous disclosure obligations under the listing rules of the SGX-ST and the Singapore Companies Act, Chapter 50, the Board informs shareholders promptly of all major developments that may have material impact on the Group.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. Material information on the Group is being released to the public through the Company's announcements via SGXNET.

#### *Timely Information to Shareholders*

The Company communicates with its shareholders and the investor community through the timely release of announcements to the SGX-ST via SGXNET. Financial results of the Group are released within 45 days from the end of each half-year and within 60 days from the financial year end. In addition, Annual Reports are distributed to shareholders at least 14 days before each AGM.

#### *Soliciting and Understanding Views of Shareholders*

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation.

All resolutions at AGMs are, where appropriate, put to vote by poll to allow greater transparency and more equitable participation by shareholders. An independent scrutineer will also be appointed by the Company to ensure the satisfactory procedure of the polling process and to direct and supervise the counting of votes during the Company's general meetings.

#### *Regular Dialogue with Shareholders*

General meetings have been and are still the principal forum for dialogue with shareholders. The Company also communicates with its shareholders, both institutional and retail, on a regular basis. Annual reports and notices of general meetings are forwarded to all shareholders of the Company. Notices of general meetings are also advertised in the newspaper. All Directors, including chairpersons of the AC, NC and RC are encouraged to be present at the AGM. At the AGM, shareholders are given the opportunity to engage the Board and Management on the Group's business activities, financial performance and other business-related matters. To further enhance its communication with investors, the Company maintains a corporate website.

The Company's corporate website also contains the latest and past annual reports, half-yearly results and announcements.

# CORPORATE GOVERNANCE REPORT

Shareholders may send their queries and concerns regarding the Company to the Company's investor relations email at [ir@datapulse.com.sg](mailto:ir@datapulse.com.sg).

## ***Investor Relations Policy***

The Company has adopted an investor relations policy to formalize the principles and practices that the Company applies to provide current and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field.

The Company is committed to treating all shareholders fairly and equitably, and keep all shareholders and other stakeholders informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely basis.

The Company's Investor Relations Policy is published on the Company's corporate website at <http://www.datapulse.com.sg/>. and sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

## **MANAGING STAKEHOLDERS RELATIONSHIPS**

### **PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS**

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

#### ***Provisions 13.1 and 13.2***

##### ***Relationship with stakeholders***

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long-term future of the Company. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, staffs, regulators, shareholders and vendors.

#### ***Provision 13.3***

##### ***Communications with stakeholders***

The Company's contact information is reflected on the website, to enable stakeholders to contact the Company, if required.

# CORPORATE GOVERNANCE REPORT

## **OTHER CORPORATE GOVERNANCE MATTERS**

The Company has in place internal codes of conduct and practices for its Board members and employees on securities transactions while in possession of price-sensitive information and their conduct of business activities.

### ***Dealings in Securities -Rule 1207(19) of the Listing Manual***

The Company has adopted a policy on securities dealing by Directors and officers of the Company and its subsidiaries (comprising Directors and key personnel) in the form of a Code of Best Practices on Securities Dealings to govern and regulate transactions relating to securities in the Company. The Code of Best Practices on Securities Dealings is based on the best practices on dealings in securities issued by SGX-ST and has been circulated to all relevant parties.

The Company issues circulars informing the Directors and key personnel that they, while in possession of price-sensitive information, must not trade in the listed securities of the Company one month before the announcement of the Company's full year results and before half-yearly results and ending on the date of the announcement of such results. They are also informed not to deal in the Company's securities on short-term considerations.

The Directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within two (2) business days of the transactions. The Board is satisfied with the Group's commitment in compliance with the Code.

The Directors and Management are aware, and a new Director or management staff will be briefed, that the Company should comply with the best practice pursuant to Rule 1207(19)(c) of the Listing Manual in not dealing in its securities during the restricted trading periods. The Company has complied with Rule 1207(19)(c) of the Listing Manual.

### ***Material Contracts***

The Group has not entered into any material contracts for FY2022.

# CORPORATE GOVERNANCE REPORT

## ***Interested Party Transactions***

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC and the transactions are carried out at arm's length and under normal commercial terms. The details of interested person transactions for FY2022 are set out below:

| Name of Interested Person  | Nature of relationship   | Aggregate value of all interested person transactions for year ended 31 July 2022 (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000 | Aggregate value of all hospitality-related transactions for year ended 31 July 2022 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) * \$'000 |
|--|--|---|--|
| ICP Ltd. and its subsidiaries – Provision of hotel management, technical, project management and other services to a subsidiary of the Company | Mr Aw Cheok Huat, who is a Non-Independent Non-Executive Director of the Company, is the controlling shareholder of ICP Ltd. | Nil   | 199  |

The Company had on 10 November 2021 obtained shareholders' approval for the renewal of a general mandate authorizing the Group to enter into certain interested person transactions with ICP Ltd and its subsidiaries ("**IPT Mandate**"). The IPT Mandate is subject to renewal by shareholders on an annual basis, and will be put to shareholders' approval at the forthcoming annual general meeting of the Company.

## **CODE OF CONDUCT AND PRACTICES**

The Group recognises the importance of integrity, professionalism on the conduct of its business activities. Employees are expected to embrace, practice and adopt these values while performing their duties and always to act in the best interests of the Group and avoid situations that may create conflicts of interest.

# CORPORATE GOVERNANCE REPORT

## **ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST – APPENDIX 7.4.1 TO THE LISTING RULES**

Pursuant to Rule 720(6) of the Listing Rules, the information as set out in Appendix 7.4.1 to the Listing Rules relating to Mr Yee Chia Hsing, a Director who is standing for re-election at the forthcoming AGM is set out on page 131 of this Annual Report and below:

|  |   |
|--|---|
| <b>Name of Director</b>  | <b>Yee Chia Hsing</b>   |
| <b>Date of Appointment</b>   | 1 August 2022   |
| <b>Date of Last Re-Appointment</b>   | N.A   |
| <b>Age</b>   | 51  |
| <b>Country of principal residence</b>  | Singapore   |
| <b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b> | N.A   |
| <b>Whether appointment is executive, and if so, the area of responsibility</b>   | The appointment is Executive. Mr Yee Chia Hsing will take charge of the Company's management team as the Executive Director of the Company  |
| <b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>   | Executive Director  |
| <b>Professional Qualifications</b>   | N.A   |
| <b>Working experience and occupation(s) during the past 10 years</b>   | <p>August 2022 – present<br/>Datapulse Technology Limited<br/>Executive Director</p> <p>May 2014 – present<br/>First Sponsor Group Limited<br/>Lead Independent Director</p> <p>March 2021 – July 2022<br/>iX Biopharma Ltd<br/>Director of Corporate Affairs and GM of Entity Health</p> <p>January 2011 – February 2021<br/>CIMB Bank Berhad, Singapore Branch<br/>Head Catalist, Managing Director</p> <p>September 2015 – June 2020<br/>Member Of Parliament (Singapore)<br/>Elected Member of Parliament of Chua Chu Kang GRC (Nanyang division)</p> |
| <b>Shareholding interest in the listed issuer and its subsidiaries</b>   | 77,900 shares   |

# CORPORATE GOVERNANCE REPORT

|  |  |
|--|--|
| <b>Name of Director</b>  | <b>Yee Chia Hsing</b>  |
| <b>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</b>   | Nil  |
| <b>Conflict of interest (including any competing business)</b>   | Nil  |
| <b>Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer</b>   | Yes  |
| <b>Past (for the last 5 years)</b>   | Ezion Holdings Limited<br>Independent Non-Executive Director<br>5 January 2016 – 9 April 2021  |
| <b>Present</b>   | Datapulse Technology Limited<br>Executive Director<br><br>First Sponsor Group Limited<br>Lead Independent Director   |
| <b>(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?</b>   | No   |
| <b>(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?</b> | Yes<br><br>Ezion Holdings Limited (“ <b>Ezion</b> ”) announced on 28 January 2022 that its board of directors (“ <b>Ezion Board</b> ”) was of the view that despite Ezion’s past efforts to restructure the group and to search for an investor to recapitalise Ezion, Ezion faced difficulties in procuring investment proposals from the potential investors that are able to garner the support of its major creditors. As market conditions remained challenging and given Ezion’s then financial position, the key operating subsidiaries of Ezion were no longer able to remain operationally viable as a going concern without the receipt of working capital. Accordingly, Ezion filed an application pursuant to section 125(1)(e) and section 125(1)(i) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) on 28 January 2022 for Ezion to be placed into liquidation (“ <b>Winding Up Application</b> ”). |

# CORPORATE GOVERNANCE REPORT

| Name of Director  | Yee Chia Hsing  |
|---|---|
|   | On 18 February 2022, Ezion announced that the Court granted the Winding Up Application for Ezion to be placed into liquidation and for Messrs Ng Kian Kiat and Goh Wee Teck of RSM Corporate Advisory Pte Ltd to be appointed as joint and several liquidators. |
| <b>(c) Whether there is any unsatisfied judgment against him?</b>   | No  |
| <b>(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?</b>   | No  |
| <b>(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?</b>   | No  |
| <b>(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?</b> | No  |
| <b>(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?</b>  | No  |

# CORPORATE GOVERNANCE REPORT

| Name of Director  | Yee Chia Hsing |
|---|----------------|
| (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             |
| (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             |
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:   | No             |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or  | 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             |
| (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             |
| (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No             |
| (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             |

# DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Datapulse Technology Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 July 2022.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

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

Aw Cheok Huat  
 Yee Chia Hsing (Appointed on 1 August 2022)  
 Teo Choon Kow @ William Teo  
 Choong Chee Peng Bert  
 Lau Yan Wai

## 3. 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 objects were, or one of the objects 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, except as disclosed in paragraphs 4 and 5 below.

## 4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

|                        | <u>Direct interest</u>                |                                 | <u>Deemed interest</u>                |                                 |
|------------------------|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------|
|                        | <u>At beginning of financial year</u> | <u>At end of financial year</u> | <u>At beginning of financial year</u> | <u>At end of financial year</u> |
| <u>The Company</u>     |                                       |                                 |                                       |                                 |
| <u>Ordinary shares</u> |                                       |                                 |                                       |                                 |
| Aw Cheok Huat          | 10,000                                | 10,000                          | 21,900,000                            | 21,900,000                      |

# DIRECTORS' STATEMENT

## 4. Directors' interests in shares or debentures *(Continued)*

By virtue of Section 7 of the Act, Aw Cheok Huat is deemed to have an interest in all wholly owned subsidiaries of the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 August 2022.

## 5. Share options

There were no options granted by the Company during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under options granted by the Company as at the end of the financial year.

## 6. Audit committee

At the date of this statement, the Audit Committee ("AC") comprises of three members, of whom all, including the Chairman, are independent non-executive directors and have recent and relevant accounting and/or related financial management expertise or experience. The members are as follows:

|                             |  |
|-----------------------------|--|
| Teo Choon Kow @ William Teo | Chairman, Independent Non-Executive Director |
| Choong Chee Peng Bert       | Member, Independent Non-Executive Director   |
| Lau Yan Wai                 | Member, Independent Non-Executive Director   |

The AC performs the functions specified by Section 201B(5) of the Singapore Companies Act, 1967, the SGX Listing Manual and the Code, and assists the Board in the execution of its corporate governance responsibilities within its established terms of reference.

The AC has held 3 meetings during the last financial year. The AC also oversees the overall policy setting and administration of the Company's whistle blowing policy and procedures, which serves to provide the employees of the Company a formal channel to raise concerns in confidence about possible improprieties in matters of financial reporting and other matters directly to the AC. All concerns can be reported by email or by letter to the AC Chairman's office which will then be forwarded to the AC Chairman of the Company. They will assess whether action or review is required.

In performing its functions, the AC meets periodically with the Company's external and internal auditors and with management to review accounting, auditing and financial reporting matters, as well as the Group's risk management and internal control systems covering financial, operational, compliance and information technology controls. In addition, the AC will meet with the Company's external and internal auditors without the presence of management at least once a year to discuss matters concerning the Group.

# DIRECTORS' STATEMENT

## 6. Audit committee *(Continued)*

The duties of the AC, amongst others, include reviewing the following:

- internal and external auditors' audit plans and the scopes of examination;
- results of the audits and their effectiveness;
- independence and objectivity of the external auditors, taking into account the nature and extent of non-audit services performed by the external auditors;
- adequacy and effectiveness of the Group's risk management and internal control systems, including reporting to the Board at least annually the results of its review;
- making recommendation to the Board on proposals to shareholders on the terms of engagement, appointment, re-appointment, remuneration, and removal of external auditors;
- hiring, re-hiring, removal, evaluation and compensation of out-sourced internal auditors;
- periodic results announcements prior to their submission to the Board for approval;
- audited financial statements of the Group and the Company prior to their submission to the Board for approval;
- significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group;
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual); and
- all cases of whistle blowing, in particular, the adequacy and independence of investigation and resolution for those significant cases.

The AC has full access to management and senior executives, and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or senior executive to attend its meetings.

The AC may also examine, within its terms of reference, any matters pertaining to the Group's affairs and monitor the Group's compliance with legal, regulatory and contractual obligations.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

- The AC has reviewed and concurred with external auditors on the key audit matters identified. For more information on the key audit matters, please refer to page 69 to 72.

# DIRECTORS' STATEMENT

## 6. Audit committee *(Continued)*

For the financial year under review, there are no non-audit services provided by the external auditors. The AC has met with the external and internal auditors without the presence of management. The aggregate amount of audit fees paid and payable by the Group to the external auditors for financial year ended 31 July 2022 was \$143,000. In appointing the audit firm, Mazars LLP, for the audit of financial year ended 31 July 2022, the AC is satisfied that the Company has complied with the requirements of Rules 712, 715 and 716 of the SGX Listing Manual. AC meetings are held regularly before the official announcement of results.

Having reviewed Mazars LLP's performance, the AC has recommended to the Board that Mazars LLP be nominated for re-appointment as auditors for the financial year ending 31 July 2023 at the forthcoming AGM of the Company.

## 7. Auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

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Aw Cheek Huat  
Director

Singapore

28 October 2022

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Yee Chia Hsing  
Director

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

## Report on the Audit of Financial Statements

### *Opinion*

We have audited the financial statements of Datapulse Technology Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 July 2022, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and 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 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 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 financial position of the Group and of the Company as at 31 July 2022 and of the financial performance, changes in equity and 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 *Auditors' 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.

