



# MULTI-SERVICES FOR DIVERSE NEEDS

ANNUAL REPORT 2021



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Aedge Group Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 14 December 2020. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "Sponsor").

This annual report has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.





## GROUP PROFILE

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We are a Singapore-based multi-services provider, focusing on three principal services, namely engineering services, security and manpower services and transport services. We serve a wide range of customers from various industries, including MNCs, government bodies, schools and local companies.

### ENGINEERING SERVICES

Provide a suite of the following services to the oil & gas, petrochemical, marine and construction industries:

- Scaffolding services (including engineered shelters)
- Insulation & passive fire protection services
- Electrical engineering systems

### TRANSPORT SERVICES

A leading bus transport service provider in Singapore for:

- Premium bus services
- School bus services
- Private bus charter services
- Ad-hoc bus services

### SECURITY AND MANPOWER SERVICES

Provide the following manpower services:

- Security services (including security guarding services & security system integration)
- Cleaning services
- Manpower services (specialise in sourcing and supplying aerospace technicians to companies engaged in aerospace maintenance, repair and overhaul)



## CHAIRMAN'S STATEMENT



**Even with the adverse effects stemming from the COVID-19 pandemic, the Group has shown resilience through its diverse portfolio that has mitigated some risks.**

### INTRODUCTION

2020 proved to be a challenging year given the COVID-19 pandemic, which has negatively impacted the economic climate in Singapore. Despite the circumstances, Aedge Group ("Aedge" or "Group") pushed through its strategic plan and successfully listed on the Catalist Board of the Singapore Stock Exchange on 14 December 2020.

Over the past 20 years, Aedge has grown from its humble beginnings to become a multi-services player spanning engineering, transport, security and manpower services. Along the way, we have developed a strong competitive advantage of being able to offer a comprehensive range of services for the diverse needs of our customers across many industries.

Even with the adverse effects stemming from the COVID-19 pandemic, the Group has shown resilience through its diverse portfolio that has mitigated some risks.

### REVIEW OF FINANCIAL YEAR 2021

#### Revenue and Income for the Year

For the financial year ended 30 June 2021 ("FY2021"), our Group posted a net loss after tax of \$991,000. This was against a net profit after tax of \$422,000 achieved in the previous financial year ended 30 June 2020 ("FY2020").

The loss was mainly due to revenue from all segments of the Groups' businesses being affected by the adverse economic effects of the COVID-19 pandemic, which was more pronounced than expected. Total revenue decreased by \$5.8 million ("m") or 24.5% from \$23.7m in FY2020 to \$17.9m in FY2021. Revenue from transport services and security and manpower services decreased, offset by a slight increase in engineering services.

Due to the decrease in revenue, gross profit decreased correspondingly by \$0.6m from \$2.6m in FY2020 to \$2.0m in FY2021.

Other income increased from \$2.1m in FY2020 to \$2.8m in FY2021. This was due to higher government grants received in FY2021.

Increase in administrative expenses was mainly due to IPO expenses of \$1.2m, as well as increase in administrative and management staff costs in FY2021.

Decrease in other expenses was mainly due to lower losses on disposal of property, plant and equipment, as well as lower impairment losses on trade receivables in FY2021.

Increase in finance costs was due to interest costs for increase in bank borrowings.

### **Financial Position as at end of FY2021**

The Group's financial position remained stable as at 30 June 2021, with total equity of \$16.6m, against \$14.7m as at 30 June 2020.

Total assets as at 30 June 2021 was \$26.0m, against \$26.3m as at 30 June 2020. The Group had also maintained a healthy cash position of \$9.2m as at 30 June 2021.

Total liabilities as at 30 June 2021 was \$9.4m, against \$11.6m as at 30 June 2020.

### **GROWTH AMONGST UNCERTAINTY**

Given the uncertainty the COVID-19 pandemic presents, we acknowledge the importance of being adaptable to market trends and changes. Aedge remains focused on a multi-pronged approach to continue to grow the business.

It is imperative that we continue to upkeep our strong track record of providing quality services and solutions for client retention. This entails continuous employee training programmes while committing to maintain our various accreditations such as "Clean Mark" (Silver) Award, "bizSAFE Star", "ISO 45001:2018" and "ISO 9001:2015". These awards are a testament to our service and safety standards.

On the other hand, Aedge will be placing more resources on further diversification of its customer base, which currently comprises government agencies, multi-national companies, government-linked companies and large corporations.

Aedge will also be adopting a 2-prong approach for strategic acquisitions. The first being potential investments that would further enhance its manpower fulfilment capabilities, moving up the value chain to provide recruitment services for in-demand sectors that are currently facing difficulties filling up new roles. The second being potential investments in the security business offering, that would allow it to offer a more complete suite of services to its customers.

### **DIVIDENDS**

The Board is recommending a final dividend of Singapore one cent (S\$0.01) per ordinary share.

The dividend payment, which amounts to \$1,060,000, is subject to shareholders' approval at the Annual General Meeting.

### **ACKNOWLEDGEMENTS**

On behalf of the Board, I would like to thank Aedge's management team and employees for their dedication and effort that have brought us to where we are now. I would also like to thank my fellow Directors for their support in my first year as Chairman.

I am grateful to our customers and business partners for your ongoing support. We continue to strive to provide best-in-class service. Last but not the least, I would like to thank you, our shareholders, who have given us their encouragement and support in our IPO. Aedge remains committed to provide value to all of its stakeholders.

### **POH SOON KENG**

Chairman  
September 2021



## OPERATIONS REVIEW



### Overview

During the year, the slowdown in the various sectors of the economy and the delay in the recovery due to the COVID-19 pandemic has affected our operations and revenue.

Our services are reliant on manpower. During the year in review, our operations faced unprecedented manpower challenges brought about by the COVID-19 pandemic, similar to many other organisations in Singapore. The border closures, tight restrictions on foreign workers, and the labour crunch that ensued made it difficult for us to meet the ongoing requirements for our services.

In the forthcoming year, Singapore expects its economy to grow at a faster pace than previously predicted as COVID-19 vaccinations here gain pace. The growth rate for the gross domestic product is forecasted by the Ministry of Trade and Industry to grow by 6 to 7 percent this year.

However, the outlook for the global economy remains uncertain due to the resurgence of the COVID-19 variant. Thus, our Group results will continue to be affected by the impact caused by this prolonged COVID-19 situation.

### Engineering Services

It has been a tough and challenging year as our engineering services attempt to focus on project and maintenance in the process industry in the midst of the COVID-19 pandemic. We have reduced our staffing numbers due to the pandemic. However, we have also managed to strengthen the core team as we

focused on training and development to emphasize on new capabilities.

The process industry has seen a steady demand for maintenance and projects works. This demand is met by our team specialising in providing scaffolding and insulation services. We have achieved good progress by securing major clients such as Shell.

Engineered shelters and shoring equipment shall continue to provide strong revenue with better margins for the Shell Bukom plants and Arkema plant. We expect steady demand from heavy duty shoring for infrastructure projects as pandemic controls eased. With scarce resources in the scaffolding industry, we plan to secure more contracts. We also have plans to secure contracts for fire retardant gratings for renewable energy projects. With earlier successes from previous windfarm projects such as Honseas II/Formosa for Sembcorp Marine Integrated Yard, and Chang Hua 1&2 project for Keppel Fels respectively, we are in a good position to tender for more projects.

### Transport Services

During the year in review, our transport services was adversely affected by the decline in local travel due to the work-from-home arrangements, cancellation of schools' CCA, and overall decline in mass activities and programs. The situation was compounded by inbound travel agencies and other transport companies having excess bus capacities, which resulted in very competitive bids for any new contracts. These have led to a significant decline in the utilisation rate of our buses.



For the forthcoming year, the Singapore government plans to loosen the control measures implemented since the COVID-19 outbreak. This should increase demand for local travel and a corresponding demand in transport services. We hope to be able to achieve an improved performance and increase the utilisation rate for our buses.

### **Security and manpower services**

In the past year, the labour crunch resulting from the COVID-19 situation has made it difficult for us to meet the ongoing market demand for security services. Our cleaning services was also similarly affected and experienced manpower shortage. With the increased demand for food delivery due to the nationwide lockdown, many of our cleaners were incentivised to join the food delivery business as drivers and deliverymen. This resulted in a shortfall of cleaners and affected our ability to meet the requirements of new project contracts.

Our aviation business experienced the hardest hit in FY2021 as business and leisure travel ground to a halt due to the large-scale travel restrictions that were implemented globally. Our manpower supply business for aviation technicians in the maintenance, repair and overhaul sector was the most severely impacted, with almost 85% of our aviation technicians' contracts terminated prematurely and the staff repatriated.

This business segment has undertaken several new initiatives to improve operations support and to formulate new sales strategies to increase revenue. We will take steps to improve and protect our customer base, and rejuvenate our business operations via a new taskforce group formation. This new taskforce will be poised to engage ongoing issues and develop creative solutions to efficiently overcome manpower crises, and generate new business opportunities.

The security and manpower services team will also adopt an aggressive strategy to introduce our security technology system to customers who are pursuing cost-cutting measures by promoting our remote surveillance capabilities and security technology integrations.

We anticipate that the current labour situation will remain challenging for the forthcoming year. However, we are optimistic on the progressive easing of domestic and border restrictions, as these measures will support the recovery of labour shortages. We expect that the recovery in Singapore's economy will filter down to this segment, and we are cautiously optimistic of an overall improved performance.



## BOARD OF DIRECTORS



Left to right: Mr Poh Soon Keng, Mr Foo Der Rong, Mr Hoon Tai Meng, Mr Teo Joo Huak, Mr Goh Joon Lian

### MR POH SOON KENG

*Executive Chairman and CEO*

**Mr Poh Soon Keng** is the founder of our Group and is currently our Executive Chairman and CEO, and was appointed to our Board on 3 October 2019.

He has over 20 years of experience leading and expanding our Group's business. Mr Poh is primarily responsible for the overall management, operations and strategic direction of our Group.

Mr Poh holds an honours degree in Public Administration conferred by Nanyang University in 1976.

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**Date of first appointment as a Director:** 3 October 2019

**Date of last re-election as a Director:** 16 October 2020

**Present Directorships in listed companies:** Nil

**Past Directorships in listed companies over preceding 3 years:** Nil

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### MR FOO DER RONG

*Executive Director*

**Mr Foo Der Rong** is currently our Executive Director (Corporate Development), and was appointed to our Board on 24 March 2020. He is responsible for corporate development, mergers and acquisitions and strategic planning.

Prior to joining our Group, he was the Managing Director and CEO of Intraco Limited from 2013 to 2015. He was also the Managing Director and CEO of Hanwell Holdings Limited (formerly known as PSC Corporation Ltd) from 2002 to 2012.

Mr Foo obtained a Bachelor of Commerce from Nanyang University in 1976.

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**Date of first appointment as a Director:** 24 March 2020

**Date of last re-election as a Director:** 16 October 2020

**Present Directorships in listed companies:**

Matex International Limited  
Noel Gifts International Ltd  
SLB Development Ltd

**Past Directorships in listed companies over preceding 3 years:**

Pavillon Holdings Ltd

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## MR HOON TAI MENG

*Lead Independent Director*

**Mr Hoon Tai Meng** is our Lead Independent Director and was appointed to our Board on 24 March 2020.

Mr Hoon is presently a senior consultant at RHTLaw Asia LLP ("RHT"). Prior to joining RHT, he was an executive director of Chip Eng Seng Corporation Ltd for seven (7) years and was a director of Chip Eng Seng Corporation Ltd for a total of 19 years. He practised law in T M Hoon & Co. Advocates & Solicitors and Khattar Wong Advocates & Solicitors for 14 years covering the areas of civil litigation, real estate, construction law, insolvency, corporate and capital markets.

Mr Hoon, a lawyer and accountant by profession, besides having more than 16 years of experience in law practice, also has around 20 years of experience in financial planning and management, as well as audit, tax and corporate secretarial functions. He was also a registered professional with the SGX-ST rendering continuing sponsorship services to companies listed on the Catalist.

Mr Hoon obtained a Bachelor of Commerce (Accountancy) from Nanyang University in 1976 and a Bachelor of Laws (Hons) from the University of London in 1993. He is a Chartered Accountant (Singapore), Fellow of the Chartered Institute of Management Accountants FCMA (UK), Fellow of the Association of Chartered Certified Accountants FCCA (UK), Chartered Global Management Accountant CGMA and Barrister-at-law (Middle Temple).

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**Date of first appointment as a Director:** 24 March 2020

**Date of last re-election as a Director:** 16 October 2020

**Present Directorships in listed companies:**

Federal International (2000) Ltd  
Hock Lian Seng Holdings Ltd  
Sin Ghee Huat Corporation Ltd  
Koufu Group Ltd

**Past Directorships in listed companies over preceding 3 years:**

Chip Eng Seng Corporation Ltd  
Pavillon Holdings Ltd  
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## MR TEO JOO HUAK

*Independent Director*

**Mr Teo Joo Huak** is our Independent Director and was appointed to our Board on 24 March 2020.

He has served as Assistant General Manager at Trans-Island Bus Services/ TIBS Holding Ltd from 1984 to 1994, and subsequently as General Manager from 1994 to 2004. He was also the Company Secretary from 1984 to 2004.