### *Overview*

#### Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

#### Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

#### Scope of Audit

For the audit of the current financial year's financial statements, we identified 6 significant components which required either full scope audit or specific audit of their financial information, either because of their size or/and their risk characteristics.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

## Report on the Audit of Financial Statements *(Continued)*

### Scope of Audit *(Continued)*

These significant components were audited by other Mazars offices as component auditors under our instructions. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

### Area of Focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates made by directors.

### 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.

| Key audit matter 1  | Our audit response   |
|---|--|
| <p><b>Valuation of investment in unquoted equity investments</b><br/>(refer to Note 3.2, 11 and 21(d) to the financial statements)</p> <p>As at 31 July 2022, the Group has long-term investments in unquoted equity securities amounting to \$2.7 million which are carried at fair value through other comprehensive income in accordance with SFRS(I) 9 <i>Financial Instruments</i>. These investments pertain to a 15% interest and a 5% interest in entities holding hospitality assets, Travelodge Myeongdong Euljiro and Travelodge Harbourfront Singapore located in Seoul and Singapore, respectively.</p> <p>Management has performed the assessment in determining the fair value of these unquoted equity investments.</p> | <p>Our audit procedures included, and were not limited to the following:</p> <p>We obtained our understanding of the process and key controls over the Group's valuation process.</p> <p>We obtained and reviewed management's valuation of the unquoted equity investments by performing the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the valuation methodology in accordance with the requirements of SFRS(I) 13 <i>Fair Value Measurement</i>;</li> <li>• Evaluated the objectivity and competency of the independent valuer and read the terms of engagement to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the independent valuer;</li> </ul> |

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

## Report on the Audit of Financial Statements *(Continued)*

### Key Audit Matters *(Continued)*

| Key audit matter 1 (Continued)  | Our audit response  |
|---|---|
| <p><b>Valuation of investment in unquoted equity investments</b><br/>(refer to Note 3.2, 11 and 21(d) to the financial statements)</p> <p>In addition, as disclosed and explained in more detail in Note 3.2 <i>Key sources of estimation uncertainty</i>, there was an increase in the level of estimation uncertainty in determining the fair value of the unquoted equity investments as at 31 July 2022 arising from changes in market and economic conditions brought on by macro-economic factors.</p> <p>We have identified the valuation of unquoted equity investments as a key audit matter because of the significance of the carrying amounts and the use of significant management judgment and a range of estimates in determining the fair value of these unquoted equity investments.</p> | <p>We obtained and reviewed management's valuation of the unquoted equity investments by performing the following: (Continued)</p> <ul style="list-style-type: none"> <li>• Read the valuation report, inquired with the management and the independent valuer, obtained explanations to support the selection of valuation methodology, valuation adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the cash flows and capitalisation rates;</li> <li>• Involved our internal valuation resources in assessing the appropriateness of the valuation methodology and the reasonableness of the valuation assumptions and inputs used by management as disclosed in Note 21(d) to the financial statements and performed sensitivity analysis on the fair value by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty in market and economic conditions brought on by macro-economic factors; and</li> <li>• Reviewed the adequacy of the disclosures in the financial statements relating to key sources of estimation uncertainty, unquoted equity investments, fair value of assets or liabilities, and level 3 fair value measurements, which are fundamental to users' understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the fair value, including information that the fair value of the unquoted equity investments recorded in the Group's balance sheet as at 31 July 2022 was estimated based on conditions prevailing on that date.</li> </ul> |

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

## Report on the Audit of Financial Statements *(Continued)*

### Key Audit Matters *(Continued)*

| Key audit matter 2  | Our audit response   |
|---|--|
| <p><b>Impairment assessment of freehold property classified under property, plant and equipment</b><br/>(refer to Note 3.2 and 9 to the financial statements)</p> <p>As at 31 July 2022, the Group's freehold property which comprise the land and building of Travelodge Myeongdong City Hall ("TLMC") in Seoul, South Korea, amounted to \$40.2 million.</p> <p>Management has engaged independent valuer to assist the Group in determining the recoverable amount of the freehold property.</p> <p>In addition, as disclosed and explained in more detail in Note 3.2 <i>Key sources of estimation uncertainty</i>, there was an increase in the level of estimation uncertainty in determining the recoverable amount of the freehold property as at 31 July 2022 arising from changes in market and economic conditions brought on by macro-economic factors.</p> <p>We have identified the impairment assessment of freehold property as a key audit matter due to the significance of the carrying amount of the property and the use of management judgment and a range of estimates in determining the recoverable amount of the freehold property.</p> | <p>Our audit procedures included, and were not limited to the following:</p> <p>We obtained and reviewed management's assessment of impairment indicators for the Group's freehold property.</p> <p>We obtained and reviewed management's assessment of the recoverable amount of the Group's freehold property by performing the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the methodology used by the independent valuer to estimate the value in use;</li> <li>• Evaluated the objectivity and competency of the independent valuer and read the terms of engagement to determine whether there were any limitation in the scope of work or matters that might affect the objectivity of the independent valuer;</li> <li>• Read the valuation report, inquired with the management and the independent valuer, obtained explanations to support the selection of methodology, adjustments made in light of the increased estimation uncertainty as well as the key assumptions including the cash flows and capitalisation rates;</li> </ul> |

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

## Report on the Audit of Financial Statements *(Continued)*

### Key Audit Matters *(Continued)*

| Key audit matter 2 (Continued)  | Our audit response   |
|---|--|
| <p><b>Impairment assessment of freehold property classified under property, plant and equipment</b><br/>(refer to Note 3.2 and 9 to the financial statements)</p> | <p>We obtained and reviewed management's assessment of the recoverable amount of the Group's freehold property by performing the following: (Continued)</p> <ul style="list-style-type: none"> <li>Involved our internal valuation resources in assessing the appropriateness of the methodology and the reasonableness of the assumptions and inputs used by management as disclosed in Note 9 to the financial statements and performed sensitivity analysis on the recoverable amount by simulating reasonable changes in the key assumptions in light of the increased estimation uncertainty in market and economic conditions brought on by macro-economic factors; and</li> <li>Reviewed the adequacy of the Group's disclosures in the financial statements relating to key sources of estimation uncertainty, and property, plant and equipment, which are fundamental to users' understanding of this matter. They comprise key assumptions, estimation uncertainty and sensitivity of the recoverable amount, including information that the impairment recorded in the Group's financial statements as at 31 July 2022 was estimated based on conditions prevailing on that date.</li> </ul> |

### Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

## Report on the Audit of 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 reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

### *Auditors' 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 auditors' 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DATAPULSE TECHNOLOGY LIMITED

## Report on the Audit of Financial Statements *(Continued)*

### *Auditors' Responsibilities for the Audit of the Financial Statements (Continued)*

- 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.

## 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 the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Quek Siew Eng.

### **MAZARS LLP**

Public Accountants and  
Chartered Accountants

Singapore

28 October 2022

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

|  | Note | Group<br>2022<br>\$'000 | 2021<br>\$'000<br>(Reclassified) |
|--|------|-------------------------|----------------------------------|
| Revenue  | 4    | 1,921                   | 1,040                            |
| Other income   | 5    | 206                     | 684                              |
|  |      | <u>2,127</u>            | <u>1,724</u>                     |
| Fair value loss on short-term investments at fair value through profit or loss ("FVPL")                        |      | (307)                   | –                                |
| Staff costs  |      | (1,395)                 | (1,348)                          |
| Depreciation of property, plant and equipment and right-of-use assets  |      | (998)                   | (1,251)                          |
| Finance costs  | 6    | (617)                   | (892)                            |
| Hotel operating expenses   |      | (867)                   | (653)                            |
| Other operating expenses   |      | (1,285)                 | (1,132)                          |
| <b>Loss before taxation</b>  | 7    | <b>(3,342)</b>          | (3,552)                          |
| Taxation   | 8    | 36                      | (113)                            |
| <b>Loss for the year</b>   |      | <b>(3,306)</b>          | <b>(3,665)</b>                   |
| <b>Other comprehensive loss:</b>   |      |                         |                                  |
| <b>Components of other comprehensive loss that will not be reclassified to profit or loss, net of taxation</b> |      |                         |                                  |
| Net loss on equity instruments designated at fair value through other comprehensive income                     |      | (350)                   | (1,597)                          |
| <b>Components of other comprehensive loss that will be reclassified to profit or loss, net of taxation</b>     |      |                         |                                  |
| Foreign currency translation differences relating to foreign subsidiaries                                      |      | (3,930)                 | 579                              |
| <b>Total other comprehensive loss, net of taxation</b>   |      | <b>(4,280)</b>          | <b>(1,018)</b>                   |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>   |      | <b>(7,586)</b>          | <b>(4,683)</b>                   |
| <b>Loss attributable to:</b>   |      |                         |                                  |
| Owners of the Company  |      | <b>(3,306)</b>          | <b>(3,665)</b>                   |
| <b>Total comprehensive loss attributable to:</b>   |      |                         |                                  |
| Owners of the Company  |      | <b>(7,586)</b>          | <b>(4,683)</b>                   |
| <b>Loss per share attributable to owners of the Company</b>  |      |                         |                                  |
| Basic and diluted loss per share (cents)   | 19   | <b>(1.51)</b>           | (1.67)                           |

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2022

|   | Note | Group          |                | Company        |                |
|---|------|----------------|----------------|----------------|----------------|
|   |      | 2022<br>\$'000 | 2021<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>ASSETS</b>                                       |      |                |                |                |                |
| <b>Non-current assets</b>                           |      |                |                |                |                |
| Property, plant and equipment                       | 9    | 40,482         | 46,080         | 22             | 37             |
| Right-of-use assets                                 | 10   | 103            | 59             | 103            | 59             |
| Investment securities                               | 11   | 2,748          | 3,098          | -              | -              |
| Long-term receivables                               | 13   | 6,167          | 5,629          | -              | -              |
| Subsidiaries  | 12   | -              | -              | 54,810         | 35,795         |
| <b>Total non-current assets</b>                     |      | <b>49,500</b>  | 54,866         | <b>54,935</b>  | 35,891         |
| <b>Current assets</b>                               |      |                |                |                |                |
| Trade and other receivables                         | 13   | 172            | 1,700          | 50             | 395            |
| Prepayment  |      | 48             | 63             | 33             | 48             |
| Investment securities                               | 11   | 3,328          | 4,173          | 3,328          | 4,173          |
| Cash and bank balances                              | 14   | 8,274          | 29,346         | 7,137          | 27,500         |
| <b>Total current assets</b>                         |      | <b>11,822</b>  | 35,282         | <b>10,548</b>  | 32,116         |
| <b>TOTAL ASSETS</b>                                 |      | <b>61,322</b>  | 90,148         | <b>65,483</b>  | 68,007         |
| <b>EQUITY AND LIABILITIES</b>                       |      |                |                |                |                |
| <b>Equity attributable to owners of the Company</b> |      |                |                |                |                |
| Share capital                                       | 15   | 32,992         | 32,992         | 32,992         | 32,992         |
| Reserves  | 15   | 25,032         | 32,618         | 29,659         | 32,180         |
| <b>Total equity</b>                                 |      | <b>58,024</b>  | 65,610         | <b>62,651</b>  | 65,172         |
| <b>Non-current liabilities</b>                      |      |                |                |                |                |
| Loans and borrowings                                | 17   | 1,500          | 1,958          | 1,500          | 1,958          |
| Lease liabilities                                   | 10   | 48             | 6              | 48             | 6              |
| <b>Total non-current liabilities</b>                |      | <b>1,548</b>   | 1,964          | <b>1,548</b>   | 1,964          |
| <b>Current liabilities</b>                          |      |                |                |                |                |
| Trade and other payables                            | 18   | 635            | 749            | 204            | 215            |
| Current tax payable                                 |      | 555            | 597            | 520            | 560            |
| Loans and borrowings                                | 17   | 500            | 21,174         | 500            | 42             |
| Lease liabilities                                   | 10   | 60             | 54             | 60             | 54             |
| <b>Total current liabilities</b>                    |      | <b>1,750</b>   | 22,574         | <b>1,284</b>   | 871            |
| <b>Total liabilities</b>                            |      | <b>3,298</b>   | 24,538         | <b>2,832</b>   | 2,835          |
| <b>Net current assets</b>                           |      | <b>10,072</b>  | 12,708         | <b>9,264</b>   | 31,245         |
| <b>Net assets</b>                                   |      | <b>58,024</b>  | 65,610         | <b>62,651</b>  | 65,172         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                 |      | <b>61,322</b>  | 90,148         | <b>65,483</b>  | 68,007         |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

| Group  | Attributable to owners of the Company |                           |  |   |                             | Total equity<br>\$'000 |
|--|---------------------------------------|---------------------------|--|---|-----------------------------|------------------------|
|  | Share capital<br>\$'000               | Treasury shares<br>\$'000 | Fair value adjustment<br>reserve<br>\$'000 | Foreign currency translation<br>reserve<br>\$'000 | Retained earnings<br>\$'000 |                        |
| <b>Balance at 1 August 2021</b>  | 32,992                                | (187)                     | (2,157)                                    | (844)   | 35,806                      | 65,610                 |
| <b>Total comprehensive loss for the financial year</b>                                     |                                       |                           |  |   |                             |                        |
| Loss for the year  | -                                     | -                         | -  | -   | (3,306)                     | (3,306)                |
| Other comprehensive loss   |                                       |                           |  |   |                             |                        |
| Net loss on equity instruments designated at fair value through other comprehensive income | -                                     | -                         | (350)                                      | -   | -                           | (350)                  |
| Foreign currency translation differences relating to foreign subsidiaries                  | -                                     | -                         | -  | (3,930)   | -                           | (3,930)                |
| Total other comprehensive loss   | -                                     | -                         | (350)                                      | (3,930)   | -                           | (4,280)                |
| <b>Total comprehensive loss for the financial year</b>                                     | -                                     | -                         | (350)                                      | (3,930)   | (3,306)                     | (7,586)                |
| <b>Balance at 31 July 2022</b>   | <b>32,992</b>                         | <b>(187)</b>              | <b>(2,507)</b>                             | <b>(4,774)</b>                                    | <b>32,500</b>               | <b>58,024</b>          |
| <b>Balance at 1 August 2020</b>  | 32,992                                | (187)                     | (560)                                      | (1,423)   | 39,471                      | 70,293                 |
| <b>Total comprehensive loss for the financial year</b>                                     |                                       |                           |  |   |                             |                        |
| Loss for the year  | -                                     | -                         | -  | -   | (3,665)                     | (3,665)                |
| Other comprehensive loss   |                                       |                           |  |   |                             |                        |
| Net loss on equity instruments designated at fair value through other comprehensive income | -                                     | -                         | (1,597)                                    | -   | -                           | (1,597)                |
| Foreign currency translation differences relating to foreign subsidiaries                  | -                                     | -                         | -  | 579   | -                           | 579                    |
| Total other comprehensive loss   | -                                     | -                         | (1,597)                                    | 579   | -                           | (1,018)                |
| <b>Total comprehensive loss for the financial year</b>                                     | -                                     | -                         | (1,597)                                    | 579   | (3,665)                     | (4,683)                |
| <b>Balance at 31 July 2021</b>   | <b>32,992</b>                         | <b>(187)</b>              | <b>(2,157)</b>                             | <b>(844)</b>                                      | <b>35,806</b>               | <b>65,610</b>          |

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## Reconciliation of asset/liabilities arising from financing activities

|                    | 1 August<br>2021<br>\$'000 | Financing<br>cash<br>outflows<br>\$'000 | Non-cash movements  |                                |   | 31 July<br>2022<br>\$'000 |
|--------------------|----------------------------|---|---------------------|--------------------------------|---|---------------------------|
|                    |                            |   | Additions<br>\$'000 | Interest<br>expenses<br>\$'000 | Foreign<br>exchange<br>movement<br>\$'000 |                           |
| <b>Liabilities</b> |                            |   |                     |                                |   |                           |
| Bank borrowings    | 23,132                     | (20,869)                                | –                   | 615                            | (878)                                     | 2,000                     |
| Lease liabilities  | 60                         | (70)                                    | 116                 | 2                              | –   | 108                       |

|                    | 1 August<br>2020<br>\$'000 | Financing<br>cash<br>outflows<br>\$'000 | Non-cash movements                     |                                |   | 31 July<br>2021<br>\$'000 |
|--------------------|----------------------------|---|--|--------------------------------|---|---------------------------|
|                    |                            |   | Remeasurement<br>adjustments<br>\$'000 | Interest<br>expenses<br>\$'000 | Foreign<br>exchange<br>movement<br>\$'000 |                           |
| <b>Liabilities</b> |                            |   |  |                                |   |                           |
| Bank borrowings    | 22,328                     | (581)                                   | –                                      | 881                            | 504                                       | 23,132                    |
| Lease liabilities  | 311                        | (204)                                   | (58)                                   | 11                             | –   | 60                        |

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 1. GENERAL

Datapulse Technology Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore with its principal place of business and registered office at 10 Anson Road, #13-10 International Plaza, Singapore 079903.