Mr Teo obtained a Bachelor of Accountancy from the University of Singapore in 1977.

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**Date of first appointment as a Director:** 24 March 2020

**Date of last re-election as a Director:** 16 October 2020

**Present Directorships in listed companies:** Nil

**Past Directorships in listed companies over preceding 3 years:** Nil  
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## MR GOH JOON LIAN

*Independent Director*

**Mr Goh Joon Lian** is our Independent Director and was appointed to our Board on 24 March 2020.

He had worked in Shell Singapore since 1999 and was the regional chairman of Shell South China when he left the company in 2012. He worked at Esso Singapore from 1979 to 1999 and at Sembawang Shipyard from 1976 to 1979.

Mr Goh obtained a Bachelor of Science with First Class Honours (Mechanical Engineering) from the University of Surrey, United Kingdom in 1976.

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**Date of first appointment as a Director:** 24 March 2020

**Date of last re-election as a Director:** 16 October 2020

**Present Directorships in listed companies:** Nil

**Past Directorships in listed companies over preceding 3 years:** Nil  
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## KEY MANAGEMENT PERSONNEL



Standing left to right: Mr Richard Yeo Mui Hong, Mr Daniel Ng Choon Beng, Mr Dennis Loh Siew Keen  
Sitting left to right: Ms Tan Siew Lan, Ms Tan Ah Hwa

### MR RICHARD YEO MUI HONG

Chief Operating Officer  
(Security and Manpower)

Mr Richard Yeo joined our Group in 2020 and is currently our Chief Operating Officer (Security and Manpower). He is responsible for overseeing the management and operations of our Group's security and manpower services business segment.

Prior to joining our Group, he was Chief Operating Officer of Concorde Security Pte Ltd and was in-charge of sales, management and the technical operations team.

Between 1994 and 2019, Mr Yeo served as Director of Sales in Fuji Xerox Singapore, where he was overseeing the direct sales and sales management team to drive the company's growth strategies. He was responsible for increasing market share in the distribution of the digital range of products and software solutions to targeted industry verticals.

Mr Yeo obtained a Bachelor of Business Administration from Thames Valley University (now known as University of West London) in 1997.

### MR DANIEL NG CHOON BENG

Chief Operating Officer  
(Engineering)

Mr Daniel Ng is our Chief Operating Officer (Engineering). He is responsible for overseeing the management and operations of our Group's engineering services business segment.

Between 1990 to 2015, Mr Ng served as the regional business development director of SGB Aluma Singapore Pte Ltd and assisted in the business development and management aspects of the business.

Mr Ng holds an honours degree in Bachelor of Civil Engineering and a Master's degree in Business Administration from the University of Newcastle upon Tyne in 1989 and 1990 respectively.

KEY MANAGEMENT PERSONNEL

**MR DENNIS LOH SIEW KEEN**

*Chief Financial Officer*

Mr Dennis Loh is our Chief Financial Officer and joined our Group in 2018. He is responsible for overseeing our Group's finance, tax and corporate secretarial matters.

Between 2014 to 2018, he was the head of finance in Bukit Sembawang Estates Limited, a company in the business of real estate development. From 2009 to 2014, Mr. Loh served as the Group Financial Controller in Amara Holdings Limited, a company in the business of hotel operations and real estate development. He was responsible for the finance, tax and corporate secretarial functions at Bukit Sembawang Estates Limited and Amara Holdings Limited.

Mr. Loh graduated with a Bachelor of Accountancy from the University of Singapore in 1980. He is a Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants since 1981.

**MS TAN SIEW LAN**

*Human Resources and Administration Director*

Ms Tan Siew Lan is our Human Resources and Administration Director. She is responsible for the human resources and administrative management of the Group.

Ms Tan obtained a Bachelor of Arts from Nanyang University in 1976.

**MS TAN AH HWA**

*Operations Director  
(Transport)*

Ms Tan Ah Hwa is our Operations Director (Transport). She is responsible for the overall management, operations, strategic planning of the Group's transport services business segment.





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Poh Soon Keng (*Chairman, Executive*)  
 Foo Der Rong (*Executive*)  
 Hoon Tai Meng (*Non-Executive, Independent*)  
 Goh Joon Lian (*Non-Executive, Independent*)  
 Teo Joo Huak (*Non-Executive, Independent*)

### AUDIT AND RISK COMMITTEE

Hoon Tai Meng (*Chairman*)  
 Goh Joon Lian  
 Teo Joo Huak

### NOMINATING COMMITTEE

Goh Joon Lian (*Chairman*)  
 Hoon Tai Meng  
 Poh Soon Keng

### REMUNERATION COMMITTEE

Hoon Tai Meng (*Chairman*)  
 Goh Joon Lian  
 Teo Joo Huak

### COMPANY SECRETARIES

Pan Mi Keay  
 Loh Siew Keen

### REGISTERED OFFICE

4009 Ang Mo Kio Avenue 10  
 #04-33 Techplace 1  
 Singapore 569738  
 Telephone : +65 6458 7645  
 Website : <https://www.aedge.com.sg/>

### COMPANY REGISTRATION NUMBER

201933214E

### AUDITORS

KPMG LLP  
 16 Raffles Quay #22-00  
 Hong Leong Building  
 Singapore 048581

#### *Partner in charge:*

Tan Kar Yee Linda  
 (appointed since the financial year ended 2020 for Aedge Group Limited and since the financial year ended 2018 for all the subsidiaries)

### SHARE REGISTRAR

Tricor Barbinder Share Registration Services  
 (A division of Tricor Singapore Pte. Ltd.)  
 80 Robinson Road #02-00  
 Singapore 068898  
 Telephone : +65 6236 3333

### SPONSOR

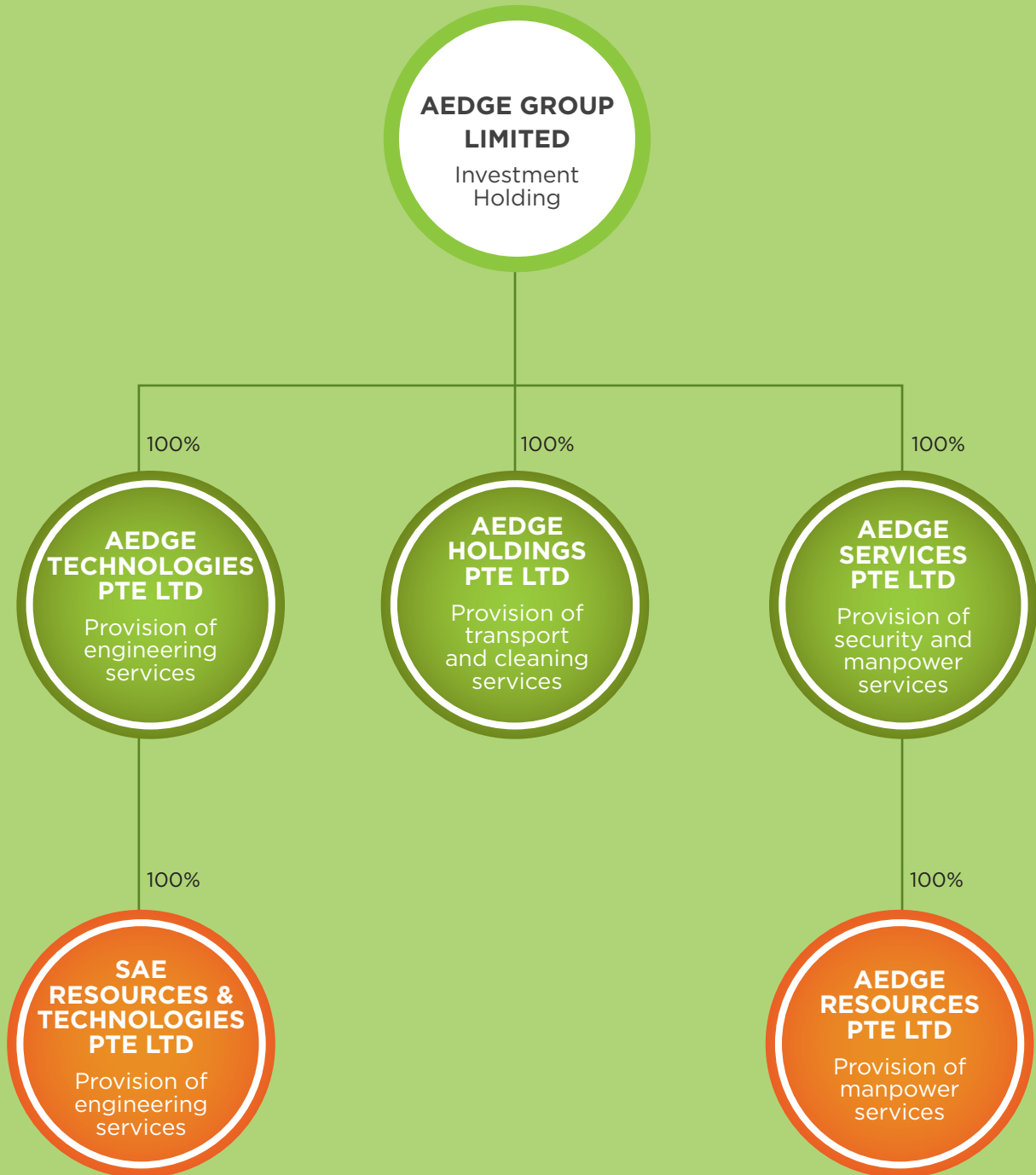
UOB Kay Hian Private Limited  
 8 Anthony Road #01-01  
 Singapore 229957

### BANKERS

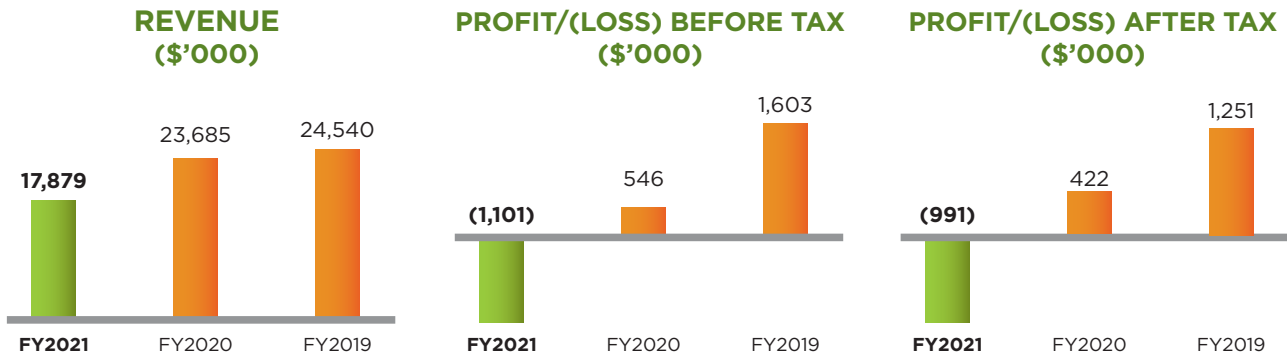
DBS Bank Ltd  
 Maybank Singapore Limited  
 Standard Chartered Bank (Singapore) Limited  
 United Overseas Bank Limited



# GROUP STRUCTURE



## GROUP FINANCIAL HIGHLIGHTS



	2021 \$'000	2020 \$'000	2019 \$'000
<b>Income</b>			
Revenue	17,879	23,685	24,540
Profit/(loss) before tax	(1,101)	546	1,603
Profit/(loss) after tax	(991)	422	1,251
<b>Financial Position</b>			
Total assets	26,004	26,344	24,505
Total liabilities	9,360	11,598	8,181
Total equity	16,644	14,746	16,325
<b>Selected ratios</b>	<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Net Assets Per Ordinary Share <sup>(1)</sup>	15.70	13.90	15.40
Basic and diluted earning/(loss) per share <sup>(2)</sup>	(1.00)	0.47	1.39
Dividends Per Ordinary Share	1.00	-	-

### Note

- (1) For comparison purposes, the calculation for the net asset value per ordinary share for the respective financial years is based on the post-IPO share capital of 106,000,000 shares in issue (excluding treasury shares).
- (2) The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.



## CORPORATE GOVERNANCE REPORT

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The Board of Directors (the “**Board**”) of Aedge Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) continues to be committed to ensuring and maintaining high standards of corporate governance and places importance on its corporate governance processes and systems which are essential to the stability and sustainability of the performance of the Group, promotion of corporate transparency, accountability and integrity of the Group, protection of interests of shareholders and maximisation of long-term shareholders’ value.

This report describes the corporate governance framework, practices, process and activities of the Company with specific reference to the underlying principles of the Code of Corporate Governance 2018 (the “**Code**”) that were in place throughout the financial year ended 30 June 2021 (“**FY2021**”). The Board believes that the Group has complied with the principles as set out in the Code. The Company is also guided by the voluntary Practice Guidance which was issued to complement the Code and which sets out best practice standards for companies. Where there are deviations from the provisions of the Code, appropriate explanations and reasons for deviation are provided in the relevant sections below.

### BOARD MATTERS

#### The Board’s Conduct of Affairs

##### **Principle 1:**

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

Besides carrying out its statutory responsibilities, the Board meets regularly to oversee the business affairs, corporate affairs and the overall performance of the Group and works with the management (“**Management**”) to take objective decisions in the best interest of the Group and shareholders. Board members are expected to act in good faith and exercise independent judgment in the best interests of the Group.

Any Director facing conflict of interest has recused himself from discussions and decisions involving the issues of conflict. The Management also plays a pivotal role in providing Board members with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

The Board recognises the key responsibilities include, but are not limited to, the following:

#### Corporate Governance

- a) Set the ‘tone at the top’ and instil an ethical corporate culture, including establishing a Code of Conduct.
- b) Review and ensure that the appropriate policies and practices on corporate governance are in place.
- c) Perform such duties and responsibilities as may be required by laws, regulations and Constitution of the Company.
- d) Review and monitor Group’s policies and practices on compliance with legal and regulatory requirements.
- e) Ensure that the required disclosures on corporate governance and related matters required by laws and regulations are made in the annual report and accounts, and to the regulatory authorities.
- f) Ensure prudent policies for carrying on business while promoting fair practices and high standards of business conduct.
- g) Assess annually the effectiveness of the Board and the Board committees, and contributions of each Director.
- h) Monitor and ensure the training and continuous professional development of Directors and senior management.
- i) Establish an Investor Relations Policy to promote regular, effective and fair communication with the Shareholders.

# CORPORATE GOVERNANCE REPORT

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## Strategy

- a) Set long-term strategic goals, review and assess the strategies from time to time, and monitor the progress towards achieving these goals.
- b) Consider sustainability issues, including issues relating to the environment and social factors, when formulating its strategies.

## Finance

- a) Review and approve the annual business plan and budget.
- b) Monitor the financial performance of the Group.
- c) Determine an appropriate capital and debt structure for the Group to meet its long-term business objectives.
- d) Set the Dividend Policy and declare dividends. Where it is decided not to declare dividends, the Board shall announce such together with the reason(s) for the decision.
- e) Review and approve significant acquisitions and divestments. As a general guide, a significant acquisition or divestment is one that exceeds three per cent of the shareholders' funds.

## Risk Management and Internal Controls

- a) Oversee the establishment and operation of an enterprise risk management framework to identify, assess, manage, monitor and report the Group's risks.
- b) Determine and review the Company's risk profile, risk tolerance level and risk strategy.
- c) Conduct 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 resources allocated to these functions.

## Human Resource

- a) Approve the organisational structure of the Group and its key management positions.
- b) Determine the compensation packages and incentive payment structure for key management positions.
- c) Oversee the design and operation of the remuneration policy and compensation framework.
- d) Develop the succession planning for Directors including the Chief Executive Officer ("CEO"), and oversee, through the Nominating Committee the succession plans for senior management.

The Group has adopted internal guidelines setting forth matters that require Board's approval. Matters specifically reserved for the approval by the Board are those relating to the long-term strategies and business plans, annual budget of the Group, material capital expenditure exceeding a threshold limit, significant mergers and acquisitions, corporate or financial restructuring, share issuances, interim dividend and other returns to shareholders and interested person transactions.

The Management is responsible for day-to-day operations/administration of the Group and they are accountable to the Board. Clear directions have been given out to the Management that such reserved matters must be approved by the Board.

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

CORPORATE GOVERNANCE REPORT

The Board has established and delegated specific authority to the committees of the Board, namely the Audit and Risk Committee (“**ARC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively, the “**Board Committees**”) with clear written terms of reference to assist the Board in carrying out and discharging its duties and responsibilities efficiently and effectively, and reporting back to the Board. The ARC and RC are made up of Independent Directors, and the NC is made up of majority Non-Executive Directors (“**NED**”), and each is chaired by an Independent Director. 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.

The ARC was previously known as the Audit Committee (“**AC**”). It has been renamed as the ARC as the Board is of the view that this will better reflect the scope and responsibilities of the Committee, as it has also assumed the responsibility of risk management. The composition of the ARC remains the same as the composition of the AC.

All the Board Committees are actively engaged and plays an important role in ensuring good corporate governance in the Company and within the Group.

The Board meets regularly on a quarterly basis with four (4) scheduled meetings held within each financial year to approve, among others, announcements of the Group’s half-year and full year financial results. Additional meetings are also convened to discuss and deliberate on urgent substantive matters or issues. The Board may also have informal discussions on matters requiring urgent attention which would then be formally approved by circular resolutions in writing. The Company’s Constitution provides for the Board to convene meetings via telephone conferencing and electronic means in the event when Directors were unable to attend meetings in person.

While the Board considers Directors’ attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms, including periodical reviews and the provision of guidance and advice on various matters relating to the Group.

The number of Board and Board Committees meetings held since the Company’s Initial Public Offer (“**IPO**”) in December 2020 up to the date of this report and the attendance of Directors during these meetings are as follows:

Name of Directors	Board of Directors		Audit and Risk Committee		Nominating Committee		Remuneration Committee	
	No. of Meeting		No. of Meeting		No. of Meeting		No. of Meeting	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Hoon Tai Meng	3	3	3	3	1	1	1	1
Mr Teo Joo Huak	3	3	3	3	1	1*	1	1
Mr Goh Joon Lian	3	3	3	3	1	1	1	1
Mr Poh Soon Keng	3	3	3	3*	1	1	1	1*
Mr Foo Der Rong	3	3	3	3*	1	1*	1	1*

\*By invitation



## CORPORATE GOVERNANCE REPORT

The Board ensures that incoming new Directors are given comprehensive and tailored induction on joining the Board including onsite visits, if necessary, to get familiarised with the business of the Group and corporate governance practices upon their appointment and to facilitate the effectiveness in discharging their duties. Newly appointed Directors will be provided a formal letter setting out their duties and obligations. They will be given briefings by the Management on the business activities of the Group and its strategic directions as well as its corporate governance practices. A newly appointed Director who has no prior experience as a director of a listed company in Singapore must undergo mandatory training organised by Singapore Institute of Directors in relation to the roles and responsibilities of a director of a listed company. There was no new Director appointed during FY2021 or after the IPO date.

Below are some of the trainings attended by our Directors in FY2021:-

Name of Director	Training Attended
Poh Soon Keng	LED 2,3,4,7
Goh Joon Lian	LED 2,3,4,5,6,7,8
Teo Joo Huak	LED 2,3,4,5,6,7,8

*LED: Listed Entity Director Essentials conducted by Singapore Institute of Directors*

All Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extension of opportunities for participation in the relevant training courses, seminars and workshops as relevant and/or applicable at the Group's expenses. The Directors are also provided with updates on the relevant new laws and regulations relevant to the Group's operating environment through emails and regular meetings. They also have the opportunity to visit the Group's operational facilities and meet with management to obtain a better understanding of the business operations.

To enable the Board to fulfill its responsibilities, it obtains information it deems adequate, complete and in a timely manner from the Management so as to make informed decisions. A system of communication between the Management, the Board and its Committees has been established and improved over time.

The Board, its Committees and every Director have separate and independent access to the Management and are free to request additional information as needed to make informed decisions.

In addition to the annual budget and business plans submitted to the Board for approval, the Board was provided with quarterly financial management report which contains key performance indicators informing the Directors of the Group's performance, position and prospects. The Management also kept the Board apprised of material variances between the actual results, corresponding period of last year and the budget, with appropriate explanation on such variances. Further, additional information is circulated to the Board on a regular basis as and when there is material development in the Group's business operations.

Board members have separate and independent access to Management and the Company Secretaries. The Company Secretaries and/or his/her representative(s) attend all Board and Board Committees' meetings and provide secretarial support to the Board, ensuring that Board procedures and all other rules and regulations applicable to the Company are adhered to.

The role of the Company Secretary is, inter alia, advising the Board on all governance matters and ensuring that all Board procedures are followed. Under the direction of the Chairman, the Company Secretary ensures good information flow to and within the Board and its Committees and between the Management and NED. Directors have separate and independent access to the Company Secretary through e-mail, telephone and face-to-face meetings. During FY2021, the Company Secretary attended all meetings of the Board and its Board Committees and the minutes of such meetings were promptly circulated to all Board and Board Committees as appropriate.

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

In the furtherance of their duties, the Independent Directors may seek independent professional advice, where appropriate, with such expense borne by the Company.

### **Board Composition and Guidance**

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

As at the date of this report, the Board comprises five (5) Directors, out of whom three (3) are Independent Non-Executive Directors and two (2) Executive Directors (“ED”). The Board, together with the ARC, RC and NC are constituted in compliance with the Code. The Board composition has a strong and independent element with three (3) Independent Directors that make up a majority of the Board.

The current composition of the Directors in the Board and its Board Committees is as follows:

<b>Name of Directors</b>	<b>ARC</b>	<b>NC</b>	<b>RC</b>
Mr Poh Soon Keng (Executive Chairman and CEO)	-	M	-
Mr Foo Der Rong (Executive Director, Corporate Development)	-	-	-
Mr Hoon Tai Meng (Lead Independent Director)	C	M	C
Mr Teo Joo Huak (Independent Director)	M	-	M
Mr Goh Joon Lian (Independent Director)	M	C	M

C - Chairman  
M - Member

The Directors bring with them a broad range of business and financial experience, skills and expertise in finance, industry, business, management and general corporate matters. The profiles of the Directors are set out on pages 6 to 7 of this Annual Report.

The Company currently have a fixed Board diversity policy and the objective is to enhance the decision-making of the Board by utilising the variety in skills, industry and business experiences, gender, age, tenure of service, and other distinguishing qualities of the members of the Board. Currently the Board has members with experience from different industries.

## CORPORATE GOVERNANCE REPORT

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The Board's size and composition will be reviewed annually by the NC to ensure that the Board and its Board Committees have the appropriate mix of skills, expertise, experience and knowledge of the Group as well as appropriate balance of Independent Directors. The NC is of the view that the current Board comprises persons whose diverse skills, expertise, experience, knowledge of the Group and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies for the effective functioning of the Board and an informed decision making process.

To assist the NC in its annual review of the Directors' mix of skills, and experiences that the Board requires to function competently and efficiently, the Directors have completed their assessment forms and provide additional information (if any) in their respective areas of specialization and expertise.

Details of the Directors' qualifications, background and working experience, principal commitments and shareholdings in related corporations are set out on pages 6, 7 and 39.

As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective, including the board diversity policy.

As set out under Provision 2.1 of the Code, an independent director is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company.

The independence of each Independent Director is assessed at least annually by the NC. Particular scrutiny is applied in assessing the continued independence of Directors having served beyond nine (9) years from the date of his first appointment, with attention to ensuring their allegiance remains clearly aligned with the shareholders' interest.

The NC conducted its annual review of the Directors' independence and confirmed their independence in accordance with the guidelines as set out in the Code and Rule 406(3)(d) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**"). There were no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Each of the Independent Directors has also provided his independence declaration confirming that he does not have any relationship with the Company or its related corporations, its substantial shareholders or its officers including confirming not having any relationships and circumstances provided in Provision 2.1 of the Code and Rule 406(3)(d) of the Catalyst Rules.

The NC has affirmed that Mr Goh Joon Lian, Mr Hoon Tai Meng and Mr Teo Joo Huak are independent and there are no relationships which would deem any of them not to be independent. Each of the Independent Directors has also confirmed his independence.

As Independent Non-Executive Directors make up a majority of the Board, there is a strong independent element on the Board and no individual or groups of individuals are able to dominate the Board's decision-making process. The Independent Non-Executive Directors have the necessary skills and experience to assist the Board in decision making and to provide a check and balance to the Board as they are not involved in the day-to-day operations of the Company.

As the Chairman of the Board is not an Independent Director, the NC has reviewed the composition of the Board and was satisfied that the Independent Directors make up a majority of the Board and provides the Board with independent and objective judgment on the corporate affairs of the Group. The Company is in compliance with the relevant provisions requiring majority of the Board to be made up of Non-Executive and Independent Directors as set out below:-

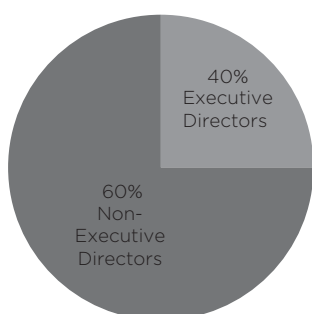
Provision 2.2 Independent directors make up a majority of the Board where the Chairman is not independent; and

Provision 2.3 Non-executive directors make up a majority of the Board.

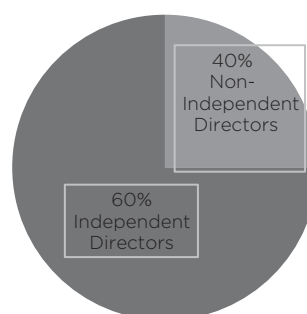
The Board believes that the Executive Chairman has always acted and will continue to act at all times in the best interest of shareholders as a whole and will strive to protect and enhance the long-term shareholder values and the financial performance of the Group.