The principal activities of the Company are investment holding and investment trading. The principal activities of its subsidiaries are disclosed in Note 12 to the financial statements.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 July 2022 were authorised for issue by the directors on the date of Directors’ Statement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) including the related interpretations of SFRS(I)s (“SFRS(I) INTs”) and are prepared on a historical cost basis except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar (“\$”) which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand (“\$’000”), unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 August 2021. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group’s and Company’s accounting policies, and has no material effect on the current or prior year’s financial statement and is not expected to have a material effect on future periods.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

*SFRS(I) and SFRS(I) INT issued but not yet effective*

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

| SFRS(I)                    | Title  | Effective date<br>(annual periods<br>beginning<br>on or after) |
|----------------------------|--|--|
| SFRS(I) 3                  | Amendments to SFRS(I) 3: Reference to the Conceptual Framework   | 1 January 2022   |
| SFRS(I) 1-16               | Amendments to SFRS(I) 16: Property, Plant and Equipment – Proceeds before Intended Use                       | 1 January 2022   |
| SFRS(I) 1-37               | Amendments to SFRS(I) 37: Onerous Contracts – Cost of Fulfilling a Contract                                  | 1 January 2022   |
| Various                    | Annual Improvements to SFRS(I)s 2018-2020  | 1 January 2022   |
| SFRS(I) 1-1                | Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current                           | 1 January 2023   |
| SFRS(I) 1-8                | Amendments to SFRS(I) 1-8: Definition of Accounting Estimates  | 1 January 2023   |
| Various                    | Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies                | 1 January 2023   |
| SFRS(I) 1-12,<br>SFRS(I) 1 | Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023   |

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of aforementioned SFRS(I). While they are still determining and finalising the impact, as of the date of preparation of this report, management does not expect a material impact from the adoption of the aforementioned accounting standards on the financial statements of the Group in the period of their initial adoption.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from them through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

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

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

### 2.3 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Property, plant and equipment (Continued)

Subsequent expenditure relating to property, plant and equipment 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.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

|                        |               |
|------------------------|---------------|
| Freehold property*     | 50 years      |
| Office equipment       | 3 to 10 years |
| Furniture and fittings | 5 to 10 years |
| Renovation             | 5 to 8 years  |

\* Freehold land and building are collectively classified as "Freehold property".

No depreciation is charged on work-in-progress as they are not yet in use as at the end of the financial year.

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to accumulated profits directly.

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

### 2.5 Impairment of non-financial assets

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.5 Impairment of non-financial assets (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 2.6 Financial Instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

#### Financial assets

##### Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.12.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial Instruments (Continued)

#### Financial assets (Continued)

##### Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include long-term receivables, trade and other receivables and cash and bank balances.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### Financial assets held at FVOCI

Investments in quoted corporate bonds are debt instruments and are subsequently measured at FVOCI as these are held within a business model whose objective is achieved by both collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding and selling the financial assets. Gains or losses are recognised in other comprehensive income, except for impairment gains or losses, foreign exchange gains or losses and interest which are recognised in profit or loss. Upon derecognition, the cumulative fair value changes recognised in other comprehensive income is recycled to profit or loss.

At initial recognition, the Group may make an irrevocable election to classify its investment in equity instruments, for which the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3, as subsequently measured at FVOCI so as to present subsequent changes in fair value in other comprehensive income. The election is made on an investment-by-investment basis. The Group has elected to designate investments in unquoted equity instruments at FVOCI. Upon derecognition, the cumulative fair value changes are transferred to accumulated profits.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial Instruments (Continued)

#### Financial assets (Continued)

##### Financial assets held at FVOCI (Continued)

Dividends from equity instruments are recognised in profit or loss only when the Group's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

##### Financial assets held at FVPL

A financial asset is subsequently measured at FVPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVOCI, or is irrevocably elected at initial recognition to be designated FVPL if, by designating the financial asset as FVPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost and debt instruments measured at FVOCI. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial Instruments (Continued)

#### Financial assets (Continued)

##### Impairment of financial assets (Continued)

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

##### *Ordinary share capital*

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial Instruments (Continued)

#### **Financial liabilities and equity instruments** (Continued)

##### Financial liabilities

##### Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

##### Other financial liabilities

##### *Trade and other payables*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

##### *Borrowings*

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.9). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Financial Instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Other financial liabilities (Continued)

Financial guarantee contracts

The Company has issued corporate guarantee to bank for banking facilities granted by the bank to certain investee and this guarantee qualify as financial guarantee because the Company is required to reimburse the bank if the investee breaches any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### 2.7 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

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

### 2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.10 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or 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.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

|                  |         |
|------------------|---------|
| Office space     | 2 years |
| Office equipment | 5 years |
| Motor vehicles   | 2 years |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

### 2.10 Leases *(Continued)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price under a purchase option that the Group is reasonably certain to exercise, and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

### 2.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

### 2.11 Income tax *(Continued)*

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Revenue recognition

Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised goods or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

#### (a) **Hotel operations revenue**

Revenue derived from hotel operations include rental of rooms and food and beverage sales.

##### (i) *Rental of rooms*

Revenue is recognised over time for the occupancy of rooms.

##### (ii) *Sales of food and beverages*

Revenue is recognised at the point of sales of food and beverages.

#### (b) **Dividend income**

Dividend income is recognised in profit or loss at a point in time when the Group's right to receive payment is established.

#### (c) **Interest income**

Interest income is recognised over time using the effective interest method.

#### (d) **Asset management revenue**

Revenue arising from the provision of asset management services are recognised when services are rendered over time.

#### (e) **Gains on disposal of investment securities at FVPL**

Profits from sale of investment securities at FVPL are recognised at a point in time upon conclusion of the contract for sale.

### 2.13 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

### 2.14 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group participates in the national pension schemes as defined by the respective laws and jurisdictions of the country. Subsidiaries incorporated in their respective countries are required to provide staff pension benefits to their employees under existing countries' legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

### 2.15 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

### 2.16 Share capital and share issuance expenses

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

### 2.17 Contingencies

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

### 2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive director and the board of directors who make strategic decisions.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

### 3.1 Critical judgements made in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments which has the most significant effect on the amounts recognised in the financial statements:

#### Classification of equity instruments as FVOCI

The Group intends to hold its unquoted equity instruments for an indefinite period and may sell the investment in response to liquidity needs or in response to changes in the market conditions. Therefore, management has concluded that these equity instruments are not held for trading and has elected to classify and measure these equity instruments at FVOCI.

#### Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences its revenue streams and the economic environment. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate.

#### Taxation

The Group has exposure to income and other taxes in various jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 31 July 2022 was \$555,000 (2021: \$597,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### 3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Impairment assessment for freehold property

The Group carries its freehold property at cost less accumulated depreciation and any accumulated impairment losses. Management reviews the carrying value of the freehold property and assesses if there is any indication of impairment in its freehold property by considering the related hotel asset's operating performance and evaluating if the hotel's performance is in line with the assumptions applied in the most recent hotel valuation.

In addition, management assesses, on an annual basis, whether there are triggering events, such as adverse changes in expected occupancy rates, discount rates, revenue growth rates and the competitive landscape in local markets, indicating potential impairment. Management engages an independent valuer in Singapore to determine the recoverable value of the freehold property. Management reviews the valuation carried out by the external valuer and adopts the valuation as recoverable value.

The determination of the recoverable value of the freehold property involves the use of a range of estimates (amongst others, capitalisation rates and discount rates) made by management and the independent valuer. The recoverable amount of the freehold property was based on its value-in-use and the pre-tax discount rate used was 7.25% (2021: 7.25%) per annum.

The carrying amount of the Group's freehold property at the end of the financial year is disclosed in Note 9 to the financial statements.

#### Impairment assessment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where applicable, the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 July 2022 was \$54,810,000 (2021: \$35,795,000) (Note 12).

#### Valuation of investments in unquoted equity instruments

The Group carries its investment in unquoted equity instruments at fair value, with changes in fair value being recognised in other comprehensive income.

The determination of the fair value of the unquoted equity instrument involves the use of a range of estimates (amongst others, capitalisation rates and discount rates) made by management and the external valuer. There was a level of estimation uncertainty in determining the valuation of the unquoted equity instrument as at 31 July 2022 arising from the changes in market and economic conditions brought on by macro-economic factors.

The carrying amount and key assumptions used to determine the fair value of the Group's unquoted equity instruments at the end of the financial year are disclosed in Note 21(d) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 4. REVENUE

|   | Note | Group          |                |
|---|------|----------------|----------------|
|   |      | 2022<br>\$'000 | 2021<br>\$'000 |
| Revenue from contracts with customers             | (a)  | 1,698          | 830            |
| Gain on disposal of investment securities at FVPL |      | 90             | 74             |
| Dividend income from equity investments at FVPL   |      | 115            | 118            |
| Interest income on bond investments at FVPL       |      | 18             | 18             |
|   |      | <b>1,921</b>   | <b>1,040</b>   |

(a) Disaggregation of revenue:

| Segments   | Hotel operations |                | Asset management |                | Total revenue from contracts with customers |                |
|--|------------------|----------------|------------------|----------------|---|----------------|
|  | 2022<br>\$'000   | 2021<br>\$'000 | 2022<br>\$'000   | 2021<br>\$'000 | 2022<br>\$'000                              | 2021<br>\$'000 |
| <b>Primary geographical markets</b>                |                  |                |                  |                |   |                |
| Singapore  | -                | -              | 201              | 201            | 201   | 201            |
| Korea  | 1,497            | 629            | -                | -              | 1,497                                       | 629            |
| <b>Total revenue from contracts with customers</b> | <b>1,497</b>     | <b>629</b>     | <b>201</b>       | <b>201</b>     | <b>1,698</b>                                | <b>830</b>     |
| <b>Major revenue streams</b>                       |                  |                |                  |                |   |                |
| Hotel operations revenue                           |                  |                |                  |                |   |                |
| - Room   | 1,450            | 535            | -                | -              | 1,450                                       | 535            |
| - Food and beverage                                | 6                | 49             | -                | -              | 6   | 49             |
| - Others   | 41               | 45             | -                | -              | 41  | 45             |
| Asset management fees                              | -                | -              | 201              | 201            | 201   | 201            |
| <b>Total revenue from contracts with customers</b> | <b>1,497</b>     | <b>629</b>     | <b>201</b>       | <b>201</b>     | <b>1,698</b>                                | <b>830</b>     |

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 5. OTHER INCOME

|   | Group          |                |
|---|----------------|----------------|
|   | 2022<br>\$'000 | 2021<br>\$'000 |
| Fair value gain on short-term investments at FVPL | -              | 55             |
| Interest income                                   | 102            | 125            |
| Other income                                      | 3              | 19             |
| Government grants                                 | 101            | 485            |
|   | <b>206</b>     | <b>684</b>     |

The Group has been awarded certain government grants for which the grant income was recognised in other income. The grant income relating to Jobs Support Scheme amounted to \$37,000 (2021: \$371,000), and the corresponding expenses were recognised in staff costs. Grant receivables of \$Nil (2021: \$302,000) were recognised in trade and other receivables (Note 13).

## 6. FINANCE COSTS

|  | Group          |                |
|--|----------------|----------------|
|  | 2022<br>\$'000 | 2021<br>\$'000 |
| Interest expenses on leases liabilities (Note 10(c)) | 2              | 11             |
| Interest expenses on bank borrowings                 | 615            | 881            |
|  | <b>617</b>     | <b>892</b>     |

## 7. LOSS BEFORE TAXATION

Loss before taxation for the year has been arrived at after charging the following items:

|  | Group          |                |
|--|----------------|----------------|
|  | 2022<br>\$'000 | 2021<br>\$'000 |
| Audit fees   | 143            | 122            |
| Professional fees  | 374            | 289            |
| Annual repost and annual/extraordinary general meeting expenses      | 15             | 16             |
| Central Depository and Singapore Exchange Listing expenses           | 89             | 52             |
| Management fee expenses  | 156            | 166            |
| Office reinstatement cost  | 24             | -              |
| Rebranding fees  | -              | 53             |
| Expenses relating to leases of low-value assets (Note 10(c))         | 52             | 12             |
| Foreign exchange loss – net  | 25             | 1              |
| Directors' fees  | 188            | 200            |
| Directors' remuneration other than fees:                             |                |                |
| – Directors of the Company   | 118            | 135            |
| – Post-employment benefits – CPF contribution                        | 6              | 5              |
| Staff costs (excluding directors' remuneration)                      | 1,083          | 1,008          |
| Contributions to defined contribution plans, included in staff costs | 68             | 83             |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 8. TAXATION

|  | Group          |                |
|--|----------------|----------------|
|  | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>Current tax expense</b>                                     |                |                |
| Current financial year   | -              | 8              |
| Withholding tax arising from interest income from subsidiaries | 46             | 172            |
| Overprovision in respect of prior financial years              | (82)           | (415)          |
|  | <u>(36)</u>    | <u>(235)</u>   |
| <b>Deferred tax expense</b>                                    |                |                |
| Origination and reversal of temporary differences (Note 16)    | -              | 348            |
| Income tax (credit)/expenses                                   | <u>(36)</u>    | <u>113</u>     |

The Company is incorporated in Singapore and accordingly is subject to income tax rate of 17% (2021: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year compared to the previous year.