The Independent Non-Executive Directors communicated without the presence of Management as and when the need arose. The Company also benefited from the 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 Committees' meetings.

**Directors Component**



**Independence Component**



**Chairman and Chief Executive Officer**

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

The Code advocates that there should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Group's business and no one individual should represent a considerable concentration of power.

Mr Poh Soon Keng (“**Mr Poh**”) is the Executive Chairman of the Board and Chief Executive Officer (“**CEO**”) of the Company. He assumes responsibility for the smooth functioning of the Board and ensures timely flow of information between Management and the Board; sets the agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues; promotes a culture of openness and debate at the Board; and promotes high standards of corporate governance. In addition, he also assumes responsibility for running the day-to-day business of the Group; ensures implementation of policies and strategy across the Group as set by the Board; manages the management team; and leads the development of the Group's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses. Mr Poh communicates with the Board regularly to update the corporate issues and developments. He plays a pivotal role in fostering constructive dialogue among stakeholders, the Board and the Management at various meetings.



## CORPORATE GOVERNANCE REPORT

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Taking into account the current corporate structure, size, nature and scope of the Group's operation, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and CEO. With the ARC and RC consisting of all Non-Executive and Independent Directors, and the NC consisting majority of Non-Executive and Independent Directors, the Board believes that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

Given that the Chairman is not an Independent Director, Mr Hoon Tai Meng ("**Mr Hoon**") has been appointed as the Lead Independent Director of the Company to provide leadership in situations where the Chairman is conflicted and he will be available to shareholders in situations where there are concerns or issues which communication with the Executive Chairman and CEO and/or Chief Financial Officer ("**CFO**") has failed to resolve or where such communication is inappropriate or inadequate. Mr Hoon will also take the lead in ensuring compliance with the Code.

When it is necessary, led by the Lead Independent Director, the Independent Directors will meet periodically without the presence of the EDs and CEO/CFO and the Management. The Lead Independent Director will provide feedback to the Chairman after such meetings as appropriate.

### **Board Membership**

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

The NC, which the majority of whom, including the NC Chairman, are independent, comprises the following Directors:

Mr Goh Joon Lian, Chairman	(Independent Director)
Mr Hoon Tai Meng	(Lead Independent Director)
Mr Poh Soon Keng	(Executive Chairman & CEO)

The Lead Independent Director is also a member of the NC.

The NC, which meets at least once a year, carries out its duties in accordance with a set of written Terms of Reference which includes, mainly, the following: -

- a) The review of structure, size and composition of the Board and the Board Committees.
- b) The review of succession plans for the Board Chairman, directors, CEO and members of senior management.
- c) The development of a transparent process for evaluating the performance of the Board, its Board Committees and directors, including assessing whether directors are able to commit enough time to discharge their responsibilities and the maximum number of listed company Board representations which a director may hold.
- d) The review of training and professional development programmes for the Board.
- e) The appointment and reappointment of all Directors (including any Alternate Directors).

The Board, through the NC has reviewed annually the effectiveness of the Board as a whole and its required mix of skills and experience and other qualities, including core competencies, which Directors should bring to the Board.

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 and each Director as well as succession planning. It seeks to refresh the board membership as it thinks fit in an orderly and progressive manner so as to keep institutional memory intact. It also ensures compliance with the requirements of the Company's Constitution which provides that at each AGM, one-third of the Board is required to retire and provided always that every Director shall retire from office at least once every 3 years.

In this respect, the NC has recommended and the Board has agreed for the following Directors to retire and seek re-election at the forthcoming AGM:

Pursuant to Regulation 98 of the Company's Constitution:

- (i) Mr Teo Joo Huak
- (ii) Mr Goh Joon Lian

In making the recommendations, the NC considers the overall contribution and performance of the Directors as well as the internal guideline set for rotation of Directors.

Each member of the NC shall abstain from deliberations and voting on any resolutions in respect of the assessment of his performance, or re-election as a Director of the Company.

In addition, the Directors, by the recommendation of NC, shall have the power to appoint any person to be the Director either to fill a casual vacancy or as an additional Director. All new Directors who are appointed by the Board are subject to re-election at the next AGM but shall not be taken into account in determining the numbers of Directors who are retire by rotation at such meeting.

The NC leads the process and makes recommendations to the Board for the selection and approval of appointment of new Directors as follows:-

- i. Consider candidates from a wide range of backgrounds.
- ii. Consider candidates on their own merits and evaluate against objective criteria such as their experience, knowledge and skills in relation to the Directors of the Board; and whether the candidates will add diversity to the Board and whether they are likely to have adequate time to discharge their duties.
- iii. Consider the composition and progressive renewal of the Board or Board Committees.
- iv. Appoint an independent third party to source and screen candidates, if necessary.
- v. Before recommending an appointee to the Board, the NC shall ask him to disclose any existing or expected future business interest that may lead to conflict of interest. This disclosure is to be included in any recommendations to the Board.
- vi. Following the Board's confirmation, the NC will send the newly appointed Director a formal appointment letter which clearly sets out his roles and responsibilities, authority, and the Board's expectations in respect of his time commitment as a director of the company.
- vii. The NC recommends the membership of the Board Committees to the Board.

The Board is also advised by the Sponsor on the appointment of Directors as required under Catalist Rule 226(2)(d).

## CORPORATE GOVERNANCE REPORT

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The NC will evaluate the suitability of the nominee or candidate based on his qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board, before making its recommendation to the Board. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Company's or Group's business and affairs) and his independence. The Board is to ensure that the selected candidate is aware of the expectations and the level of commitment required. Directors are encouraged to attend relevant training programmes conducted by the Singapore Institute of Directors, SGX-ST, and other business and financial institutions and consultants.

The NC ensures that new Directors are aware of their duties and obligations. The NC also decides if a Director is able to and has been adequately carrying out his duties as a Director of the Company. In assisting the NC to determine whether Directors who are on multiple boards have committed adequate time to diligently discharge their duties and responsibilities towards the Company's affairs, internal guidelines have been established to address the competing time commitments faced by Directors serving on multiple boards. To address the competing time commitments that are faced when Directors serve on multiple boards, the NC is of the view to not set a maximum number of listed company Board representations and other principal commitments. The reason for not doing so is that the number of directorships and principal commitments each Director may hold should be considered on a case-by-case basis, as an individual's available time and attention may be affected by many different factors, such as the nature of appointment and the responsibilities. The Board believes that each Director is best placed to determine and ensure that he/she is able to devote sufficient time and attention to discharge his/her duties and responsibilities to the Group, bearing in mind his other commitments.

The NC have reviewed each of the Director's directorships in other companies and principal commitments as well as each Director's attendance, overall performance and contribution to the Board. During the year, the NC has considered each Director's other listed company board representations and principal commitments and is satisfied that each Director is able to carry out and has been adequately carrying out their duties as a Director of the Company and that each Director has given sufficient time and attention to the affairs of the Company.

All Independent Non-Executive Directors are required to declare their Board representations at the Board meeting whenever there is change and at the end of each financial year.

Presently, the Company does not have any alternate Director as the Board does not encourage the appointment of alternate Director unless it is in exceptional case.

Key information of each member of the Board is set out in the profile of Board of Directors in this Annual Report on pages 6 to 7 and also under the section on "Disclosure of information on directors seeking re-election pursuant to Rule 720(5) of the Catalist Rules" in this Annual Report on pages 110 to 117.

### **Board Performance**

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

The NC has in place a framework for annual performance evaluation to assess the effectiveness of the Board as a whole and its ability to discharge its responsibilities in providing stewardship, corporate governance and oversight of Management's performance duties more effectively, to assess its Board Committees, as well as the contribution of each individual Director to the effectiveness of the Board. In this respect, the NC has adopted guidelines for a formal annual assessment process and developed performance criteria set out in assessment checklists, performance evaluation questionnaires, which were approved by the Board.

The evaluation exercise is carried out annually by way of completion of the performance evaluation questionnaires, which are circulated to the Board members for completion and thereafter for the NC to review and determine the actions required to ensure continuous improvement of the corporate governance of the Company and effectiveness of the Board as a whole and of each Board Committee separately as well as the contribution by the Chairman and each Individual Director.

For the year under review, all Directors participated in the evaluation by completing the performance evaluation questionnaires.

For the assessment of the effectiveness of the Board as a whole; it includes criteria such as the size and composition of the Board, processes and information flow, meeting attendance, participation, Board procedures and accountability, matters concerning CEO/key management personnel ("KMP"), standards of conduct of Board members; the assessment was completed by each individual Director

For the assessment of the Board Committees, it was completed by the Chairman of the respective Committee, in consultation with his Committee members.

For the assessment of the contribution each Director to the effectiveness of the Board, this was done jointly by the Chairman of the Board and Chairman of the NC.

The updated evaluation returns by Directors and Members of Board Committees were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's and its Board Committees' performances for the year.

Based on the completed review, the NC is satisfied that the Board, as a whole, and its Board Committees, has been effective, and that each Director has contributed sufficiently to the effective functioning of the Board.

The Board has not engaged any external consultant to conduct an assessment of the effectiveness of the Board and the contribution by each individual Director to the effectiveness of the Board. However, the NC will consider such an engagement as and when necessary.

## REMUNERATION MATTERS

### ***Procedures for Developing Remuneration Policies***

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

Matters concerning remuneration of the Board, KMP and other employees who are immediate family members of the Directors, the CEO or Substantial Shareholder of the Company (if any) are handled by the RC whose primary function is to develop formal and transparent policies on remuneration matters and fixing the remuneration packages of the Directors of the Company and KMP. The RC also reviews and ensures that the Company's remuneration system is appropriate to attract, retain and motivate the required talents to run the Company successfully.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this Report under Principles 6, 7 and 8; and in the Financial Statements of the Company and of the Group.



## CORPORATE GOVERNANCE REPORT

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The RC comprises the following three (3) Directors, all of whom including the RC Chairman are Independent Non-Executive Directors:

Mr Hoon Tai Meng, Chairman	(Lead Independent Director)
Mr Teo Joo Huak	(Independent Director)
Mr Goh Joon Lian	(Independent Director)

The RC, which meets at least once a year, carries out its duties in accordance with a set of written Terms of Reference which includes, mainly, the following:

1. Take into account all relevant legal and regulatory requirements, including the principles and provisions of the Code, when determining the company's remuneration policies. In doing so, it should also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals.
2. Set the remuneration policy for Directors (both EDs and NEDs), CEO and KMPs. The Board should recommend proposed NED fees for shareholders' approval.
3. Monitor the level and structure of remuneration for senior management relative to the internal and external peers and competitors.
4. Review the ongoing appropriateness and relevance of the company's remuneration policy.
5. Obtain reliable, up-to-date information on the remuneration practices of other companies and the relevant market benchmarks through the appointment of external consultants. Such information can also be obtained by commissioning or purchasing any appropriate reports, surveys or information. These will be at the expense of the company, subject to budgetary constraints imposed by the Board.
6. Oversee any major changes in employee benefits or remuneration structures.
7. Review the design of all long-term and short-term incentive plans for approval by the Board and shareholders.
8. Ensure that the contractual terms and any termination payments are fair to the individual and the company. Poor performance should not be rewarded.
9. Set performance measures and determine targets for any performance-related pay schemes operated by the company.
10. Oversee the talent management and succession planning matters for executives. EDs should collaborate on this with the NC.
11. Work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration.

The RC is responsible for ensuring a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors, KMPs and related employees. All aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, awards to be granted under the performance share plan as well as other benefits-in-kind are reviewed by the RC. The recommendations of the RC are submitted for endorsement by the Board. Such frameworks are reviewed periodically to ensure that the Directors and KMPs are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also considers and recommends the CEO's remuneration package including fixed salary, guaranteed bonus plus an annual incentive bonus calculated based on the consolidated net profit before tax and extraordinary items.

The RC also ensures that the Independent Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised. Each member of the RC abstains from voting on any resolutions in respect of his own remuneration package. Directors' fees are further subject to the approval of shareholders at the AGM.

The remuneration of related employees is reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review. The RC also takes into account the current market circumstances and the need to attract and retain experienced/outstanding Directors and KMPs.

Where necessary, the RC will consult external professionals on remuneration matters of Directors and KMPs. For FY2021, the Company did not engage any external remuneration consultants to advise on remuneration matters as the Group deemed not necessary given that the relevant information can be searched through the internet.

### **Level and Mix of Remuneration**

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

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

The Company's remuneration structure for its EDs and KMPs comprises mixture of three key components (fixed and variable):

- (a) annual fixed salary;
- (b) annual incentive bonus; and
- (c) other incentive.

The annual fixed cash component comprises the annual fixed salary as per the Service Agreements. The annual incentive bonus is calculated based on the Group's audited consolidated profit before taxation subject to the terms and conditions in the Service Agreements.

The Company has entered into separate Service Agreements on 24 March 2020 with the Executive Chairman and CEO, Mr Poh Soon Keng; Executive Director, Mr Foo Der Rong; and Chief Operating Officer, Mr Ng Choon Beng.