Reconciliation of effective tax rate is as follows:

|   | Group          |                |
|---|----------------|----------------|
|   | 2022<br>\$'000 | 2021<br>\$'000 |
| Loss before taxation  | <u>(3,342)</u> | <u>(3,552)</u> |
| Tax at the domestic rates applicable to profits in the respective countries | (568)          | (604)          |
| Tax effects of:   |                |                |
| - Effect of different tax rates in other countries                          | (151)          | (246)          |
| - Income not subject to tax   | (31)           | (93)           |
| - Non-deductible expenses   | 95             | 62             |
| - Effect of partial tax exemptions and tax relief                           | -              | (53)           |
| - Tax losses for which no deferred tax assets are recognised                | 651            | 874            |
| - Withholding tax arising from interest income from subsidiaries            | 46             | 172            |
| - Overprovision in respect of prior financial years                         | (82)           | (415)          |
| - Write down of deferred tax assets   | -              | 348            |
| - Others  | 4              | 68             |
| Total income tax (credit)/expense for the financial year                    | <u>(36)</u>    | <u>113</u>     |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 9. PROPERTY, PLANT AND EQUIPMENT

| <b>Group</b>   | <b>Freehold land<br/>\$'000</b> | <b>Freehold building<br/>\$'000</b> | <b>Office equipment<br/>\$'000</b> | <b>Furniture and fittings<br/>\$'000</b> | <b>Work in progress<br/>\$'000</b> | <b>Renovation<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|--|---------------------------------|-------------------------------------|------------------------------------|--|------------------------------------|------------------------------|-------------------------|
| <b>Cost</b>  |                                 |                                     |                                    |  |                                    |                              |                         |
| <b>At 1 August 2020</b>                                | 29,052                          | 14,271                              | 218                                | 316                                      | 542                                | 2,627                        | 47,026                  |
| Additions  | -                               | -                                   | 4                                  | 195                                      | 1,702                              | -                            | 1,901                   |
| Disposals  | -                               | -                                   | -                                  | (47)                                     | -                                  | -                            | (47)                    |
| Effect of movement in exchange rates                   | 631                             | 308                                 | -                                  | 6  | 12                                 | 57                           | 1,014                   |
| Reclassification                                       | -                               | -                                   | -                                  | -  | (2,256)                            | 2,256                        | -                       |
| <b>At 31 July 2021</b>                                 | 29,683                          | 14,579                              | 222                                | 470                                      | -                                  | 4,940                        | 49,894                  |
| Additions  | -                               | -                                   | 8                                  | 25                                       | -                                  | -                            | 33                      |
| Disposals  | -                               | -                                   | (80)                               | (13)                                     | -                                  | -                            | (93)                    |
| Effect of movement in exchange rates                   | (2,928)                         | (1,436)                             | (11)                               | (42)                                     | -                                  | (488)                        | (4,905)                 |
| <b>At 31 July 2022</b>                                 | <b>26,755</b>                   | <b>13,143</b>                       | <b>139</b>                         | <b>440</b>                               | <b>-</b>                           | <b>4,452</b>                 | <b>44,929</b>           |
| <b>Accumulated depreciation</b>                        |                                 |                                     |                                    |  |                                    |                              |                         |
| <b>At 1 August 2020</b>                                | -                               | 384                                 | 125                                | 115                                      | -                                  | 234                          | 858                     |
| Depreciation charge for the year                       | -                               | 297                                 | 10                                 | 99                                       | -                                  | 655                          | 1,061                   |
| Disposals  | -                               | -                                   | -                                  | (45)                                     | -                                  | -                            | (45)                    |
| <b>At 31 July 2021</b>                                 | -                               | 681                                 | 135                                | 169                                      | -                                  | 889                          | 1,874                   |
| Depreciation charge for the year                       | -                               | 278                                 | 18                                 | 41                                       | -                                  | 589                          | 926                     |
| Disposals  | -                               | -                                   | (80)                               | (2)                                      | -                                  | -                            | (82)                    |
| Effect of movement in exchange rates                   | -                               | (73)                                | (3)                                | (18)                                     | -                                  | (117)                        | (211)                   |
| <b>At 31 July 2022</b>                                 | <b>-</b>                        | <b>886</b>                          | <b>70</b>                          | <b>190</b>                               | <b>-</b>                           | <b>1,361</b>                 | <b>2,507</b>            |
| <b>Accumulated impairment loss</b>                     |                                 |                                     |                                    |  |                                    |                              |                         |
| <b>At 1 August 2020, 31 July 2021 and 31 July 2022</b> | -                               | 1,940                               | -                                  | -  | -                                  | -                            | 1,940                   |
| <b>Carrying amounts</b>                                |                                 |                                     |                                    |  |                                    |                              |                         |
| <b>At 31 July 2021</b>                                 | 29,683                          | 11,958                              | 87                                 | 301                                      | -                                  | 4,051                        | 46,080                  |
| <b>At 31 July 2022</b>                                 | <b>26,755</b>                   | <b>10,317</b>                       | <b>69</b>                          | <b>250</b>                               | <b>-</b>                           | <b>3,091</b>                 | <b>40,482</b>           |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 July 2021, the Group's freehold property with carrying amount of \$45,692,000 were pledged as security for a subsidiary's bank facility (Note 17). The pledge has been released during the year after the settlement of the bank loan in March 2022.

| <u>Company</u>                   | <u>Office<br/>equipment<br/>\$'000</u> | <u>Furniture<br/>and fittings<br/>\$'000</u> | <u>Total<br/>\$'000</u> |
|----------------------------------|--|--|-------------------------|
| <b>Cost</b>                      |  |  |                         |
| <b>At 1 August 2020</b>          | 130                                    | 21   | 151                     |
| Additions                        | 4                                      | –  | 4                       |
| <b>At 31 July 2021</b>           | 134                                    | 21   | 155                     |
| Additions                        | –                                      | 1  | 1                       |
| Disposals                        | (81)                                   | (9)  | (90)                    |
| <b>At 31 July 2022</b>           | <b>53</b>                              | <b>13</b>                                    | <b>66</b>               |
| <b>Accumulated depreciation</b>  |  |  |                         |
| <b>At 1 August 2020</b>          | 103                                    | 3  | 106                     |
| Depreciation charge for the year | 10                                     | 2  | 12                      |
| <b>At 30 July 2021</b>           | 113                                    | 5  | 118                     |
| Depreciation charge for the year | 7                                      | 1  | 8                       |
| Disposals                        | (80)                                   | (2)  | (82)                    |
| <b>At 31 July 2022</b>           | <b>40</b>                              | <b>4</b>                                     | <b>44</b>               |
| <b>Net carrying amount</b>       |  |  |                         |
| <b>At 30 July 2021</b>           | 21                                     | 16   | 37                      |
| <b>At 30 July 2022</b>           | <b>13</b>                              | <b>9</b>                                     | <b>22</b>               |

## 10. THE GROUP AS A LESSEE

The Group has commercial lease contracts for office space and a photocopier. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The leases generally have lease terms between two and five years. The Group is restricted from assigning and subleasing the leased assets to third parties.

### Extension option

The Group has several lease contracts with extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management has exercised judgement in determining that these extension options are not reasonably certain to be exercised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 10. THE GROUP AS A LESSEE (CONTINUED)

### (a) Carrying amounts of right-of-use assets

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

|                          | Group and Company         |                               |                             |                 |
|--------------------------|---------------------------|-------------------------------|-----------------------------|-----------------|
|                          | Office<br>space<br>\$'000 | Office<br>equipment<br>\$'000 | Motor<br>vehicles<br>\$'000 | Total<br>\$'000 |
| <b>At 1 August 2020</b>  | 254                       | 11                            | 42                          | 307             |
| Depreciation expense     | (145)                     | (3)                           | (42)                        | (190)           |
| Remeasurement adjustment | (58)                      | -                             | -                           | (58)            |
| <b>At 31 July 2021</b>   | 51                        | 8                             | -                           | 59              |
| Additions                | 116                       | -                             | -                           | 116             |
| Depreciation expense     | (70)                      | (2)                           | -                           | (72)            |
| <b>At 31 July 2022</b>   | <b>97</b>                 | <b>6</b>                      | <b>-</b>                    | <b>103</b>      |

The total cash outflow for leases during the financial year ended 31 July 2022 is \$70,000 (2021: \$204,000).

### (b) Lease liabilities

|                                 | Group and Company |                |
|---------------------------------|-------------------|----------------|
|                                 | 2022<br>\$'000    | 2021<br>\$'000 |
| Lease liabilities – current     | 60                | 54             |
| Lease liabilities – non-current | 48                | 6              |
|                                 | <b>108</b>        | <b>60</b>      |

The maturity analysis of lease liabilities is disclosed in Note 23.

### (c) Amount recognised in profit and loss

|  | Group and Company |                |
|--|-------------------|----------------|
|  | 2022<br>\$'000    | 2021<br>\$'000 |
| Interest expenses on lease liabilities (Note 6)          | 2                 | 11             |
| Expenses relating to leases of low-value assets (Note 7) | 52                | 12             |



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 12. SUBSIDIARIES

|                               | Company        |                |
|-------------------------------|----------------|----------------|
|                               | 2022<br>\$'000 | 2021<br>\$'000 |
| Shares, at cost               | 2              | 2              |
| Amounts due from subsidiaries | 67,412         | 47,147         |
| Impairment loss               | (12,604)       | (11,354)       |
|                               | <b>54,810</b>  | <b>35,795</b>  |

The amounts due from subsidiaries were non-trade in nature, unsecured and interest-free. The settlement of the amounts was neither planned nor likely to occur in the foreseeable future. These amounts were in substance part of the entity's net investment in the subsidiaries.

The movement in the impairment loss in respect of investment in subsidiaries during the year was as follows:

|                                    | Company        |                |
|------------------------------------|----------------|----------------|
|                                    | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>Beginning of financial year</b> | <b>11,354</b>  | 6,100          |
| Impairment losses recognised       | 1,250          | 5,254          |
| <b>End of financial year</b>       | <b>12,604</b>  | <b>11,354</b>  |

During the year, an impairment loss amounting to \$1,250,000 (2021: \$5,254,000) was made in respect of the Company's amount due from subsidiaries after taking into account the current financial position of the subsidiaries. The Company's exposure to credit risks related to amount due from subsidiaries is disclosed in Note 23.

As at 31 July 2022, other than Datapulse Investment Pte. Ltd., the Group's other direct and indirect subsidiaries had net current liabilities.

The Company provided a letter of undertaking not to recall the amounts due from these subsidiaries until their respective cash flows permit, and to continue to provide financial support to enable these subsidiaries to meet their liabilities as and when they fall due, for at least twelve months from the issuance date of the financial statements for the year ended 31 July 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 12. SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

| Name of Subsidiary   | Principal Activity               | Country of incorporation | Effective equity held by the Company |           |
|--|----------------------------------|--------------------------|--------------------------------------|-----------|
|  |                                  |                          | 2022<br>%                            | 2021<br>% |
| <b>Held directly by the Company</b>  |                                  |                          |                                      |           |
| Datapulse Investment Pte. Ltd. <sup>(1)</sup>                              | Investment holding               | Singapore                | 100                                  | 100       |
| Capiti Investments Pte. Ltd. <sup>(1)</sup>                                | Investment holding               | Singapore                | 100                                  | 100       |
| Capiti Asset Management Pte. Ltd. <sup>(1)</sup>                           | Provision of management services | Singapore                | 100                                  | 100       |
| <b>Held through Subsidiaries</b>   |                                  |                          |                                      |           |
| Capikor Pte. Ltd. <sup>(1)</sup>   | Investment holding               | Singapore                | 100                                  | 100       |
| Datapulse Pte. Ltd. <sup>(1)</sup>   | Investment holding               | Singapore                | 100                                  | 100       |
| KPH Top Pte. Ltd. <sup>(1)</sup>   | Investment holding               | Singapore                | 100                                  | 100       |
| KPH Pte. Ltd. <sup>(1)</sup>   | Investment holding               | Singapore                | 100                                  | 100       |
| KPH 2 Pte. Ltd. <sup>(1)</sup>   | Investment holding               | Singapore                | 100                                  | 100       |
| SPH Top Pte. Ltd. <sup>(1)</sup>   | Investment holding               | Singapore                | 100                                  | 100       |
| SPH 1 Pte. Ltd. <sup>(1)</sup>   | Investment holding               | Singapore                | 100                                  | 100       |
| RK One Hotel Management LLC <sup>(2)</sup>                                 | Hotel operations                 | Republic of Korea        | 100                                  | 100       |
| IGIS Private Placement Real Estate Investment Trust No. 247 <sup>(2)</sup> | Investment holding               | Republic of Korea        | 100                                  | 100       |

(1) Audited by Mazars LLP, Singapore

(2) Audited by overseas member firm of Mazars LLP

## 13. TRADE AND OTHER RECEIVABLES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2022<br>\$'000 | 2021<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 |
| Trade receivables                             |                |                |                |                |
| – Third parties                               | 33             | –              | –              | –              |
| Other receivables                             |                |                |                |                |
| – Deposits                                    | 34             | 1,250          | 32             | 72             |
| – Interest receivables                        | 95             | 63             | 16             | 15             |
| – GST/VAT receivables                         | 7              | 57             | 2              | 6              |
| – Grant receivables                           | –              | 302            | –              | 302            |
| – Others                                      | 3              | 28             | –              | –              |
| <b>Trade and other receivables (current):</b> | <b>172</b>     | <b>1,700</b>   | <b>50</b>      | <b>395</b>     |
| <b>Other receivables (non-current):</b>       |                |                |                |                |
| Long-term receivables                         | 6,167          | 5,629          | –              | –              |
| <b>Total trade and other receivables</b>      | <b>6,339</b>   | <b>7,329</b>   | <b>50</b>      | <b>395</b>     |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The trade receivables are unsecured, interest-free and has a credit term of 30 days (2021: 30 days).

The Group and the Company's exposure to credit risks related to trade and other receivables are disclosed in Note 23.

As at 31 July 2021, the deposits consisted of a term loan deposit of \$1,176,000 pledged to a bank for a term loan facility (Note 17). The term loan deposit was released by the bank upon the settlement of the term loan during the current financial year.

Long-term receivables relate to shareholder loans provided to two companies in which the Group has a 15% interest and 5% interest respectively. The long-term receivables are interest free, except for the amount of \$1,282,500 (2021: \$949,500) which bears an interest of 3.85% (2021: 3.85%) per annum.

## 14. CASH AND BANK BALANCES

|                           | Group          |                | Company        |                |
|---------------------------|----------------|----------------|----------------|----------------|
|                           | 2022<br>\$'000 | 2021<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 |
| Fixed deposits            | 6,494          | 25,652         | 6,494          | 25,652         |
| Cash at bank and on hand  | 1,780          | 3,694          | 643            | 1,848          |
| Cash and cash equivalents | 8,274          | 29,346         | 7,137          | 27,500         |

The weighted average effective interest rate per annum relating to fixed deposits for the Group and Company is 0.65% (2021: 0.26%). Interest rates reprice upon maturity or rollover of the fixed deposits, at intervals of one to three months.

## 15. SHARE CAPITAL AND RESERVES

| Company                                | 2022   | 2021        | 2022   | 2021   |
|--|--|-------------|--------|--------|
|  | Number of ordinary<br>shares with no par value |             | \$'000 | \$'000 |
| <b>Issued and fully paid:</b>          |  |             |        |        |
| At beginning and end of financial year | 219,904,444                                    | 219,904,444 | 32,992 | 32,992 |

All shares (excluding treasury shares) rank equally with regards to the Company's residual assets. All issued shares are fully paid, with no par value.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 15. SHARE CAPITAL AND RESERVES (CONTINUED)

### *Use of proceeds from private placement*

On 11 June 2015, through a private placement exercise, the Company allotted and issued 65,000,000 new ordinary shares to Lian Beng Group Ltd at an issue price of \$0.11235 per share. The placement took place prior to the Company's share consolidation of every three existing issued ordinary shares in the capital of the Company into one ordinary share on 1 December 2015. Total proceeds of \$7,302,750 were raised, of which \$57,596 was utilised for expenses incurred for the issue of the new ordinary shares. The net proceeds of \$7,245,154 are intended to be used for property related businesses, of which an aggregate amount of \$4,939,570 (2021: \$4,939,570) had been utilised for capital expenditure incurred for TLMC as at 31 July 2022 and 2021.