Under the Service Agreements, the Company provides for the sole use of our Executive Chairman and CEO, Mr Poh Soon Keng and our Chief Operating Officer (Engineering), Mr Ng Choon Beng, one (1) motor car each. Such motor car shall be of such make and model to be approved by the Board and the Company shall also bear the premium for insurance and road tax thereof and shall reimburse the executives for all its running expenses (including car parking expenses, toll charges, petrol, lubrication, maintenance and repairs).

To remain competitive and relevant, the Company aims to benchmark its annual fixed salary at market median with variables being strictly performance driven.

The CEO, being an ED, has a service agreement with the Company with a validity period of three (3) years and subject to renewal after expiry of every three (3) years. There were no onerous removal clauses contained in the service agreement and will be reviewed to reflect the strategic importance to the Group. The review of the service contract of the CEO come under the purview of the RC to ensure fairness and reasonable terms of service is tied with his performance.

## CORPORATE GOVERNANCE REPORT

Having reviewed and considered the salary components of the EDs and the KMPs which is considered reasonable and commensurate with their respective job scope and level of responsibilities, the RC is of the view that there is no requirement to use contractual provisions to allow the Company to reclaim incentive components of the remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The EDs owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the EDs in the event of such breach of fiduciary duties.

The remunerations of the Non-Executive and Independent Directors are set out in accordance with a framework comprising a basic Directors' fee, in addition to Board Committees' fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. The Company believes that the current remuneration of the Independent Directors is at a level that will not compromise the independence of the Directors. Directors' fees are paid subject to approval of shareholders at each AGM.

### Long-term Incentive Scheme

The Company has adopted a performance share plan known as the "Aedge Performance Share Plan" ("PSP") and a share option scheme known as the "Aedge Employee Share Option Scheme" ("ESOS"). Both the PSP and ESOS provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Both the PSP and ESOS form an integral and important component of the compensation plan and are designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and the Group. As the date of this report, no awards have been granted under the PSP and ESOS.

### Disclosure on Remuneration

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

Details on the remuneration of Directors and KMPs for the year under review are presented below. During FY2021, there was no termination, retirement and post-employment benefits granted to any Director and KMP. A summary of each NEDs' and ED's remuneration paid or payable by the Company for FY2021 is set out below:

Name of Directors	Breakdown of Remuneration in Percentage (%)				
	Fees <sup>1</sup> (%)	Salary <sup>2</sup> (%)	Performance bonus (%)	Other benefits (%)	Total (%)
Below S\$250,000					
Mr Poh Soon Keng	-	96.2	-	3.8	100
Mr Foo Der Rong	-	100	-	-	100
Mr Hoon Tai Meng	100	-	-	-	100
Mr Teo Joo Huak	100	-	-	-	100
Mr Goh Joon Lian	100	-	-	-	100

#### Notes:

1. The Directors' Fees are subject to the approval of the shareholders at the AGM.
2. The salary amount shown is inclusive of allowances and CPF.

### Remuneration of Key Management Personnel (Other than the Company's Executive Director)

The table below sets out the remuneration received by key management personnel that the Company considers senior enough and appropriate for disclosure purpose. The ranges of gross remuneration received by the top five (5) key management personnel in the Company and its subsidiaries, are presented as follows:

Name of Top 5 Key Management Personnel	Position	Breakdown of Remuneration in Percentage (%)			
		Salary <sup>1</sup> (%)	Variable Bonus (%)	Other benefits (%)	Total (%)
<b>Between S\$50,000 to S\$150,000</b>					
Mr Yeo Mui Hong	Chief Operating Officer (Security & Manpower)	100	-	-	100
Mr Ng Choon Beng	Chief Operating Officer (Engineering)	100	-	-	100
Mr Loh Siew Keen	Chief Financial Officer & Company Secretary	92.7	7.3	-	100
Ms Tan Siew Lan <sup>2</sup>	Human Resource and Administration Director	96.2	3.8	-	100
Ms Tan Ah Hwa <sup>3</sup>	Operations Director (Transport)	96.3	3.7	-	100

**Notes:**

1. The salary amount shown is inclusive of CPF.
2. Ms Tan Siew Lan is the spouse of Mr Poh Soon Keng, Executive Director and CEO
3. Ms Tan Ah Hwa is the sister of Ms Tan Siew Lan, sister-in-law of Mr Poh Soon Keng

For FY2021, there are only five (5) key management personnel of the Group, excluding the Executive Directors. In aggregate, the total remuneration (including CPF contribution thereon and bonus) paid to the top five (5) key management personnel in financial year ended 30 June 2021 is approximately S\$570,000.

Taking into consideration the highly competitive business environment and nature of the industry and in order to maintain confidentiality on the remuneration policies of the Company and sensitivity reasons, the Board is of the view that it is in the best interests of the Company to keep the disclosure of remuneration of each individual Director and key management personnel in salary bands instead of providing full disclosure which may adversely affect talent attraction and retention.

Pursuant to Provision 8.2 of the Code, the details of the remuneration (which comprises salaries, bonuses and benefits-in-kind only) of employee who are immediate family members of a director or the CEO or Substantial Shareholder, and whose remuneration exceeded S\$100,000 during the year is disclosed below.

Name	Family relationship	Designation	Total Remuneration in Compensation Bands
Tan Ah Hwa	Sister of Tan Siew Lan who is a Substantial Shareholder	Operations Director (Transport)	S\$100,001 to S\$200,000 per annum

The RC is of the view that his remuneration is in line with Company's staff remuneration guidelines and commensurate with his job scopes and level of responsibilities.

In determining the remuneration of the ED and the KMP, the RC reviewed their respective key performance indicators achievements and assessed their performance for the financial year under review.



# CORPORATE GOVERNANCE REPORT

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## ACCOUNTABILITY AND AUDIT

### *Risk Management and Internal Controls*

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

The Board recognises the importance of providing accurate and relevant information on a timely basis. In this respect, the ARC reviews all financial statements and recommends them to the Board for approval. In addition, the ARC ensures that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks.

In discharging its responsibility of providing accurate relevant information on a timely basis to shareholders in compliance with statutory and regulatory requirements, the Board strives to ensure the timely release of the Group's financial results and that the results provide a balanced and understandable assessment of the Group's performance, position and prospects.

The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, where appropriate. The Independent Directors in consultation with Management will request for Management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.

On a quarterly basis, the Management will furnish an overall presentation to the ARC and the Board confirming, inter alia, that the financial processes and controls as well as the integrity of the Group's financial statements are in place, highlighting material financial risks and impacts and providing updates on status of significant financial issues of the Group, if any. During the year, all the unaudited half-yearly and full year results of the Group have been announced within the respective deadlines.

The Management updates the Board on the Group's business activities and financial performance by providing updates on any business, operations and financial related matters on a quarterly basis as well as upon advance request. Such reports compared the Group's actual performance against the approved budget and result of the previous year. They also highlighted key business indicators and major issues that are relevant to the Group's performance from time to time in order for the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Prior to the release of financial result to the public, the Management will present the Group's financial performance together with notes explaining in detail the operations and trends to the ARC, which will review and recommend the same to the Board for approval and adopt for the release of the results.

In accordance with the Catalist Rules, the Board has issued negative assurance statements in its half-yearly financial results announcement, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Board is responsible for the governance of risk. It ensures that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

## CORPORATE GOVERNANCE REPORT

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The Management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems and to provide the Board with a basis to determine the Group's level of risk tolerance and risk policies. The Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls. The Board also recognises its responsibilities in ensuring a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

In FY2021, the Company engaged Baker Tilly LLP ("**BT**") as its internal auditor to the Board and the ARC in their review of the Group's risk management and internal control systems focusing on financial, operational, compliance and information technology controls. The Board believes that adequate internal controls within the Group are crucial to ensure that the Group continues to meet or exceed its standards in all key aspects along with safeguarding the shareholder's interests and the Group's assets through effective risk management.

On an annual basis, the ARC reviews and reports to the Board the Group's risk profile, evaluates results and counter-measures to mitigate or transfer identified potential risks so as to assure itself and the Board that the process is operating effectively as planned. The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately the management and the Board, working as a team. The process identifies relevant potential risks across the Group's operations with the aim to bring them to within acceptable cost and tolerance parameters.

The Management regularly reviews and updates the Board on the Group's business and operational activities in respect of the key risk control areas including financial, operational, compliance and information technology controls and continues to apply appropriate measures to control and mitigate these risks. All significant matters are highlighted to the Board and the ARC for further discussion. The Board and the ARC also work with the internal auditors, external auditors and Management on their recommendations to institute and execute relevant controls with a view to manage such risks.

The Board notes that no cost effective system of internal controls could provide absolute assurance against the occurrence of material errors, losses, fraud or other irregularities. No significant risk on the internal control system was brought to the attention of ARC during FY2021. In view of the above and based on the internal controls established and maintained by the Group, work performed by the internal auditors, statutory audits conducted by the external auditors, and reviews performed by the Management, various board committees and the Board so far, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control systems, addressing the financial, operational, compliance and information technology risks, put in place during the financial year were adequate and effective. This is in turn supported by the assurance from the CEO and the CFO (including back-to-back assurance from other key management personnel who are responsible) that (a) the financial records of the Company have been properly maintained and the financial statements prepared in accordance with the relevant accounting standards give a true and fair view of the Company's operations and finances; and (b) an effective risk management and internal control systems have been put in place.

The Board, with the concurrence of the ARC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2021.

Furthermore, the Board believes its responsibility of overseeing the Group's risk management framework and policies are well supported. The Board will look into the need for establishment of a separate board risk committee at the relevant time.

# CORPORATE GOVERNANCE REPORT

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## **Audit Committee**

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

The Board recognises the importance of providing accurate and relevant information on a timely basis. To ensure that the corporate governance is effectively practiced, the Board has established self-regulatory and monitoring mechanisms, including the establishment of the ARC to ensure that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks. The ARC consists of three (3) Independent Non-Executive Directors as follows:

Mr Hoon Tai Meng, Chairman	(Lead Independent Director)
Mr Teo Joo Huak	(Independent Director)
Mr Goh Joon Lian	(Independent Director)

Mr Hoon Tai Meng, Mr Teo Joo Huak and Mr Goh Joon Lian, do not have any existing business or professional relationship with the Group, Directors or substantial shareholders of the Company. None of the ARC members are related to other Directors or substantial shareholders of the Company.

The Board is satisfied that the ARC members, collectively, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.

The ARC meets on a quarterly basis and plays a key role in assisting the Board to review significant financial reporting issues and judgments to ensure the quality and integrity of the accounting reports, the audit procedures, internal controls, financial statements and any announcements relating to the Group's financial performance. Since the Company's IPO in December 2020 up to the date of this report, the ARC held three meetings with full attendance.

The members of the ARC carry out their duties in accordance with a set of written Terms of Reference which includes, mainly, the following:

- (a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- (b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- (c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- (d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- (e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and
- (f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Apart from the duties listed above, the ARC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the ARC shall abstain from voting on any resolutions in respect of matters in which he is interested.

## CORPORATE GOVERNANCE REPORT

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The ARC has oversight of the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors. The ARC has explicit authority to investigate any matters relating to the Group's accounting, auditing, internal controls and/or financial practices brought to its attention, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The ARC had reviewed transactions falling within the scope of the terms of reference of ARC in respect of the interested person transaction and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The ARC had reviewed and discussed with the Management for both the half-year and full year financial statements before submission to the Board for its approval. In the process, the ARC reviewed the key areas of management judgement applied for adequate provisioning and disclosure, accounting policies, key audit matters and any significant changes made which have a material impact on the financials. The external auditors also presented their salient features memorandum to the ARC, covering the audit focus areas, key audit matters findings, quality and independence.

The external auditors have unrestricted access to the ARC. The ARC met with the external auditors, without the presence of the Management, and reviewed the overall scope of the external audit and the assistance given by the Management to the auditors.

The ARC had reviewed for any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response.

The ARC also reviewed the independence and objectivity of the external auditors and has reviewed the scope and value of non-audit services provided to the Group by the external auditors, Messrs. KPMG LLP. The aggregate amount of audit fees paid or payable to the external auditors for FY2021 is S\$120,000. No non-audit fee was paid to the external auditors during FY2021. The ARC was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

The Company has received the notice of nomination from a shareholder, Ms Fam Yien Fung, dated 5 August 2021 on the appointment of Messrs Moore Stephens LLP in place of the retiring Auditors, KPMG. KPMG has served as the External Auditors of the Company and its subsidiaries (the "**Group**") since the IPO.

The ARC has recommended that Messrs Moore Stephens LLP be nominated for appointment as auditors in place of the retiring auditors, KPMG LLP at the forthcoming AGM. In recommending the appointment of the auditors, the ARC considered and reviewed several key factors, including amongst other things, adequacy of the resources and experience of supervisory and professional staff as well as the audit engagement partner to be assigned to the audit, and the size and complexity of the Group and its businesses and operations.

The Group has also complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditors in respect of FY2021.

The ARC 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 the Management. It also has full discretion to invite any Director or any member of the Management to attend its meetings or be provided with reasonable resources to enable it to discharge its functions properly.