### Reserves

|                                      | Group          |                | Company        |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
|                                      | 2022<br>\$'000 | 2021<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 |
| Foreign currency translation reserve | (4,774)        | (844)          | -              | -              |
| Treasury shares                      | (187)          | (187)          | (187)          | (187)          |
| Fair value adjustment reserve        | (2,507)        | (2,157)        | -              | -              |
| Retained earnings                    | 32,500         | 35,806         | 29,846         | 32,367         |
|                                      | <b>25,032</b>  | <b>32,618</b>  | <b>29,659</b>  | <b>32,180</b>  |

### *Foreign currency translation reserve*

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

### *Treasury shares*

The reserve for the Company's own shares comprises the cost of the Company's shares acquired and held by the Group. As at 31 July 2022, the Group held 829,600 (2021: 829,600) of the Company's shares.

### *Fair value adjustment reserve*

The fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity instruments at FVOCI until they are disposed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 16. DEFERRED TAX

Deferred tax are attributable to the following:

|                                    | Group and Company |        |
|------------------------------------|-------------------|--------|
|                                    | 2022              | 2021   |
|                                    | \$'000            | \$'000 |
| <b>Beginning of financial year</b> | -                 | 348    |
| Charged to profit or loss          | -                 | (348)  |
| <b>End of financial year</b>       | -                 | -      |

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

The following deductible temporary difference has not been recognised:

|            | Group         |        | Company      |        |
|------------|---------------|--------|--------------|--------|
|            | 2022          | 2021   | 2022         | 2021   |
|            | \$'000        | \$'000 | \$'000       | \$'000 |
| Tax losses | <b>11,048</b> | 8,173  | <b>3,282</b> | 2,573  |

The tax losses are subject to agreement by tax authorities and compliance with tax regulations in the respective countries in which the Company and certain subsidiaries operate. At 31 July 2022, deferred tax assets have not been recognised in respect of the tax losses due to uncertainty in the availability of future taxable profit against which the Group and the Company can utilise the tax losses.

Included in unrecognised tax losses are losses of \$112,000, \$2,311,000, \$2,668,000, \$2,329,000 that will expire in August 2029, August 2035, August 2036, August 2037 respectively. Other losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

## 17. LOANS AND BORROWINGS

|  | Maturity | Group        |        | Company      |        |
|--|----------|--------------|--------|--------------|--------|
|  |          | 2022         | 2021   | 2022         | 2021   |
|  |          | \$'000       | \$'000 | \$'000       | \$'000 |
| <b>Current</b>   |          |              |        |              |        |
| Korean won ("KRW") loan at financial debenture (FD) (AAA)* +1.85% p.a. | 2022     | -            | 21,132 | -            | -      |
| 2.75% p.a. fixed rate SGD bank loan                                    | 2026     | <b>500</b>   | 42     | <b>500</b>   | 42     |
|  |          | <b>500</b>   | 21,174 | <b>500</b>   | 42     |
| <b>Non-current</b>   |          |              |        |              |        |
| 2.75% p.a. fixed rate SGD bank loan                                    | 2026     | <b>1,500</b> | 1,958  | <b>1,500</b> | 1,958  |
| Total loans and borrowings   |          | <b>2,000</b> | 23,132 | <b>2,000</b> | 2,000  |

\* FD (AAA) is the average rate of such FD (AAA) published by Korea Financial Investment Association for 10 consecutive Banking days immediately preceding the loan drawdown date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 17. LOANS AND BORROWINGS (CONTINUED)

The 2.75% p.a. fixed rate SGD bank loan is repayable over 60 monthly instalments and repayment commences in August 2021.

As at 31 July 2021, the KRW loan was secured by a fixed charge over certain freehold land and building of a subsidiary with a carrying amount of \$45,692,000 (Note 9) and a corporate guarantee from the Company. The pledge has been released during the year after the settlement of the bank loan in March 2022.

## 18. TRADE AND OTHER PAYABLES

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2022<br>\$'000 | 2021<br>\$'000 | 2022<br>\$'000 | 2021<br>\$'000 |
| Trade payables                          | 71             | 48             | -              | -              |
| Accrued operating expenses              | 434            | 468            | 132            | 139            |
| Amounts due to subsidiaries (non-trade) | -              | -              | 27             | 27             |
| Interest payables                       | 3              | 93             | 3              | -              |
| Other payables                          | 127            | 140            | 42             | 49             |
|   | <b>635</b>     | <b>749</b>     | <b>204</b>     | <b>215</b>     |

The Group and the Company's exposure to liquidity risks related to trade and other payables are disclosed in Note 23.

The trade payables are unsecured, interest-free and has a credit term of 30 days (2021: 30 days).

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

## 19. LOSS PER SHARE

The calculation of basic and dilutive loss per share at 31 July was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

### *Loss attributable to ordinary shareholders*

|  | Group          |                |
|--|----------------|----------------|
|  | 2022<br>\$'000 | 2021<br>\$'000 |
| Loss attributable to ordinary shareholders | <b>(3,306)</b> | <b>(3,665)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 19. LOSS PER SHARE (CONTINUED)

### *Weighted average number of ordinary shares*

|   | <b>Group</b>              |                    |
|---|---------------------------|--------------------|
|   | <b>Number of shares</b>   |                    |
|   | <b>2022</b>               | <b>2021</b>        |
| Issued shares at 31 July  | <b>219,904,444</b>        | 219,904,444        |
| Effect of own shares held   | <b>(829,600)</b>          | (829,600)          |
| Weighted average number of ordinary shares in issue during the financial year | <b><u>219,074,844</u></b> | <u>219,074,844</u> |

## 20. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the nature of services, with each reportable operating segment representing strategic business units that offers different services and serves different markets. The reportable operating segments are as follows:

- i. The "Investments Holding" segment relates to the holding of long-term investments.
- ii. The "Investments" segment relates to the trading in short-term investments.
- iii. The "Asset Management" segment relates to the provision of asset management services to the Group's hospitality assets.
- iv. The "Hotel" segment relates to hotel operations.

These are managed separately because they require different operating and marketing strategies, given that they operate in and serve customers in different geographical areas. For each of these, the Group's Executive Director (the chief operating decision-maker) reviews internal management reports on a monthly basis.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Executive Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 20. SEGMENT INFORMATION (CONTINUED)

Segment results, assets and liabilities include items directly attributable to a segment.

### Information about reportable segments

|   | Investment Holding<br>\$'000 | Investment<br>\$'000 | Asset Management<br>\$'000 | Hotel<br>\$'000 | Adjustment/<br>Elimination<br>\$'000 | Note | Total<br>\$'000 |
|---|------------------------------|----------------------|----------------------------|-----------------|--------------------------------------|------|-----------------|
| <b>31 July 2022</b>   |                              |                      |                            |                 |                                      |      |                 |
| <b>Revenue:</b>   |                              |                      |                            |                 |                                      |      |                 |
| External customers  | -                            | 223                  | 201                        | 1,497           | -                                    |      | 1,921           |
| Inter-segment revenue   | 351                          | -                    | -                          | 1,257           | (1,608)                              | A    | -               |
| Total revenue for reporting segments                                  | <u>351</u>                   | <u>223</u>           | <u>201</u>                 | <u>2,754</u>    | <u>(1,608)</u>                       |      | <u>1,921</u>    |
| <b>Results:</b>   |                              |                      |                            |                 |                                      |      |                 |
| Fair value loss on short-term investments at FVPL                     | -                            | (307)                | -                          | -               | -                                    |      | (307)           |
| Interest income   | 30                           | 60                   | -                          | 12              | -                                    |      | 102             |
| Government grants   | 37                           | -                    | -                          | 64              | -                                    |      | 101             |
| Finance costs   | (57)                         | -                    | -                          | (560)           | -                                    |      | (617)           |
| Depreciation of property, plant and equipment and right-of-use assets | (81)                         | -                    | -                          | (917)           | -                                    |      | (998)           |
| <b>Reportable segment loss before income tax</b>                      | <b>(1,454)</b>               | <b>(24)</b>          | <b>(141)</b>               | <b>(1,723)</b>  | <b>-</b>                             |      | <b>(3,342)</b>  |
| Tax credit  | 22                           | -                    | 14                         | -               | -                                    |      | 36              |
| Additions to non-current assets                                       | 117                          | -                    | -                          | 32              | -                                    | B    | 149             |
| Reportable segment assets   | <u>16,494</u>                | <u>3,328</u>         | <u>92</u>                  | <u>41,408</u>   | <u>-</u>                             |      | <u>61,322</u>   |
| Reportable segment liabilities  | <u>2,886</u>                 | <u>-</u>             | <u>6</u>                   | <u>406</u>      | <u>-</u>                             |      | <u>3,298</u>    |
| <b>31 July 2021</b>   |                              |                      |                            |                 |                                      |      |                 |
| <b>Revenue:</b>   |                              |                      |                            |                 |                                      |      |                 |
| External customers  | -                            | 210                  | 201                        | 629             | -                                    |      | 1,040           |
| Inter-segment revenue   | 381                          | -                    | -                          | 1,784           | (2,165)                              | A    | -               |
| Total revenue for reporting segments                                  | <u>381</u>                   | <u>210</u>           | <u>201</u>                 | <u>2,413</u>    | <u>(2,165)</u>                       |      | <u>1,040</u>    |
| <b>Results:</b>   |                              |                      |                            |                 |                                      |      |                 |
| Fair value gain on short-term investments at FVPL                     | -                            | 55                   | -                          | -               | -                                    |      | 55              |
| Interest income   | 29                           | 87                   | -                          | 9               | -                                    |      | 125             |
| Government grants   | 374                          | -                    | -                          | 111             | -                                    |      | 485             |
| Finance costs   | (18)                         | -                    | -                          | (874)           | -                                    |      | (892)           |
| Depreciation of property, plant and equipment and right-of-use assets | (202)                        | -                    | -                          | (1,049)         | -                                    |      | (1,251)         |
| <b>Reportable segment (loss)/ profit before income tax</b>            | <b>(1,085)</b>               | <b>352</b>           | <b>(204)</b>               | <b>(2,615)</b>  | <b>-</b>                             |      | <b>(3,552)</b>  |
| Tax expenses  | (113)                        | -                    | -                          | -               | -                                    |      | (113)           |
| Additions to non-current assets                                       | 4                            | -                    | -                          | 1,897           | -                                    | B    | 1,901           |
| Reportable segment assets   | <u>36,972</u>                | <u>4,173</u>         | <u>82</u>                  | <u>48,921</u>   | <u>-</u>                             |      | <u>90,148</u>   |
| Reportable segment liabilities  | <u>2,886</u>                 | <u>-</u>             | <u>6</u>                   | <u>21,646</u>   | <u>-</u>                             |      | <u>24,538</u>   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 20. SEGMENT INFORMATION *(CONTINUED)*

### Information about reportable segments *(Continued)*

#### Notes:

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of additions to property, plant and equipment and right-of-use assets.

### Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of assets.

|                           | Group          |                |
|---------------------------|----------------|----------------|
|                           | 2022<br>\$'000 | 2021<br>\$'000 |
| <b>Revenue</b>            |                |                |
| Singapore                 | 424            | 411            |
| Korea                     | 1,497          | 629            |
|                           | <b>1,921</b>   | 1,040          |
| <b>Non-current assets</b> |                |                |
| Singapore                 | 9,040          | 8,823          |
| Korea                     | 40,460         | 46,043         |
|                           | <b>49,500</b>  | 54,866         |

## 21. FAIR VALUE OF ASSETS AND LIABILITIES

### *(a) Fair value hierarchy*

The fair values of applicable assets and liabilities, are determined and categorised using a fair value hierarchy as follows:

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (b) Assets measured at fair value

The following table shows an analysis of each class of assets measured at fair value at the end of the financial year:

|   | Group   |   |  | Total<br>\$'000 |
|---|---|---|--|-----------------|
|   | Quoted prices<br>in active<br>markets for<br>identical<br>assets<br>(Level 1)<br>\$'000 | Significant<br>observable<br>inputs other<br>than quoted<br>prices<br>(Level 2)<br>\$'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>\$'000 |                 |
| <b>2022</b>                                 |   |   |  |                 |
| <b>Assets measured at fair value</b>        |   |   |  |                 |
| <b>Financial assets</b>                     |   |   |  |                 |
| Investment securities at FVPL<br>(Note 11)  |   |   |  |                 |
| - Quoted equity investments                 | 138   | -   | -  | 138             |
| - Quoted debt investments                   | 3,190   | -   | -  | 3,190           |
| <b>Total quoted securities</b>              | <b>3,328</b>  | <b>-</b>  | <b>-</b>   | <b>3,328</b>    |
| Investment securities at FVOCI<br>(Note 11) |   |   |  |                 |
| - Unquoted equity investments               | -   | -   | 2,748  | 2,748           |
| <b>Financial assets as at 31 July 2022</b>  | <b>3,328</b>  | <b>-</b>  | <b>2,748</b>   | <b>6,076</b>    |
| <b>2021</b>                                 |   |   |  |                 |
| <b>Assets measured at fair value</b>        |   |   |  |                 |
| <b>Financial assets</b>                     |   |   |  |                 |
| Investment securities at FVPL<br>(Note 11)  |   |   |  |                 |
| - Quoted equity investments                 | 681   | -   | -  | 681             |
| - Quoted debt investments                   | 3,492   | -   | -  | 3,492           |
| <b>Total quoted securities</b>              | <b>4,173</b>  | <b>-</b>  | <b>-</b>   | <b>4,173</b>    |
| Investment securities at FVOCI<br>(Note 11) |   |   |  |                 |
| - Unquoted equity investments               | -   | -   | 3,098  | 3,098           |
| <b>Financial assets as at 31 July 2021</b>  | <b>4,173</b>  | <b>-</b>  | <b>3,098</b>   | <b>7,271</b>    |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (b) Assets measured at fair value (Continued)

|  | Company   |   |  | Total<br>\$'000 |
|--|---|---|--|-----------------|
|  | Quoted prices<br>in active<br>markets for<br>identical<br>assets<br>(Level 1)<br>\$'000 | Significant<br>observable<br>inputs other<br>than quoted<br>prices<br>(Level 2)<br>\$'000 | Significant<br>unobservable<br>inputs<br>(Level 3)<br>\$'000 |                 |
| <b>2022</b>                                |   |   |  |                 |
| <b>Assets measured at fair value</b>       |   |   |  |                 |
| <b>Financial assets</b>                    |   |   |  |                 |
| Investment securities at FVPL<br>(Note 11) |   |   |  |                 |
| - Quoted equity investments                | 138   | -   | -  | 138             |
| - Quoted debt investments                  | 3,190   | -   | -  | 3,190           |
| <b>Financial assets as at 31 July 2022</b> | <b>3,328</b>  | <b>-</b>  | <b>-</b>   | <b>3,328</b>    |
| <b>2021</b>                                |   |   |  |                 |
| <b>Assets measured at fair value</b>       |   |   |  |                 |
| <b>Financial assets</b>                    |   |   |  |                 |
| Investment securities at FVPL<br>(Note 11) |   |   |  |                 |
| - Quoted equity investments                | 681   | -   | -  | 681             |
| - Quoted debt investments                  | 3,492   | -   | -  | 3,492           |
| <b>Financial assets as at 31 July 2021</b> | <b>4,173</b>  | <b>-</b>  | <b>-</b>   | <b>4,173</b>    |

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years ended 31 July 2022 and 2021.

### (c) Level 1 fair value measurements

The fair value of quoted investment securities (Note 11) are determined directly by reference to their published market bid price at the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (d) Level 3 fair value measurements

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

| Description  | Fair Value at 31 July 2022 | Valuation techniques   | Key unobservable inputs  | Range  |
|--|----------------------------|--|--|--|
| <b>Recurring fair value measurements</b>                                 |                            |  |  |  |
| <i>Financial assets at fair value through other comprehensive income</i> |                            |  |  |  |
| Unquoted equity investment (Travelodge Myeongdong Euljiro)               | 2,732                      | Adjusted Net Asset Value <sup>(1)</sup> and Income Capitalisation Approach                                       | - Capitalisation rate <sup>(2)</sup><br>- Occupancy rate <sup>(3)</sup><br>- Long term Average Daily Rate (ADR) growth rate <sup>(3)</sup><br>- Discount rate <sup>(2)</sup>                 | Not applicable<br>- 5.25%<br>- 75% to 86%<br>- 2.8%<br>- 7.25%                 |
| Unquoted equity investment (Travelodge Harbourfront Singapore)           | 16                         | Adjusted Net Asset Value <sup>(1)</sup> and Income Capitalisation Approach                                       | - Capitalisation rate <sup>(2)</sup><br>- Occupancy rate <sup>(3)</sup><br>- Long term ADR growth rate <sup>(3)</sup><br>- Discount rate <sup>(2)</sup>                                      | Not applicable<br>- 3.75%<br>- 75% to 87%<br>- 2%<br>- 5.75%                   |
| Description  | Fair Value at 31 July 2021 | Valuation techniques   | Key unobservable inputs  | Range  |
| <b>Recurring fair value measurements</b>                                 |                            |  |  |  |
| <i>Financial assets at fair value through other comprehensive income</i> |                            |  |  |  |
| Unquoted equity investment (Travelodge Myeongdong Euljiro)               | 3,082                      | Adjusted Net Asset Value <sup>(1)</sup> and Income Capitalisation Approach                                       | - Capitalisation rate <sup>(2)</sup><br>- Occupancy rate <sup>(3)</sup><br>- Long term Average Daily Rate (ADR) growth rate <sup>(3)</sup><br>- Discount rate <sup>(2)</sup>                 | Not applicable<br>- 5.25%<br>- 70% to 85%<br>- 2%<br>- 7.25%                   |
| Unquoted equity investment (Travelodge Harbourfront Singapore)           | 16                         | Adjusted Net Asset Value <sup>(1)</sup> and Average of direct capitalisation method and direct comparison method | - Capitalisation rate <sup>(2)</sup><br>- Occupancy rate <sup>(3)</sup><br>- Long term ADR growth rate <sup>(3)</sup><br>- Discount rate <sup>(2)</sup><br>- Comparable price <sup>(4)</sup> | Not applicable<br>- 3.5%<br>- 70% to 88%<br>- 2%<br>- 7.00%<br>- \$259,000,000 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 21. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

### (d) Level 3 fair value measurements (Continued)

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements (Continued)

- (1) The fair values of unquoted equity investments are determined by reference to the underlying assets value of the investee company. As at 31 July 2022, the underlying assets value of the investee company mainly comprises the land and building, which is valued using the income capitalisation approach (2021: income capitalisation approach, average of direct capitalisation method and direct comparison method) for the respective unquoted investments.
- (2) An increase/(decrease) in the capitalisation rate and/or discount rate would result in a (decrease)/increase in the fair value of the unquoted equity investments.
- (3) An increase/(decrease) in the occupancy rate and/or long-term ADR growth rate would result in an increase/(decrease) in the fair value of the unquoted equity investments. In view of the Coronavirus (COVID-19) pandemic and other macro-economic factors, management has forecasted a return to stabilised occupancy and long-term ADR in the financial year ended 31 July 2024.
- (4) An increase/(decrease) in the comparable price would result in an increase/(decrease) in the fair value of the unquoted equity investments.

A 1% increase/decrease in the property valuation based on management's assumptions would result in a \$87,000 and \$132,000 (2021: \$94,000 and \$131,000) higher/lower fair value measurement of the unquoted equity investments in TLME and TLHS respectively.

#### (ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs (Level 3):

| <u>Group</u>   | <b>Financial assets at FVOCI<br/>(Unquoted equity investments)</b> |                        |
|--|--|------------------------|
|  | <b>2022<br/>\$'000</b>   | <b>2021<br/>\$'000</b> |
| <b>Beginning of financial year</b>                         | <b>3,098</b>   | 4,695                  |
| Total gains or losses for the financial year               |  |                        |
| – Fair value loss recognised in other comprehensive income | <b>(350)</b>   | (1,597)                |
| <b>End of financial year</b>                               | <b>2,748</b>   | <b>3,098</b>           |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 21. FAIR VALUE OF ASSETS AND LIABILITIES *(CONTINUED)*

### *(d) Level 3 fair value measurements (Continued)*

#### *(iii) Valuation policies and procedures*

It is the Group's policy to engage external valuation experts to perform the valuation. The management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations in light of the prevailing conditions at 31 July 2022 and 2021.

The analysis and results of the external valuations are then reported to the Those Charged with Governance for approval.

During the financial year, there is no change in the applicable valuation techniques except for those disclosed above.

#### COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally had impacted the Group's business due to the travel restrictions implemented. In view of the current situation arising from the pandemic, it is not possible to estimate the impact of the post near-term and longer effects or governments' varying efforts to combat the outbreak and support businesses.

Market conditions are changing daily at present. The values of the unquoted equity investments recorded in the consolidated statements of financial position determined by reference to fair values at 31 July 2022 and 2021 were estimated based upon conditions prevailing on that date.

### *(e) Asset and liabilities not carried at fair value and whose carrying amount are a reasonable approximation of fair value*

The carrying amounts of the current financial assets and liabilities, including trade and other receivables, cash and bank balances, and trade and other payables approximate their respective fair values.

The carrying amounts of long-term receivables, lease liabilities and loans and borrowings approximate their fair values because they are repriced to or approximate the market interest rates near the end of the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 22. SIGNIFICANT RELATED PARTIES TRANSACTIONS

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 22. SIGNIFICANT RELATED PARTIES TRANSACTIONS (CONTINUED)

### *Compensation of directors and key management personnel*

The remuneration of directors and other members of key management during the financial year was as follows:

|   | <b>Group and Company</b> |               |
|---|--------------------------|---------------|
|   | <b>2022</b>              | <b>2021</b>   |
|   | <b>\$'000</b>            | <b>\$'000</b> |
| <b>Remuneration of key management personnel</b> |                          |               |
| Short-term employee benefits                    | <b>298</b>               | 340           |
| Post-employment benefits                        | <b>30</b>                | 35            |
| Directors' fees                                 | <b>188</b>               | 200           |
|   | <b>516</b>               | 575           |

Key management personnel are the Directors and key personnel having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

## 23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

### *Risk management framework*

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

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

### *Credit risk*

#### Risk management policy

Credit risk is the potential financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets in the statements of financial position represent the Group's and the Company's respective maximum exposure to credit risk. The Group and the Company do not hold any collateral in respect of their financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### **Credit risk** (Continued)

#### Risk management policy (Continued)

The Group has established credit limits for customers and monitors their balances. Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are of high quality.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments that are past due 90 days, based on the Group's historical estimate.

To assess whether there is a significant increase in credit risk, the Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Actual or expected significant changes in the operating results of the counterparty

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

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

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

### **(a) Trade receivables**

The Group applied the simplified approach and recognised lifetime expected credit losses for all trade receivables based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on similar loss pattern. The expected credit losses also incorporated forward looking information such as forecast of economic conditions.

The Group has assessed the expected credit losses recognised for the financial years ended 31 July 2022 and 2021 to be insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### **Credit risk** (Continued)

#### Risk management policy (Continued)

#### **(b) Other receivables and long-term receivables**

As of 31 July 2022, the Group recorded other receivables and long-term receivables amounted to \$132,000 (2021: \$1,341,000) and \$6,167,000 (2021: \$5,629,000), respectively. The Group assessed those debtors' credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group used the general approach and estimated the 12-months expected credit losses and determined that ECL was insignificant.

#### **(c) Amounts due from subsidiaries**

As of 31 July 2022, the Company recorded an amount due from subsidiaries of \$67,412,000 (2021: \$47,147,000) consequent to an extension of loans to the subsidiaries. In its assessment of the credit risk of the subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 July 2022. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis and consequent to their assessment, concluded that these receivables were of low credit risk other than the credit impaired amount of \$12,604,000 (2021: \$11,354,000).

With reference to Note 25, the Company provides financial guarantee to certain bank in respect of bank facility granted to certain investee. The date when the Company becomes a committed party to the guarantee is considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facility, the Company considered the change in the risk that the specified debtor (i.e. the applicable subsidiary) will default on the contract. The Company assessed that the credit risk relating to the financial guarantee is insignificant to the Company.

### **Liquidity risk**

#### Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk on an ongoing basis and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Liquidity risk (Continued)

#### Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| Group                                    | Effective interest rate % | Less than 1 year \$'000 | 1 to 5 years \$'000 | More than 5 years \$'000 | Total \$'000 |
|--|---------------------------|-------------------------|---------------------|--------------------------|--------------|
| <b>2022</b>                              |                           |                         |                     |                          |              |
| <b>Financial assets:</b>                 |                           |                         |                     |                          |              |
| Investment securities                    | -                         | 3,328                   | 2,748               | -                        | 6,076        |
| Long term receivables                    | 3.85%                     | -                       | 198                 | 6,286                    | 6,484        |
| Trade and other receivables*             | -                         | 165                     | -                   | -                        | 165          |
| Cash and bank balances                   | -                         | 8,274                   | -                   | -                        | 8,274        |
| Total undiscounted financial assets      |                           | 11,767                  | 2,946               | 6,286                    | 20,999       |
| <b>Financial liabilities:</b>            |                           |                         |                     |                          |              |
| Trade and other payables#                | -                         | (635)                   | -                   | -                        | (635)        |
| Loans and borrowings                     | 2.75%                     | (549)                   | (1,564)             | -                        | (2,113)      |
| Lease liabilities                        | 3.00%                     | (60)                    | (48)                | -                        | (108)        |
| Total undiscounted financial liabilities |                           | (1,244)                 | (1,612)             | -                        | (2,856)      |
| Total net undiscounted financial assets  |                           | 10,523                  | 1,334               | 6,286                    | 18,143       |
| <b>2021</b>                              |                           |                         |                     |                          |              |
| <b>Financial assets:</b>                 |                           |                         |                     |                          |              |
| Investment securities                    | -                         | 4,173                   | 3,098               | -                        | 7,271        |
| Long term receivables                    | 3.85%                     | 36                      | 146                 | 5,717                    | 5,899        |
| Trade and other receivables*             | -                         | 1,341                   | -                   | -                        | 1,341        |
| Cash and bank balances                   | -                         | 29,346                  | -                   | -                        | 29,346       |
| Total undiscounted financial assets      |                           | 34,896                  | 3,244               | 5,717                    | 43,857       |
| <b>Financial liabilities:</b>            |                           |                         |                     |                          |              |
| Trade and other payables#                | -                         | (749)                   | -                   | -                        | (749)        |
| Loans and borrowings                     | 2.75%-3.83%               | (21,776)                | (2,070)             | -                        | (23,846)     |
| Lease liabilities                        | 3.00%                     | (54)                    | (6)                 | -                        | (60)         |
| Total undiscounted financial liabilities |                           | (22,579)                | (2,076)             | -                        | (24,655)     |
| Total net undiscounted financial assets  |                           | 12,317                  | 1,168               | 5,717                    | 19,202       |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### Liquidity risk (Continued)

Exposure to liquidity risk (Continued)

| <u>Company</u>  | <u>Effective<br/>interest<br/>rate<br/>%</u> | <u>Less than<br/>1 year<br/>\$'000</u> | <u>1 to<br/>5 years<br/>\$'000</u> | <u>Total<br/>\$'000</u> |
|---|--|--|------------------------------------|-------------------------|
| <b>2022</b>   |  |  |                                    |                         |
| <b>Financial assets:</b>                                  |  |  |                                    |                         |
| Amount due from subsidiaries                              | -  | 54,808                                 | -                                  | 54,808                  |
| Trade and other receivables*                              | -  | 48                                     | -                                  | 48                      |
| Cash and bank balances                                    | -  | 7,137                                  | -                                  | 7,137                   |
| Total undiscounted financial assets                       |  | <u>61,993</u>                          | <u>-</u>                           | <u>61,993</u>           |
| <b>Financial liabilities:</b>                             |  |  |                                    |                         |
| Trade and other payables#                                 | -  | (204)                                  | -                                  | (204)                   |
| Loans and borrowings                                      | 2.75%  | (549)                                  | (1,564)                            | (2,113)                 |
| Lease liabilities   | 3.00%  | (60)                                   | (48)                               | (108)                   |
| Total undiscounted financial liabilities                  |  | <u>(813)</u>                           | <u>(1,612)</u>                     | <u>(2,425)</u>          |
| Total net undiscounted financial assets/<br>(liabilities) |  | <u>61,180</u>                          | <u>(1,612)</u>                     | <u>59,568</u>           |
| <b>2021</b>   |  |  |                                    |                         |
| <b>Financial assets:</b>                                  |  |  |                                    |                         |
| Amount due from subsidiaries                              | -  | 35,793                                 | -                                  | 35,793                  |
| Trade and other receivables*                              | -  | 87                                     | -                                  | 87                      |
| Cash and bank balances                                    | -  | 27,500                                 | -                                  | 27,500                  |
| Total undiscounted financial assets                       |  | <u>63,380</u>                          | <u>-</u>                           | <u>63,380</u>           |
| <b>Financial liabilities:</b>                             |  |  |                                    |                         |
| Trade and other payables#                                 | -  | (215)                                  | -                                  | (215)                   |
| Loans and borrowings                                      | 2.75%  | (97)                                   | (2,070)                            | (2,167)                 |
| Lease liabilities   | 3.00%  | (54)                                   | (6)                                | (60)                    |
| Total undiscounted financial liabilities                  |  | <u>(366)</u>                           | <u>(2,076)</u>                     | <u>(2,442)</u>          |
| Total net undiscounted financial assets/<br>(liabilities) |  | <u>63,014</u>                          | <u>(2,076)</u>                     | <u>60,938</u>           |

# Excluding deposits received

\* Excluding grant receivables and GST/VAT receivables

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### *Financial instruments by category*