In addition to the activities undertaken to fulfill its responsibilities, the ARC will seek advice from the Management, Company Secretary and external auditors in order to keep abreast of the changes in accounting standards and issues, SGX-ST listing rules and other codes and regulations which could have an impact on the Group's business and financial statements.



## CORPORATE GOVERNANCE REPORT

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In addition, there was no former partner or Director of the Company's existing auditing firm or auditing corporation is a member of the ARC of the Company: (a) within a period of 2 years commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case (b) for so long as he has any financial interest in the auditing firm or auditing corporation.

### **Whistle Blowing Policy**

To encourage proper work ethics and eradicate 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 Whistle Blowing Policy stipulates the mechanism by which concerns about plausible improprieties in matters of financial reporting, etc., may be raised. A dedicated secured e-mail address ([whistleblowing@aedge.com.sg](mailto:whistleblowing@aedge.com.sg)) allows whistle blowers to contact the ARC directly. The Whistle Blowing Policy, its procedures and contact details of the ARC have been made available to all employees.

The Company's Whistle Blowing Policy allows not just employees but also external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle blowing in good faith.

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

No whistle-blowing concerns were reported for FY2021.

### **Internal Audit**

The ARC's responsibilities over the Group's internal controls include reviewing the scope and effectiveness of the overall internal audit system, programmes and various aspects of internal controls and risk management are complemented by the work of the internal auditors.

BT is engaged as independent internal auditor to perform internal audit review on the various business processes of the Group. The Company's internal audit function is independent of the activities it audits. BT is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. BT is staffed with professionals with relevant qualifications such as the Certified Internal Auditor qualification with the Institute of Internal Auditors. BT is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors in carrying out its work.

The primary reporting line of the internal audit function is to the ARC, the ARC approves the hiring, removal, evaluation and compensation of the internal auditors. By engaging BT as its internal auditors, the ARC believes that BT is independent, effective and adequately resourced to perform internal audit review as BT has received full cooperation from Management.

The internal auditors' carrying out of their audit work is in accordance with the standards set by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The ARC ensures that Management provides good support to the internal auditors and provides them with access to documents, records, properties and personnel when requested in order for the internal auditors to carry out their work accordingly. The internal auditors also have unrestricted access to the ARC on internal audit matters. The ARC will review internal audit reports of the Group. Any material non-compliance or failures in internal control and recommendations for improvements will be reported to the ARC.

The ARC also convenes a meeting with the internal auditors without the presence of Management to discuss matters relating to the internal audits, at least on an annual basis.

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### *Shareholders Rights and Conduct of General Meetings*

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

### *Engagement with Shareholders*

***Principle 12: The company communicates regularly with its 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.***

### **Shareholders Rights**

The Company believes in regular, effective and fair communication with members of the investment community and investing public and has adopted a comprehensive policy to provide clear, timely and fair disclosure of information about the Company's business developments and financial performance that could have a material impact on the price or value of its shares.

Shareholders are informed of general meetings through notices published in the Company's announcements via SGXNET as well as through the Company's official website and the reports/circulars sent to all shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

The Constitution of the Company allows an individual shareholder to appoint not more than two proxies to attend and vote on his or her behalf at the general meetings. Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the shareholders' meetings, 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 form of proxy appoints more than two proxies, the number of class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

### **Conduct of General Meetings**

The Group supports and encourages active shareholders' participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNET and published in local newspapers, as well as posted on the Company's website.

## CORPORATE GOVERNANCE REPORT

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The Company's Constitution allows all shareholders to appoint proxy(ies) to attend general meetings and vote on their behalf. Voting in absentia and by mail electronic mail or facsimile may be possible at the Directors' discretion to approve or implement, subject to the security measures as may be deemed necessary or expedient to ensure that the integrity of the information and authentication of the identity of shareholder(s) is not compromised. Separate resolutions are tabled on each substantially separate issue at general meetings unless the issues are interdependent and linked so as to form one significant proposal and if such, the explanatory notes are set out in the notices of general meetings to explain the reasons and its material implications. All Directors including Chairman of the Board and the respective Chairman of the Board Committees, senior management and the external auditors are invited to be in attendance at general meetings to address any queries of the shareholders. Shareholders are encouraged to meet and communicate with the Board and vote on all resolutions.

The Company Secretary prepares minutes of general meetings that include substantial and pertinent comments from shareholders relating to the agenda of the meetings and responses from Management and the Board, subsequently approved by the Board. Such minutes will be published on its corporate website as soon as practicable and the minutes will record substantial and relevant comments or queries from the shareholders relating to the agenda of the general meeting, and responses from the Board and Management going forward.

The Board acknowledges voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution where shareholders are accorded rights proportionate to the shareholding and all votes counted. To enhance shareholders' participation, the Group puts all resolutions at general meetings to vote by manual poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage via SGXNET after the general meetings. At present, the Company does not intend to conduct voting by poll via electronic polling method as shareholders' turn-out at general meetings is expected to be manageable.

Due to the COVID-19 restriction orders in Singapore, the Company will apply and adopt the alternative arrangements for the convening, holding and conducting of the AGM for FY2021 in accordance with the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), as set out in the second column of the First Schedule of the Order. Minutes of the AGM to be held on 28 October 2021 will be published on the SGXNET and also at the Company's corporate website within one (1) month after the AGM date.

### **Engagement with Shareholders**

The Group acknowledges the importance of regular communication with shareholders and investors through which shareholders can have an overview of the Group's performance and operation. In line with the continuous disclosure obligations under the Catalist Rules of the SGX-ST and the Singapore Companies Act, Chapter 50, the Board has established a policy to inform 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 Group's affairs, whilst safeguarding its commercial interests. Material information on the Group has been released to the public through the Company's announcements via the SGXNET.

The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders are protected. Information is communicated to shareholders on a timely basis through the Company's annual report, circulars to shareholders (if any), half-year and full year financial results and the various announcements.

## CORPORATE GOVERNANCE REPORT

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The Company communicates with shareholders and the investing community through the timely release of announcements to the SGX-ST via SGXNET.

Financial results of the Company and the Group are required to be released within 45 days from the half year financial year ended and 60 days from the full year financial year ended during a year.

In addition, the annual report is distributed to shareholders and/or published via SGXNET within the mandatory period before the AGM.

To further enhance its communication with investors, the Company has enhanced its website, [www.aedge.com.sg](http://www.aedge.com.sg) where the public can assess information of the Group directly.

The Group strongly encourages shareholders' participation at the AGM which is held in Singapore. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business related matters through dialogue sessions. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

The Company does not adopt a fixed dividend rate policy, but it is committed to achieving sustainable income and growth to enhance total shareholder return. The Group aims to balance cash return to shareholders and investment for sustaining growth, while aiming for an efficient capital structure. The Company strives to provide consistent and sustainable ordinary dividend payments to its shareholders. The Board is recommending one (1) Singapore cent per ordinary share for FY2021 as the tax exempt (one-tier) final dividend payable to the shareholders, subject to the approval of shareholders at the forthcoming AGM. In considering the form, frequency and amount of dividends that the Board may recommend or declare in respect of any particular year or period, the Board takes into account various factors including:

- \* the results of operations and cash flow;
- \* the expected financial performance and working capital needs;
- \* future prospects; and
- \* capital expenditures and other investment plans;

as well as general economic and business operations in regional basis and other factors deemed relevant by the Board and statutory restrictions on the payment of dividends.

The Company is committed to achieving sustainable income and growth to enhance total shareholder return although it does not have a fixed dividend policy.

The Company has an investor relations policy which establishes the processes and practices of the Company to ensure timely, effective, unbiased and transparent communication with the investing community. In the forthcoming AGM, the Company shall provide specific channels through which shareholders may post their questions to the Company. The Company shall post the responses on its website and SGXNET. At other times of the year, shareholders may also contact the Company through the enquiry form found on the Company's corporate website.

All disclosures and announcements submitted to the SGX via SGXNET will be made available on Aedge's corporate website. In the unlikely event that information previously undisclosed is made known to the public, the Company will promptly announce the relevant information to the public through SGXNET and the corporate website.

# CORPORATE GOVERNANCE REPORT

## MANAGING STAKEHOLDERS RELATIONSHIPS

### *Engagement with Stakeholders*

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

The Board recognises the importance in maintaining positive stakeholder relationships, and adopts an inclusive approach in the management and engagement of the Group's stakeholders including customers, investors, regulators and employees.

Section 6.5 of Practice Note 7F of the Catalist Rules provides that sustainability reporting will be required from its first full financial year of listing for an issuer listed on or after 1 January 2017. Section 5.3 of Practice Notice 7F further states that to provide sufficient time for preparation, an issuer in its first year of reporting may report within 12 months of the end of its financial year.

As the Company was listed on 14 December 2020, its first full financial year of listing shall be in respect of financial year ended 30 June 2022 ("FY2022"). As such, the Company will be required to issue its first sustainability report ("First SR Report") no later than 12 months from the end of FY2022, i.e. no later than 30 June 2023. The Group is currently working towards issuing its First SR Report, which sets out its corporate social responsibility practices and strategy and key areas of focus in relation to the management of stakeholder relationships.

## OTHER CORPORATE GOVERNANCE MATTERS

### DEALING IN SECURITIES

*(Rule 1204(19) of the Catalist Rules)*

The Company has adopted an internal compliance code which prohibits dealings in the Securities of the Company by Directors and officers while in possession of price-sensitive information. The Company, its Directors and officers should not deal in the Company's securities on short-term considerations and are prohibited from dealing in the securities of the Company during the period beginning one month before the announcement of the half-year and full-year financial results respectively, and ending on the date of the announcement of the results.

The Company, Directors, and officers of the Group are also required to adhere to the provisions of the Securities and Futures Act, Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions.

Directors and officers of the Group are also expected to observe the insider-trading laws at all times even when dealing with securities within the permitted trading period.

### INTERESTED PERSON TRANSACTIONS

*(Rule 907 of the Catalist Rules)*

As a listed company on the SGX-ST, the Company has taken the following steps to ensure compliance with the requirements of the Chapter 9 of the Listing Manual of SGX-ST in relation to the interested person transactions, including ensuring that interested person transactions are properly reviewed, approved, and conducted on an arm's length basis.



CORPORATE GOVERNANCE REPORT

The ARC reviewed the interested persons transactions (“**IPTs**”) reported by the Management on a quarterly basis. The IPTs are consistently reviewed by the Management and all findings were reported during the ARC meetings.

The ARC has established procedures to ensure that all the IPTs are reported to the ARC on timely basis and the transactions are carried out on normal commercial terms and will not be prejudicial to the interest of the Company and its minority shareholders as well as all the relevant rules under Chapter 9 of the Listing Manual of SGX-ST are complied with. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Company did not obtain any general mandate from Shareholders for IPTs pursuant to Rule 920 of the SGX-ST Listing Manual of the SGX-ST. There were no IPTs that were more than \$100,000 during the financial year ended 30 June 2021.

**MATERIAL CONTRACTS**

*(Rule 1204(8) of the Catalist Rules)*

Save for service agreement between the Company and the Executive Directors as disclosed in this report, there were no other material contracts of the Company and its subsidiaries involving the interests of the Executive Chairman or any Director or controlling shareholder, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

**NON-SPONSOR FEES**

*(Rule 1204(21) of the Catalist Rules)*

There were no non-sponsor fees paid to the Company’s continuing sponsor, UOB Kay Hian Private Limited subsequent to the Company’s listing on the Catalist of the SGX-ST up to 30 June 2021.

**USE OF IPO NET PROCEEDS**

As at 30 June 2021, the net proceeds have been fully utilised and it has been utilised as follows:-

<b>Use of proceeds</b>	<b>Amount Allocated (S\$’000)</b>	<b>Amount Utilised (S\$’000)</b>	<b>Balance (S\$’000)</b>
Acquisition of property, plant & equipment	1,319	1,319	-
General working capital purposes <sup>(1)</sup>	350	350	-
Total net proceeds	1,669	1,669	-

*Note (1): Payment of corporate and administrative expenses which include new staff salaries.*


The above utilisation is in accordance with the intended use of proceeds from the IPO as stated in the Offer Document dated 3 December 2020.

**CORPORATE DISCLOSURE**

The Company believes that a high level of disclosure is essential to enhance the standard of corporate governance. Hence, the Company is committed to provide a high level of disclosure in all public announcements, press releases and annual reports.



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## DIRECTORS' STATEMENT

Year ended 30 June 2021

### Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2021.

In our opinion:

- (a) the financial statements set out on pages 47 to 101 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 30 June 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

### Directors

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

Poh Soon Keng  
Hoon Tai Meng  
Teo Joo Huak  
Foo Der Rong  
Goh Joon Lian

### Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and company in which interests are held	Ordinary shares Share registered in the name of director		Ordinary shares Share in which director is deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
	<b>Aedge Group Limited</b>			
Poh Soon Keng Holding Company -	6,681,820	6,681,820	67,500,000	67,500,000
<b>PTCC Holdings Pte. Ltd.</b>				
Poh Soon Keng	26,700	26,700	26,700	26,700

## DIRECTORS' STATEMENT

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Year ended 30 June 2021

By virtue of Section 7 of the Singapore Companies Act, Cap. 50, Poh Soon Keng is deemed to have an interest in the shares held by PTCC Holdings Pte. Ltd. in Aedge Group Limited and its subsidiaries.

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

### Audit and Risk Committee

The members of the Audit and Risk Committee during the year and at the date of this report are:

- Hoon Tai Meng (Chairman), non-executive director
- Teo Joo Huak, non-executive director
- Goh Joon Lian, non-executive director

The Audit and Risk Committee performs the functions specified in Section 201B of the Act, the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual and the Code of Corporate Governance.

The Audit and Risk Committee held three meetings since the Company's listing on Catalist of the SGX-ST on 14 December 2020. In performing its functions, the Audit and Risk Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit and Risk Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption and approval; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit and Risk Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit and Risk Committee has made its recommendations to the Board of Directors and the Board of Directors is satisfied with the proposed appointment of Moore Stephens LLP as external auditors of the Company in place of the retiring auditors, KPMG LLP, at the forthcoming annual general meeting of the Company.

In appointing our auditors for the Company and its subsidiaries, we have complied with Rules 712 and 715 read with 716 of the SGX-ST Listing Manual.

**Share options**

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

**Auditors**

The retiring auditor, KPMG LLP, will not be seeking re-appointment at the forth coming Annual General Meeting. Moore Stephens LLP has expresses its willingness to accept appointment as auditor.

On behalf of the Board of Directors

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**Poh Soon Keng**

*Director*

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**Foo Der Rong**

*Director*

27 September 2021





# INDEPENDENT **AUDITORS' REPORT**

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Members of the Company  
Aedge Group Limited

## **Report on the audit of the financial statements**

### *Opinion*

We have audited the financial statements of Aedge Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 47 to 101.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “Act”), Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the years 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 *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. 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.

**Valuation of property, plant and equipment (PPE)**

*(Refer to Note 4 to the financial statements)*

**Risk:**

The Group has PPE with a net book value of \$11,015,000. These non-financial assets are subject to an annual impairment test or more frequently if there are indicators of impairment. The Group identifies transport and scaffolding operations as individual cash generating units (CGU) within the PPE held by the Group.

The Group performed impairment assessments for each of the CGUs by estimating the recoverable amounts based on the value-in-use method. The estimation of the recoverable amount of the CGUs is a highly judgmental process which requires estimation of revenue growth rates, discount rates and future economic conditions.

**Our response:**

We evaluated whether the CGUs were appropriately identified by management based on our understanding of the current business structure of the Group. We assessed the Group's process for identifying indicators of impairment for each of the CGUs.

We assessed the reasonableness of the key assumptions used by management in developing the cash flow projections. This included a comparison of rate of revenue growth with historical results and expected market growth. We also performed our own assessment of discount rate applied by management.

**Our findings:**

We found the identification of the CGUs and each CGU's indicators of impairment to be reasonable and appropriate.

The key assumptions used for the Group's cash flow projections appears to be within the range of historical results and are aligned with expected market growth rates. The discount rate applied is within the range of industry data.

**Recoverability of trade receivables and contract assets**

*(Refer to Note 9 and 10 to the financial statements)*

**Risk:**

As at 30 June 2021, the Group has trade receivables and contract assets of \$4,080,000 and \$292,000 respectively, which are susceptible to heightened risk of default due to current economic environment.

In accordance with SFRS(I) 9 Financial Instruments, the Group is required to recognise loss allowances on expected credit losses on financial assets. The determination of loss allowances requires significant judgement and estimates to determine whether the financial assets is credit-impaired, and the best estimate of the ultimate realisation of trade receivables and contract assets.

## INDEPENDENT **AUDITORS' REPORT**

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### ***Our response:***

We reviewed the Group's estimation process used in determining the amounts of loss allowance recognised on expected credit losses on financial assets.

On the application of the expected credit loss model, we assessed the Group's estimation techniques and assumptions used to determine the amount of expected credit losses on trade receivables and contract assets as at reporting date.

We tested the completeness and accuracy of data inputs in the model, and evaluated the forward-looking overlay applied. We evaluated management's assessment on the recoverability of trade receivables and contract assets, corroborating explanations with underlying documentation and correspondences between customers and management, taking into consideration the historical receipt records and credit risk of each customer. We also reviewed the subsequent receipts for debtors with long outstanding balances.

### ***Our findings:***

The Group has process to assess credit risk and to determine the amounts of loss allowance to be recognised for the expected credit losses on trade receivables and contract assets.

The judgement and estimate applied by management around the recovery of trade receivables and contract assets were relevant under the facts and circumstances currently made available to the Group.

### ***Other information***

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

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

### ***Responsibilities of management and directors for the financial statements***

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

## INDEPENDENT AUDITORS' REPORT

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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 controls.
- Obtain an understanding of internal controls 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 controls.
- 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.
- 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.

## INDEPENDENT **AUDITORS' REPORT**

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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 controls that we identify during our audit.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude 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 those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Linda Tan Kar Yee.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

27 September 2021



## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Assets</b>					
Property, plant and equipment	4	11,015	11,540	-	-
Intangible assets	5	15	19	-	-
Investment in subsidiaries	6	-	-	11,661	11,661
Fixed deposits	7	146	258	-	-
<b>Non-current assets</b>		<b>11,176</b>	11,817	<b>11,661</b>	11,661
Inventories	8	261	234	-	-
Trade and other receivables	9	5,113	8,298	2,495	2,200
Contract assets	10	292	479	-	-
Cash and cash equivalents	7	9,162	5,516	1,660	10
<b>Current assets</b>		<b>14,828</b>	14,527	<b>4,155</b>	2,210
<b>Total assets</b>		<b>26,004</b>	26,344	<b>15,816</b>	13,871
<b>Equity</b>					
Share capital	11	14,590	11,701	14,590	11,701
Reserves	12	2,054	3,045	1,098	93
<b>Total equity</b>		<b>16,644</b>	14,746	<b>15,688</b>	11,794
<b>Liabilities</b>					
Loans and borrowings	13	1,230	-	-	-
Lease liabilities	14	507	1,183	-	-
Deferred tax liabilities	15	617	734	-	-
Provision	16	29	29	-	-
<b>Non-current liabilities</b>		<b>2,383</b>	1,946	-	-
Loans and borrowings	13	3,276	3,567	-	-
Lease liabilities	14	942	1,421	-	-
Trade and other payables	17	2,670	4,648	128	2,077
Current tax liabilities		89	16	-	-
<b>Current liabilities</b>		<b>6,977</b>	9,652	<b>128</b>	2,077
<b>Total liabilities</b>		<b>9,360</b>	11,598	<b>128</b>	2,077
<b>Total equity and liabilities</b>		<b>26,004</b>	26,344	<b>15,816</b>	13,871

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

## CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

Year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Revenue	18	17,879	23,685
Cost of sales	19	<b>(15,883)</b>	(21,101)
<b>Gross profit</b>		<b>1,996</b>	2,584
Other income	20	<b>2,777</b>	2,119
Distribution costs		<b>(118)</b>	(99)
Administrative expenses	21	<b>(5,196)</b>	(3,130)
Other expenses	22	<b>(393)</b>	(800)
<b>Results from operating activities</b>		<b>(934)</b>	674
Finance income		<b>12</b>	4
Finance costs		<b>(179)</b>	(132)
<b>Net finance costs</b>	23	<b>(167)</b>	(128)
<b>(Loss)/Profit before tax</b>	24	<b>(1,101)</b>	546
Tax credit/(expense)	25	<b>110</b>	(124)
<b>(Loss)/Profit for the year and total comprehensive income for the year</b>		<b>(991)</b>	422
<b>Basic and diluted (loss)/earnings per share (cents)</b>	26	<b>(1.00)</b>	0.47

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2021

	Note	Share capital \$'000	Capital reserve \$'000	Merger reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 July 2019		11,701	200	(8,701)	13,124	16,324
<b>Total comprehensive income for the year</b>						
Profit and total comprehensive income for the year		-	-	-	422	422
<b>Total comprehensive income for the year</b>		-	-	-	422	422
<b>Transactions with owners, recognised directly in equity</b>						
<b>Distributions to owners</b>						
Dividends declared	12	-	-	-	(2,000)	(2,000)
<b>Total distributions to owners</b>		-	-	-	(2,000)	(2,000)
At 30 June 2020		11,701	200	(8,701)	11,546	14,746
At 1 July 2020		11,701	200	(8,701)	11,546	14,746
<b>Total comprehensive loss for the year</b>						
Loss and total comprehensive income for the year		-	-	-	(991)	(991)
<b>Total comprehensive loss for the year</b>		-	-	-	(991)	(991)
<b>Transactions with owners' recognised directly in equity</b>						
<b>Contributions by owners</b>						
Issue of ordinary shares	11	2,889	-	-	-	2,889
<b>Total contributions by owners</b>		2,889	-	-	-	2,889
At 30 June 2021		<b>14,590</b>	<b>200</b>	<b>(8,701)</b>	<b>10,555</b>	<b>16,644</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
(Loss)/Profit before tax		(1,101)	546
Adjustments for:			
Depreciation of property, plant and equipment	4	2,199	2,141
Amortisation of intangible assets	5	4	4
Impairment losses on trade receivables		44	306
Finance income		(12)	(4)
Finance cost		179	132
Loss on disposal/write-off of property, plant and equipment		13	211
		<b>1,326</b>	3,336
Changes in:			
- Inventories		(27)	(234)
- contract assets		187	1,528
- trade and other receivables		3,140	(3,012)
- trade and other payables		25	(310)
Cash generated from operations		<b>4,651</b>	1,308
Net tax refund		66	69
<b>Net cash from operating activities</b>		<b>4,717</b>	1,377
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(1,578)	(632)
Interest received		12	4
Proceeds from disposal of property, plant and equipment		180	65
<b>Net cash used in investing activities</b>		<b>(1,386)</b>	(563)
<b>Cash flows from financing activities</b>			
Decrease/(Increase) in deposits pledged to financial institution		112	(3)
Dividends paid		(2,000)	-
Net proceeds from issuance of placement shares		2,889	-
Payment of lease liabilities		(1,504)	(2,544)
Payment in amount due to directors		(2)	(15)
Proceeds from loans and borrowings		1,500	3,565
Payment of loan and borrowings		(561)	-
Interest paid		(119)	(21)
<b>Net cash from financing activities</b>		<b>315</b>	982
<b>Net increase in cash and cash equivalents</b>		<b>3,646</b>	1,796
Cash and cash equivalents at beginning of the year		5,516	3,720
<b>Cash and cash equivalents at end of the year</b>	7	<b>9,162</b>	5,516

## Significant non-cash transaction

During the year ended 30 June 2021, the Group purchased property, plant and equipment amounting to \$1,867,000 (2020: \$1,070,000) of which \$289,000 (2020: \$438,000) were acquired under lease arrangements.

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

# NOTES TO THE FINANCIAL STATEMENTS

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Year ended 30 June 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 September 2021.

## **1 DOMICILE AND ACTIVITIES**

Aedge Group Limited (the “Company”) is a company incorporated in the Republic of Singapore on 3 October 2019 under the name of Aedge Group Pte Ltd. The Company was converted to a public limited company on 24 March 2020 and the name of the Company was changed to Aedge Group Limited in connection therewith. The address of the Company’s registered office is Blk 4009 Ang Mo Kio Avenue 10, Tech Place I #04-33, Singapore 569738.

The financial statements of the Group comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

The immediate and ultimate holding company is PTCC Holdings Pte. Ltd., a company incorporated in the Republic of Singapore.

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries are described in Note 6.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”). SFRS(I)s are issued by the Accounting Standards Council, which comprise standards and interpretations that are equivalent to IFRSs issued by the International Accounting Standards Board.

All references to SFRS(I)s and IFRSs are subsequently referred to as SFRS(I)s in these financial statements unless otherwise specified.

### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

### **2.3 Functional and presentation currency**

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. The financial information has been rounded to the nearest thousand, unless otherwise stated.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 2 BASIS OF PREPARATION (Cont'd)

### 2.4 Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included in:

- \* Note 30 – measurement of expected credit losses allowance for trade receivables and contract assets; and
- \* Note 6 – Impairment in a subsidiary.

#### **Measurement of fair values**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

## 2 BASIS OF PREPARATION (Cont'd)

### 2.5 Change in accounting policy

The Company has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 July 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- *Interest Rate Benchmark Reform* (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group to all periods in these financial statements and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

### 3.1 Basis of consolidation

#### (i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.1 Basis of consolidation (Cont'd)

#### (i) Business combinations (Cont'd)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

#### (ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.1 Basis of consolidation (Cont'd)

##### (iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

##### (iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### (v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

##### (vi) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment loss.

#### 3.2 Financial instruments

##### (i) Recognition and initial measurement

###### ***Non-derivative financial assets and financial liabilities***

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.2 Financial instruments (Cont'd)

#### (ii) Classification and subsequent measurement

##### ***Non-derivative financial assets***

On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

##### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ***Financial assets: Business model assessment***

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.2 Financial instruments (Cont'd)

##### (ii) Classification and subsequent measurement (Cont'd)

###### **Financial assets: Business model assessment** (Cont'd)

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- \* the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

###### **Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.2 Financial instruments (Cont'd)

#### (ii) Classification and subsequent measurement (Cont'd)

##### ***Non-derivative financial assets: Subsequent measurement and gains and losses***

###### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

##### ***Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

#### (iii) Derecognition

##### ***Financial assets***

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

**3 SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

**3.2 Financial instruments** (Cont'd)

**(iii) Derecognition** (Cont'd)

***Financial liabilities***

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

**(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**(v) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded in cash and cash equivalents.