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

|   | Note | Group          |                |
|---|------|----------------|----------------|
|   |      | 2022<br>\$'000 | 2021<br>\$'000 |
| <b><i>Financial assets at fair value through profit or loss</i></b>             |      |                |                |
| Quoted equity investments   | 11   | 138            | 681            |
| Quoted debt investments   | 11   | 3,190          | 3,492          |
|   |      | <b>3,328</b>   | <b>4,173</b>   |
| <b><i>Financial assets at amortised cost</i></b>                                |      |                |                |
| Long-term receivables   | 13   | 6,167          | 5,629          |
| Trade and other receivables   | 13   | 165            | 1,341          |
| Cash and bank balances  | 14   | 8,274          | 29,346         |
|   |      | <b>14,606</b>  | <b>36,316</b>  |
| <b><i>Financial assets at fair value through other comprehensive income</i></b> |      |                |                |
| Unquoted equity investments   | 11   | 2,748          | 3,098          |
| <b><i>Financial liabilities at amortised cost</i></b>                           |      |                |                |
| Trade and other payables  | 18   | 635            | 749            |
| Loans and borrowings  | 17   | 2,000          | 23,132         |
| Lease liabilities   | 10   | 108            | 60             |
|   |      | <b>2,743</b>   | <b>23,941</b>  |
|   |      |                |                |
|   | Note | Company        |                |
|   |      | 2022<br>\$'000 | 2021<br>\$'000 |
| <b><i>Financial assets at fair value through profit or loss</i></b>             |      |                |                |
| Quoted equity investments   | 11   | 138            | 681            |
| Quoted debt investments   | 11   | 3,190          | 3,492          |
|   |      | <b>3,328</b>   | <b>4,173</b>   |
| <b><i>Financial assets at amortised cost</i></b>                                |      |                |                |
| Amount due from subsidiaries  | 12   | 54,808         | 35,793         |
| Trade and other receivables   | 13   | 48             | 87             |
| Cash and bank balances  | 14   | 7,137          | 27,500         |
|   |      | <b>61,993</b>  | <b>63,380</b>  |
| <b><i>Financial liabilities at amortised cost</i></b>                           |      |                |                |
| Trade and other payables  | 18   | 204            | 215            |
| Loans and borrowings  | 17   | 2,000          | 2,000          |
| Lease liabilities   | 10   | 108            | 60             |
|   |      | <b>2,312</b>   | <b>2,275</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 23. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### **Market risk**

Market risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

### **Equity and debt price risk**

The Group is exposed to equity and debt price risk arising from its investment in quoted investment securities. These investment securities are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) in Singapore and are classified as held for trading financial assets. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Sensitivity analysis for equity and debt price risk

At the end of the financial year, if the price of the shares held had been 2% (2021: 2%) higher/lower with all other variables held constant, the Group's loss before tax would have been \$67,000 (2021: \$83,000) lower/higher, arising as a result of lower/higher fair value losses on quoted investment securities.

### **Currency risk**

#### Risk management policy

The Group is exposed to currency risk on sales, purchases and cash holdings that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies in which these transactions primarily are denominated are the Korean won ("KRW").

There is no formal hedging policy with respect to foreign exchange exposures. Exposures to currency risk are monitored on an ongoing basis and the Group endeavours to keep the net exposures at an acceptable level, by buying or selling foreign currencies at forward rates when necessary to address short-term imbalances.

The Group's and Company's monetary assets and monetary liabilities exposures to currency risk arise primarily from its bank balances and exposures are insignificant.

## 24. CAPITAL MANAGEMENT

In managing the capital of the Group, the Board aims to maintain a capital structure which balances the need to maximise the rate of return on capital and at the same time safeguard the Group's ability to continue as a going concern in the long term, maintain investors, creditors and market confidence, and sustain future development of the business.

The Group defines capital as share capital and reserves.

The Group manages the level of capital in proportion to risk and future business development requirements while balancing the need to maximise the return on capital. The Group does not stipulate the desired level of capital. It monitors and manages its capital structure on an ongoing basis and makes adjustments to it in light of changes in economic conditions, risk characteristics of the underlying assets and performance of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 24. CAPITAL MANAGEMENT (CONTINUED)

As part of the capital management process, the Group may adjust its level of dividends, issue new shares and/or return capital to shareholders, where appropriate. The Board takes into consideration the cash position and business and capital requirements of the Group when determining the level of dividends to pay shareholders. From time to time, the Company may also purchase its own shares from the market or off-market; the timing of these purchases depends on market conditions and prices.

There was no change to the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to any externally imposed capital requirement.

## 25. CONTINGENT LIABILITIES

### *Guarantee*

The Company has guaranteed its subsidiary's share of contingent liabilities, amounting to \$5,724,000 (KRW4,867,500,000 equivalent), which had been incurred jointly with other investors by the trustee of Korea Investment Private Placement Business Hotel REIT No. AI861. The contingent liabilities pertain to a bank loan undertaken to finance the acquisition of Travelodge Myeongdong Euljiro (Note 11).

## 26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to the prior year's financial statements to enhance comparability with the current year's financial statements.

|   | Group   |   |
|---|---|---|
|   | As<br>previously<br>reported<br>31.7.2021<br>\$'000 | As<br>reclassified<br>31.7.2021<br>\$'000 |
| <b><i>Consolidated statement of profit or loss and other comprehensive income</i></b> |   |   |
| Hotel operating expenses  | (303)   | (653)                                     |
| Other operating expenses  | (1,482)   | (1,132)                                   |
| <b><i>Consolidated statement of cash flows</i></b>                                    |   |   |
| <i>Operating activities</i>   |   |   |
| <u>Changes in working capital:</u>  |   |   |
| Trade and other receivables   | (547)   | (85)                                      |
| <i>Investing activities</i>   |   |   |
| Shareholder loans to investee companies   | -   | (462)                                     |
| <i>Financing activities</i>   |   |   |
| Interest paid   | -   | (881)                                     |
| Proceeds from borrowings  | -   | 2,000                                     |
| Repayment of borrowings   | (581)   | (1,700)                                   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

## 27. DEVELOPMENT OF COVID-19 OUTBREAK AND ITS CORRESPONDING IMPACT ON THE GROUP

As the COVID-19 situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. The Group continues to monitor and evaluate any possible impact on the Group's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statement is inappropriate.

## 28. SUBSEQUENT EVENT

Subsequent to the financial year ended 31 July 2022, the Company announced on 29 September 2022 that it is proposing to undertake a renounceable non-underwritten rights issue of up to 109,537,422 warrants ("**Rights Warrants**") at an issue price of \$0.01 for each Rights Warrant, on the basis of one (1) Rights Warrant for every two (2) existing ordinary shares ("**Shares**") held by the shareholders of the Company. Each Rights Warrant carries the right to subscribe for one (1) new Share at an exercise price of \$0.09. The estimated net proceeds arising from the issuance of the Rights Warrants are expected to range between \$107,000 and \$885,000. The estimated net proceeds arising from the exercise of the Rights Warrants by the shareholders are expected to range between \$2,859,000 and \$9,858,000.

# STATISTICS OF SHAREHOLDINGS

AS AT 31 OCTOBER 2022

|  |   |  |
|--|---|--|
| NO. OF ISSUED SHARES (INCLUDING TREASURY SHARES)           | : | 219,904,444  |
| NUMBER/PERCENTAGE OF TREASURY SHARES HELD                  | : | 829,600 (0.38%)  |
| NUMBER/PERCENTAGE OF SUBSIDIARY HOLDINGS HELD              | : | NIL  |
| NUMBER OF SHARES IN ISSUE (EXCLUDING TREASURY SHARES)      | : | 219,074,844  |
| CLASS OF SHARES  | : | ORDINARY SHARES  |
| NUMBER OF SHAREHOLDERS (EXCLUDING SHARES HELD IN TREASURY) | : | 8,033  |
| VOTING RIGHTS  | : | ON A POLL 1 VOTE FOR EACH SHARE HELD<br>The Company cannot exercise any voting rights in respect of shares held by it as treasury shares |

| SIZE OF SHAREHOLDINGS | NO. OF SHAREHOLDERS | %             | NO. OF SHARES      | %             |
|-----------------------|---------------------|---------------|--------------------|---------------|
| 1 – 99                | 286                 | 3.56          | 13,508             | 0.01          |
| 100 – 1,000           | 2,235               | 27.82         | 1,613,027          | 0.74          |
| 1,001 – 10,000        | 4,205               | 52.35         | 17,417,597         | 7.95          |
| 10,001 – 1,000,000    | 1,292               | 16.08         | 47,219,185         | 21.55         |
| 1,000,001 & ABOVE     | 15                  | 0.19          | 152,811,527        | 69.75         |
| <b>TOTAL</b>          | <b>8,033</b>        | <b>100.00</b> | <b>219,074,844</b> | <b>100.00</b> |

## TOP TWENTY SHAREHOLDERS AS AT 31 OCTOBER 2022

|   | NO. OF SHARES      | %            |
|---|--------------------|--------------|
| 1 ANONE HOLDINGS PTE. LTD.                | 41,631,705         | 19.00        |
| 2 UNISERAYA HOLDINGS PTE LTD              | 33,733,333         | 15.40        |
| 3 HSBC (SINGAPORE) NOMINEES PTE LTD       | 21,910,000         | 10.00        |
| 4 PHILLIP SECURITIES PTE LTD              | 12,451,552         | 5.68         |
| 5 MAYBANK SECURITIES PTE. LTD.            | 9,195,430          | 4.20         |
| 6 IFAST FINANCIAL PTE LTD                 | 7,717,229          | 3.52         |
| 7 CGS-CIMB SECURITIES (SINGAPORE) PTE LTD | 6,377,894          | 2.91         |
| 8 MS VENTURE PTE LTD                      | 4,454,000          | 2.03         |
| 9 UOB KAY HIAN PTE LTD                    | 4,135,164          | 1.89         |
| 10 DBS NOMINEES PTE LTD                   | 3,587,194          | 1.64         |
| 11 LIM AND TAN SECURITIES PTE LTD         | 2,002,466          | 0.92         |
| 12 UNITED OVERSEAS BANK NOMINEES PTE LTD  | 1,820,070          | 0.83         |
| 13 CITIBANK NOMINEES SINGAPORE PTE LTD    | 1,456,598          | 0.66         |
| 14 OCBC NOMINEES SINGAPORE PTE LTD        | 1,272,392          | 0.58         |
| 15 ANG KONG MENG                          | 1,066,500          | 0.49         |
| 16 KUAN BON HENG                          | 780,999            | 0.36         |
| 17 POH KHENG MUI (FU QINGMEI)             | 780,666            | 0.36         |
| 18 DBS VICKERS SECURITIES (S) PTE LTD     | 719,865            | 0.33         |
| 19 YEO AH MOEY                            | 666,666            | 0.30         |
| 20 SIM KOK HAI                            | 617,666            | 0.28         |
| <b>TOTAL</b>                              | <b>156,377,389</b> | <b>71.38</b> |

# STATISTICS OF SHAREHOLDINGS

AS AT 31 OCTOBER 2022

| Substantial shareholders                        | Direct interest |                  | Deemed interest |                  |
|---|-----------------|------------------|-----------------|------------------|
|   | No. of shares   | % <sup>(1)</sup> | No. of shares   | % <sup>(1)</sup> |
| Anone Holdings Pte. Ltd. <sup>(2)</sup>         | 41,631,705      | 19.003           | –               | –                |
| Uniseraya Holdings Pte Ltd <sup>(3)(4)(5)</sup> | 33,733,333      | 15.398           | –               | –                |
| Aw Cheok Huat                                   | 10,000          | 0.005            | 21,900,000      | 9.997            |
| Ng Siew Hong <sup>(2)</sup>                     | –               | –                | 41,631,705      | 19.003           |
| Ng Khim Guan <sup>(3)</sup>                     | 166,666         | 0.076            | 33,733,333      | 15.398           |
| Kwek Li Chien <sup>(3)</sup>                    | –               | –                | 33,733,333      | 15.398           |
| Ng Han Meng <sup>(4)</sup>                      | 332             | –                | 33,733,333      | 15.398           |
| Ng Bie Tjin @ Djuniarti Intan <sup>(5)</sup>    | 10,000          | 0.005            | 35,038,133      | 15.994           |

## Notes:

- (1) Based on the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of 219,074,844 shares.
- (2) Ms. Ng Siew Hong's deemed interest arises from the 41,631,705 shares in which Anone Holdings Pte. Ltd. has an interest.
- (3) Mr. Ng Khim Guan and Ms. Kwek Li Chien's deemed interests arise from the 33,733,333 shares in which Uniseraya Holdings Pte Ltd has an interest.
- (4) Mr. Ng Han Meng's deemed interest arises from the 33,733,333 shares in which Uniseraya Holdings Pte Ltd has an interest.
- (5) Ms. Ng Bie Tjin @ Djuniarti Intan's deemed interest arises from the 33,733,333 shares in which Uniseraya Holdings Pte Ltd has an interest and the 1,304,800 shares she holds through nominee account(s).

## Shareholdings in the hands of public

The percentage of shareholdings in the hands of the public is approximately 55%. Hence, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited which states that an issuer must ensure that at least 10% of its listed securities is at all times held by the public.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 42nd Annual General Meeting (the “**AGM**”) of Datapulse Technology Limited (the “**Company**”) will be held by way of electronic means on **Tuesday, 29 November 2022 at 3.00 p.m.** for the purpose of transacting the following businesses:

## ORDINARY BUSINESS

1. To receive and adopt the directors’ statement and the audited financial statements for the financial year ended 31 July 2022 together with the auditor’s report thereon. **Resolution 1**
2. To approve the payment of directors’ fees of up to S\$146,000 for the financial year ending 31 July 2023, to be paid quarterly in arrears (2022: S\$200,000). **Resolution 2**
3. To re-elect Mr Yee Chia Hsing who is retiring pursuant to Article 105 of the Company’s Constitution. **Resolution 3**

*(See Explanatory Note 1)*

4. To record the retirement of Mr Teo Choon Kow @ William Teo, who is retiring under Article 101 of the Company’s Constitution and who has decided not to seek for re-election and will retire at the conclusion of the AGM.

*(See Explanatory Note 2)*

5. To re-appoint Mazars LLP as the Auditors of the Company and to authorise the directors to fix their remuneration. **Resolution 4**
6. To transact any other business which may be properly transacted at an annual general meeting.

## SPECIAL BUSINESS

To consider and, if thought fit, to approve the following Ordinary Resolution, with or without modifications:

7. That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Limited (“**SGX-ST**”), authority be and is hereby given to the directors of the Company (the “**Share Issue Mandate**”) to: **Resolution 5**
  - (A) (I) 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) warrants, debentures, convertible securities or other Instruments convertible into Shares; and/or
  - (III) notwithstanding that such authority conferred by this resolution may have ceased to be in force at the time the Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the directors of the Company may in their absolute discretion deem fit; and
- (B) issue shares in pursuance of any Instrument made or granted by the directors of the Company pursuant to (A)(II) and/or (A)(III) above, notwithstanding that the authority conferred by this resolution may have ceased to be in force at the time the Shares are to be issued,

provided that:

- (I) the aggregate number of shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (II) below);
- (II) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (I) above, the percentage of total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as 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;

# NOTICE OF ANNUAL GENERAL MEETING

- (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting as at the time of the passing of this resolution, provided the options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (III) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST 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 otherwise, and the Constitution of the Company as amended from time to time; and
- (IV) the authority conferred on the directors of the Company pursuant to this resolution may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
  - (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
  - (b) in the case of shares issued in pursuance of the Instruments, made or granted pursuant to this resolution, until the issuance of such shares in accordance with the terms of the Instruments; or
  - (c) the date on which the authority conferred in this resolution is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting.

*(See Explanatory Note 3)*

# NOTICE OF ANNUAL GENERAL MEETING

8. That:

**Resolution 6**

- (A) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (I) on-market purchases (each a "**Market Purchase**") transacted through the SGX-ST trading system or on another stock exchange on which the Company's equity securities are listed; and/or
  - (II) off-market purchases (each an "**Off-Market Purchase**") in accordance with an equal access scheme as defined in Section 76C of the Companies Act,
- and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");
- (B) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
- (I) the conclusion of the next annual general meeting of the Company or the date on which such annual general meeting of the Company is required by law to be held;
  - (II) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or
  - (III) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of the shareholders of the Company in general meeting;

# NOTICE OF ANNUAL GENERAL MEETING

(C) in this resolution:

“**Prescribed Limit**” means ten percent (10%) of the issued Shares (excluding treasury shares and subsidiary holdings, if any) of the Company as at the date of the passing of this resolution; and “**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(I) in the case of a Market Purchase: 105% of the Average Closing Price; and

(II) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price,

where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days (being days on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(D) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

*(See Explanatory Note 4)*

# NOTICE OF ANNUAL GENERAL MEETING

9. That:

**Resolution 7**

- (A) authority be and is hereby given for the Company, its subsidiaries and associated companies (if any) which fall within the definition of “entities at risk” under Chapter 9 of the Listing Manual of the SGX-ST or any of them to enter into any transaction falling within the categories of interested person transactions set out in the addendum to this notice of annual general meeting (“**Addendum**”), with any party who is of the class or classes of interested persons described in the Addendum, provided that such transaction is made on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders, and is entered into in accordance with the review procedures for interested person transactions as set out in the Addendum (such shareholders’ general mandate hereinafter called the “**Shareholders’ Mandate**”);
- (B) the Shareholders’ Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (C) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the procedures and/or modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Listing Manual of the SGX-ST, which may be prescribed by the SGX-ST from time to time; and
- (D) the directors of the Company and each of them be and are hereby authorised, empowered to complete and do and execute all such things and acts as they or he may consider necessary or appropriate to give effect to these resolutions and the Shareholders’ Mandate, with such modifications thereto (if any) as they or he may think fit in the interests of the Company.

*(See Explanatory Note 5)*

By Order of the Board

**Lau Yin Whai**  
Company Secretary  
Singapore  
14 November 2022

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

1. Ordinary Resolution 3 – Mr Yee Chia Hsing (“**Mr Yee**”) will upon re-election, continue to serve as the Executive Director of the Company. Detailed information on Mr Yee is set out on page 60 to 63 of this Annual Report. There are no relationships (including immediate family relationships) between Mr Yee and the other Directors of the Company, the Company or its substantial shareholders.
2. Mr Teo Choon Kow @ William Teo (“**Mr Teo**”) will retire as a Director of the Company following the conclusion of the AGM and concurrently relinquish his positions as Lead Independent Director, Chairman of the Audit Committee and a member of Nominating and Remuneration Committees.
3. Ordinary Resolution 5 proposed, if passed, will empower the directors of the Company to, from the date of the above annual general meeting until the next annual general meeting or the date by which the next annual general meeting is required by law to be held, or when revoked by the Company in general meeting, or the expiration of such other period as may be prescribed by the Companies Act 1967, and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest, allot and issue Shares, to make or grant Instruments, and to issue Shares in pursuance of such Instruments for such purposes as they consider in the interests of the Company. The aggregate number of Shares that the Directors may allot and issue under this Resolution (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares to be issued other than on a pro rata basis shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution), to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for: (a) new Shares arising from the conversion or exercise of any convertible securities; (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time the proposed Resolution 6 is passed; and (c) any subsequent bonus issue, consolidation or subdivision of Shares.
4. Ordinary Resolution 6 proposed, if passed, will empower the Company to purchase or otherwise acquire issued Shares by way of Market Purchases or Off-Market Purchases, in accordance with the terms and conditions set out in the Addendum.

Please refer to the Addendum for additional information in relation to the proposed renewal of the Share Purchase Mandate.

5. Ordinary Resolution 7 proposed, if passed, will allow the Company, and its subsidiaries and associated companies or any of them to, from the date of the above annual general meeting until the next annual general meeting or the date by which the next annual general meeting is required by law to be held, or when revoked by the Company in general meeting, or the expiration of such other period as may be prescribed by the Companies Act 1967, and every other legislation for the time being in force concerning companies and affecting the Company, whichever is the earliest, enter into interested person transactions (details of which are set out in the Addendum).

## Notes:

1. The AGM will be convened and held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Printed copies of this notice of AGM (the “**Notice**”) and the Company’s annual report (“**AR**”) will not be sent to members. Instead, this Notice and AR will be sent to members by electronic means via publication on the Company’s website at the URL <http://www.datapulse.com.sg/> and made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Registration to attend Live AGM webcast**
  - (a) All members as well as investors who hold shares through relevant intermediaries, including CPF and SRS investors, who wish to follow the proceedings of the AGM through the Live AGM webcast must pre-register online at the URL <https://registration.ryt-poll.com/home/index/dp-agm-egm> (“**Pre-registration**”) for verification purposes. The website will be open for pre-registration from 3.00 p.m. on 14 November 2022 and will close at 3.00 p.m. on 26 November 2022 (the “**Registration Deadline**”).

# NOTICE OF ANNUAL GENERAL MEETING

- (b) All members who hold shares through CPF/SRS must inform their respective CPF Agent Banks or SRS Operators that they have registered for the Live AGM webcast and provide their CPF and/or SRS Operators with their registration details.
- (c) Following the verification, authenticated members will receive the login details to join the Live AGM webcast or telephone number to call for the audio feeds by 28 November 2022, 3.00 p.m. via the e-mail address provided at Pre-registration.
- (d) Members must not forward the login details to join the Live AGM webcast or telephone number to call for the audio feeds to other persons who is not a member of the Company and/or who is not authorised to attend the Live AGM webcast.
- (e) Members who register by the Registration Deadline but do not receive an email response by 28 November 2022, 3.00 p.m. may contact the Company via electronic mail to [dp-agm-egm@ryt-poll.com](mailto:dp-agm-egm@ryt-poll.com).

#### 4. **Proxy and 'live' voting**

- (a) As a precautionary measure due to the current COVID-19 situation in Singapore, members will not be able to attend the AGM in person. Members (whether individuals or corporates) who wish to exercise their voting rights at the AGM may vote "live" themselves or via their appointed proxy(ies) (excluding the Chairman of the AGM), or appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
- (b) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholder concerned to be represented by each proxy shall be specified in the instrument.
- (c) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
- (d) Shareholders who wish to exercise their voting rights at the AGM may:
  - (i) (where such shareholders are individuals) vote 'live' via electronic means at the AGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote 'live' via electronic means at the AGM on their behalf; or
  - (ii) (where such shareholders are individuals or corporates) appoint the Chairman of the Meeting as their proxy to vote on their behalf at the AGM.
- (e) Pre-register to vote 'live' at the AGM. Shareholders (including CPF and SRS investors) who wish to vote 'live' at the AGM must first pre-register at the pre-registration website at <https://registration.ryt-poll.com/home/index/dp-agm-egm>.
- (f) For CPF/SRS investors who wish to appoint the Chairman of the AGM as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e., by 17 November 2022), to ensure that their votes are submitted.
- (g) The proxy(ies), need not be a member of the Company.
- (h) The instrument appointing proxy or proxies must be submitted either (a) by post and deposited at the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #27-09 International Plaza, Singapore 079903; or (b) via email to [dp-agm-egm@ryt-poll.com](mailto:dp-agm-egm@ryt-poll.com) no later than 3.00 p.m. on 26 November 2022.
- (i) The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as 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 appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

# NOTICE OF ANNUAL GENERAL MEETING

- (j) In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

## 5. Submission of questions

- (a) Members will be able to ask questions during the Live AGM webcast. It is important for members to pre-register their participation in order to be able to submit their questions in advance and/or during the AGM.
- (b) Pre-register to ask substantial and relevant questions 'live' at the AGM. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies) can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval 'live' at the AGM, by typing in and submitting their questions via the online platform hosting the audio-visual webcast and audio-only stream.
- (c) Shareholders (including CPF and SRS investors) who wish to ask question 'live' at the AGM must first pre-register at the pre-registration website at <https://registration.ryt-poll.com/home/index/dp-agm-egm>.
- (d) All members may also submit questions relating to the resolutions to be tabled at the AGM via electronic mail to [dp-agm-egm@ryt-poll.com](mailto:dp-agm-egm@ryt-poll.com) or via the webcast pre-registration website. All questions must be submitted within 7 calendar days from the date of this Notice of AGM, ie. by 21 November 2022, 3.00 p.m.
- (e) The Company will endeavor to address substantial and relevant questions received from members who are verifiable against the Depository Register or the Register of Members. The Company's responses to members' questions will be posted on the SGXNet at <https://www.sgx.com/securities/company-announcements> and the Company's website by 24 November 2022, ie. not later than 48 hours before the closing date and time for the lodgement of the Proxy Forms.

Members should note that the manner of conducting the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conducting the AGM will be announced by the Company on SGXNET. Members are advised to check SGXNET and the Company's website regularly for any further updates.

### **Personal Data Privacy:**

By (a) submitting an instrument appointing the proxy(ies) to attend, speak and vote at the AGM and/or at any adjournment thereof, (b) completing the pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof);
- (ii) processing of the pre-registration for purposes of granting access to members to the Live AGM webcast proceedings and providing them with any technical assistance where necessary;
- (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

In addition, the personal data of a member (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company during sounds and/or video recordings of the AGM which may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM and a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for such purpose.

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**DATAPULSE TECHNOLOGY LIMITED**  
 (Incorporated in The Republic of Singapore)  
 Company Registration No. 198002677D

**PROXY FORM**  
**42ND ANNUAL GENERAL MEETING**

*(Please see notes overleaf before completing this Form)*

This proxy form has been made available on SGXNET and the Company's website and may be accessed at the URL <http://www.datapulse.com.sg/>. A printed copy of this proxy form will **NOT** be despatched to members.

**IMPORTANT**

- Due to the current COVID-19 restriction orders in Singapore, members of the Company ("**Member**") will not be able to attend the AGM in person. Members will be able to watch the proceedings of the AGM through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members must pre-register by 3.00 p.m. on 26 November 2022, at <https://registration.ryt-poll.com/home/index/dp-agm-egm>.  
 Members will receive an email verification authenticating their status as members by 3.00 p.m. on 28 November 2022, along with the accompanying instructions on accessing the webcast and audio feed of the proceedings. Members who do not receive an email by 3.00 p.m. on 28 November 2022 may contact technical support via email at [dp-agm-egm@ryt-poll.com](mailto:dp-agm-egm@ryt-poll.com) or phone at +65 6329 2745.
- CPF/SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 3.00 p.m. on 17 November 2022, being seven (7) working days before the AGM.
- By submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member (and his appointed proxy(ies)) consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise in accordance with the personal data privacy terms set out in the Notice of AGM dated 14 November 2022.

I/We, \_\_\_\_\_ (name) of \_\_\_\_\_ (NRIC/Passport No./Co. Reg. No.) of \_\_\_\_\_ (address) being a \*member/members of **DATAPULSE TECHNOLOGY LIMITED** (the "**Company**"), hereby appoint

| Name | Email Address | NRIC/Passport No. | Number of Shares Proportion of Shareholding (%) |
|------|---------------|-------------------|---|
|      |               |                   |   |

and/or

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

or failing whom, the Chairman of the annual general meeting of the Company ("**AGM/Meeting**"), as my/our\* proxy/proxies to vote for me/us\* on my/our\* behalf at the AGM to be held by way of electronic means (via Live Webcast and Audio-Only Means) on 29 November 2022 at 3.00 p.m. and at any adjournment thereof. I/We\* direct the my/our\* proxy/proxies to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her own discretion.

The resolutions put to the vote at the AGM shall be decided by way of poll.

| No.                      | Resolutions   | For | Against | Abstain |
|--------------------------|---|-----|---------|---------|
| <b>Ordinary Business</b> |   |     |         |         |
| 1                        | To receive and adopt the directors' statement and audited financial statements                |     |         |         |
| 2                        | To approve the payment of directors' fees for the financial year ending 31 July 2023          |     |         |         |
| 3                        | To re-elect Mr Yee Chia Hsing as director   |     |         |         |
| 4                        | To re-appoint Mazars LLP as auditors and to authorise the directors to fix their remuneration |     |         |         |
| <b>Special Business</b>  |   |     |         |         |
| 5                        | To authorise the directors to allot and issue shares  |     |         |         |
| 6                        | To approve the proposed renewal of the share purchase mandate                                 |     |         |         |
| 7                        | To approve the proposed renewal of the mandate for interested person transactions             |     |         |         |

**Notes:**

If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of shares the proxy(ies), is directed to vote "For", "Against" or "Abstain".

*\*Delete where inapplicable*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

**Total Number of Ordinary Shares Held**

\_\_\_\_\_  
 Signature(s) of Member(s) or Common Seal

**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 (maintained by The Central Depository (Pte) Limited), 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 will be deemed to relate to the entire number of ordinary Shares in the Company registered in your name(s).
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only means), submission of questions in advance of, or live, at the AGM, addressing of substantial and relevant questions prior to, or at, the AGM and voting "live" by the members or their appointed proxy(ies) (excluding the Chairman of the AGM or by appointing the Chairman of the AGM as proxy at the AGM, are set out in Notice of AGM. The AGM may be accessed at the Company's website at the URL <http://www.datapulse.com.sg/> and made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
3. As a precautionary measure due to the current COVID-19 situation in Singapore, members will not be able to attend the AGM in person. Members (whether individuals or corporates) who wish to exercise their voting rights at the AGM may vote "live" themselves or via their appointed proxy(ies) (excluding the Chairman of the AGM) or appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
4. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's proxy form appoints more than one proxy, the proportion of the shareholder concerned to be represented by each proxy shall be specified in the instrument.
5. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
6. The proxy(ies), need not be a member of the Company.
7. The instrument appointing proxy or proxies must be submitted either (a) by post and deposited at the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or (b) via email to [dp-agm-egm@ryt-poll.com](mailto:dp-agm-egm@ryt-poll.com) no later than 3.00 p.m. on 26 November 2022, and in default the instrument of proxy shall not be treated as valid.  
  
Members who wish to submit an instrument of proxy must first download, complete and sign the instrument of proxy, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
8. The instrument appointing the proxy(ies) must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the proxy(ies) is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
9. Where an instrument appointing the proxy(ies) is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
10. In the case of shares entered in the depository register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
11. Similarly, members who holds his/her/its shares through a relevant intermediary (including CPF and SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the AGM as proxy should approach his/her relevant intermediary (including their respective CPF Agent Banks or SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the AGM.

Members should note that the manner of conducting the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conducting the AGM will be announced by the Company on SGXNET. Members are advised to check SGXNET and the Company's website regularly for any further updates.

**Personal data privacy:**

By submitting this Proxy Form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 14 November 2022.

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**DATAPULSE**  
TECHNOLOGY

**DATAPULSE TECHNOLOGY LIMITED**

Registration No. 198002677D

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