**(vi) Share capital**

***Ordinary shares***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

**(vii) Intra-group financial guarantees in the separate financial statements**

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.2 Financial instruments (Cont'd)

#### (vii) Intra-group financial guarantees in the separate financial statements (Cont'd)

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from financial guarantees are included within 'loans and borrowings'.

### 3.3 Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.3 Property, plant and equipment (Cont'd)

##### (ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Office and storage space	2 - 3 years
• Fixtures and fittings	5 years
• Computers	1 - 3 years
• Office equipment	5 years
• Motor vehicles	5 - 10 years
• Machinery and equipment	5 years
• Scaffold equipment	10 years
• Insulation equipment	10 years
• Renovation	3 - 10 years or over leased period, whichever is shorter

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.4 Inventories

Inventories of scaffolding materials are stated at the lower of cost and net realisable value. Cost is determined using the specific identification method. Cost comprises the purchase price, including transport and handling costs, and other directly attributable costs of acquisition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

### 3.5 Intangible assets

#### (i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

#### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

#### (iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Customer relationships 7 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

### 3.6 Leases

At inception of a contract, the Group assesses whether a 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.

### **3 SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

#### **3.6 Leases** (Cont'd)

##### **As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. 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, 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, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless 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. In that case 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 and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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 Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;
- 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; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.6 Leases (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment'.

#### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.7 Impairment

#### **(i) Non-derivative financial assets and contract assets**

The Group recognises loss allowances for expected credit loss (ECLs) on financial assets measured at amortised costs, contract assets and intra-group financial guarantee contracts (FGC).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

#### *Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.7 Impairment (Cont'd)

##### (i) Non-derivative financial assets and contract assets (Cont'd)

###### *General approach*

The Group applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

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

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

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

The Group considers a financial asset and a contract asset to be in default when the borrower or customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The Group considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

###### *Measurement of ECLs*

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.7 Impairment (Cont'd)

#### (i) Non-derivative financial assets and contract assets (Cont'd)

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

##### *Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than contract assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

### **3 SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

#### **3.7 Impairment** (Cont'd)

##### **(ii) Non-financial assets** (Cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

#### **3.8 Employee benefits**

##### **(i) Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

##### **(ii) Employee leave entitlements and other short-term employee benefits**

Employee leave entitlements and other short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under accrued salaries and wages if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.9 Provisions

Provisions are recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### 3.10 Revenue

#### ***Engineering services, transport services and security and manpower services***

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction prices allocated to the satisfied PO.

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

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

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards completion satisfaction of that PO.

### 3.11 Government grants

Cash grants received from the government grants are recognised as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 3.12 Finance income and finance costs

The Group's finance income and costs include:

- interest income on funds invested; and
- interest expense on lease liabilities and loans and borrowings.

Interest income or expense is recognised as it accrues in profit or loss, using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### 3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 3.13 Tax (Cont'd)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### **3 SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

#### **3.14 Earnings per share**

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

#### **3.15 Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed by the Group's CEO (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets.

#### **3.16 New standards and interpretations not adopted**

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The Group is in the process of assessing the impact of the new standards, interpretations and amendments to the standards on the Group's consolidated financial statements and the Company's statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

	Office and storage space \$'000	Fixtures and fittings \$'000	Computers \$'000	Office equipment \$'000	Motor vehicles \$'000	Machinery and equipment \$'000	Scaffold equipment \$'000	Insulation equipment \$'000	Renovation \$'000	Total \$'000
<b>Cost</b>										
At 1 July 2019	114	31	87	116	17,556	242	1,356	96	178	19,776
Additions	438	4	36	16	58	16	408	1	93	1,070
Disposals/write-off	-	(2)	-	-	(686)	(9)	(243)	(5)	-	(945)
At 30 June 2020	552	33	123	132	16,928	249	1,521	92	271	19,901
At 30 June 2020	552	33	123	132	16,928	249	1,521	92	271	19,901
Additions	289	2	109	12	18	44	1,389	4	-	1,867
Disposals/write-off	-	-	(5)	(3)	(118)	(5)	(217)	(5)	-	(353)
At 30 June 2021	<b>841</b>	<b>35</b>	<b>227</b>	<b>141</b>	<b>16,828</b>	<b>288</b>	<b>2,693</b>	<b>91</b>	<b>271</b>	<b>21,415</b>
<b>Accumulated depreciation</b>										
At 30 June 2019	-	22	75	40	6,509	94	34	2	112	6,888
Depreciation charge for the year	164	3	7	23	1,707	31	152	10	44	2,141
Disposals/write-off	-	(2)	-	-	(641)	(4)	(20)	(1)	-	(668)
At 30 June 2020	164	23	82	63	7,575	121	166	11	156	8,361
At 30 June 2020	164	23	82	63	7,575	121	166	11	156	8,361
Depreciation charge for the year	244	4	22	25	1,662	34	183	9	16	2,199
Disposals/write-off	-	-	(5)	(1)	(104)	(3)	(46)	(1)	-	(160)
At 30 June 2021	<b>408</b>	<b>27</b>	<b>99</b>	<b>87</b>	<b>9,133</b>	<b>152</b>	<b>303</b>	<b>19</b>	<b>172</b>	<b>10,400</b>
<b>Carrying amounts</b>										
At 1 July 2019	-	9	12	76	11,047	148	1,322	94	66	12,774
At 30 June 2020	388	10	41	69	9,353	128	1,355	81	115	11,540
At 30 June 2021	<b>433</b>	<b>8</b>	<b>128</b>	<b>54</b>	<b>7,695</b>	<b>136</b>	<b>2,390</b>	<b>72</b>	<b>99</b>	<b>11,015</b>

## 4 PROPERTY, PLANT AND EQUIPMENT

NOTES TO THE FINANCIAL STATEMENTS

**4 PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

Property, plant and equipment includes right-of-use assets of \$3,406,000 (2020: \$5,981,401) related to leases office and storage space and motor vehicles as at 30 June 2021.

The Group leases motor vehicles under a number of leases. The leased motor vehicles secure the lease obligations. The net carrying amounts of leased motor vehicles amounted to \$2,973,000 (2020: \$5,593,000) for the year ended 30 June 2021.

**5 INTANGIBLE ASSETS**

	<b>Customer relationships \$'000</b>
<b>Cost</b>	
At 1 July 2019, 30 June 2020 and 30 June 2021	<b>27</b>
<b>Accumulated amortisation</b>	
At 1 July 2019	4
Amortisation charge for the year	4
At 30 June 2020	8
Amortisation charge for the year	4
At 30 June 2021	<b>12</b>
<b>Carrying amounts</b>	
At 1 July 2019	23
At 30 June 2020	19
At 30 June 2021	<b>15</b>

**6 INVESTMENT IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Equity investments at cost	<b>14,201</b>	14,201
Impairment losses	<b>(2,540)</b>	(2,540)
	<b>11,661</b>	11,661

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 6 INVESTMENT IN SUBSIDIARIES (Cont'd)

Detail of the subsidiaries are as follow:

Company name	Principal activities	Principal place of business	Effective equity held by the Group	
			2021 %	2020 %
Aedge Holdings Pte Ltd	Provision of transport and cleaning services	Singapore	100	100
Aedge Technologies Pte Ltd	Provision of engineering services	Singapore	100	100
Aedge Services Pte. Ltd.	Provision of security and manpower services	Singapore	100	100
<i>Subsidiary of Aedge Technologies Pte Ltd</i>				
SAE Resources and Technologies Pte Ltd	Provision of engineering services	Singapore	100	100
<i>Subsidiary of Aedge Services Pte Ltd</i>				
Aedge Resources Pte. Ltd.	Provision of manpower services	Singapore	100	100

On 24 March 2020, the Company entered into a Restructuring Exercise which involves acquiring 100% of the issued and paid-up share capital in Aedge Holdings Pte Ltd pursuant to a sale and purchase agreement dated 24 March 2020 with the shareholders of Aedge Holdings Pte Ltd for a consideration of \$11,701,000. The consideration was satisfied by the allotment and issue of 9,999 ordinary shares of the Company to the vendors. Upon completion of the above acquisition, Aedge Holdings Pte Ltd and its subsidiaries became subsidiaries of the Company.

In connection with the Restructuring Exercise, the Company also acquired 100% of the issued and paid-up share capital in Aedge Services Pte Ltd and Aedge Technologies Pte Ltd from Aedge Holdings Pte Ltd pursuant a sale and purchase agreement dated 24 March 2020, for a nominal consideration of \$1.00 for each of the entities. The consideration was satisfied by cash.

The Restructuring Exercise was considered to be an acquisition of equity interests by entities under common control, and therefore, the entities acquired by the Group pursuant to the Restructuring Exercise has been accounted for in a manner similar to the pooling-of-interests method.

NOTES TO THE FINANCIAL STATEMENTS

**6 INVESTMENT IN SUBSIDIARIES** (Cont'd)

The Company assessed the carrying amount of its investment in subsidiaries for indications of impairment. The recoverable amount of the relevant investment in subsidiaries was estimated using the fair value less cost to sell at the reporting date. The fair value measurement was estimated based on the net asset value as the assets and liabilities held by the subsidiaries approximate their carrying amounts due to short period to maturity.

At the reporting date, the Company carried out a review of the recoverable amount of its net investment in a subsidiary and determined that no change to the impairment loss made previously is required. During the assessment for the year ended 30 June 2020, the recoverable amount estimated was \$9,161,000 and the Company recognised an impairment loss of \$2,540,000 on its investment in a subsidiary. The fair value measurement of the recoverable amount excluding cost of disposal has been categorised as Level 3 on the fair value hierarchy and based on the inputs of the valuation technique used (see note 2.4).

**Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring the recoverable amount as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between key unobservable inputs and fair value measurement</u>
Asset-based value approach	Net asset value of subsidiary	The estimated fair value would increase (decrease) if net asset value is lower (higher).

**7 FIXED DEPOSITS AND CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash on hand	<b>24</b>	26	-	-
Fixed deposits	<b>146</b>	258	-	-
Cash at bank	<b>9,138</b>	5,490	<b>1,660</b>	10
Cash and cash equivalents	<b>9,308</b>	5,774	<b>1,660</b>	10
Presented on the statements of financial position as:				
Fixed deposits (non-current)	<b>146</b>	258	-	-
Cash and cash equivalents (current)	<b>9,162</b>	5,516	<b>1,660</b>	10
	<b>9,308</b>	5,774	<b>1,660</b>	10
Deposits pledged	<b>(146)</b>	(258)	-	-
Cash and cash equivalents in the statement of cash flows	<b>9,162</b>	5,516	<b>1,660</b>	10

Fixed deposits of the Group amounting to \$146,000 (2020: \$258,000) as at 30 June 2021 were pledged to financial institutions for banker's guarantee facilities (see Note 13).



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 8 INVENTORIES

	Group	
	2021 \$'000	2020 \$'000
Scaffolding materials	<b>261</b>	234

During the year ended 30 June 2021, inventories of \$820,000 (2020: Nil) were recognised as an expense during the year and included in 'cost of sales' (see Note 19)

### 9 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables:				
- third parties	<b>4,362</b>	6,166	-	-
- retention receivable	-	41	-	-
Impairment losses	<b>(282)</b>	(274)	-	-
	<b>4,080</b>	5,933	-	-
Other receivables (non-trade):				
- dividend receivables from subsidiaries	-	-	<b>2,250</b>	2,200
- subsidiaries	-	-	<b>8</b>	-
- grant receivables	<b>237</b>	612	<b>200</b>	-
- others	<b>28</b>	41	-	-
Deposits	<b>312</b>	215	-	-
	<b>4,657</b>	6,801	<b>2,458</b>	2,200
Prepayments	<b>456</b>	1,497	<b>37</b>	-
	<b>5,113</b>	8,298	<b>2,495</b>	2,200

The non-trade receivables from subsidiaries relate to amounts reimbursable to the Company. The non-trade receivables from subsidiaries are unsecured, interest-free and repayable on demand.

### 10 CONTRACT ASSETS

	Group	
	2021 \$'000	2020 \$'000
Contract assets	<b>292</b>	479

Contract assets relate primarily to the Group's right to consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

NOTES TO THE FINANCIAL STATEMENTS

**10 CONTRACT ASSETS** (Cont'd)

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract asset reclassified to trade receivables	<b>(479)</b>	(2,007)
Changes in measurement of progress	<b>292</b>	479

**11 SHARE CAPITAL**

	<b>Group and Company No. of shares</b>
<b>Issued and fully-paid ordinary shares with no par value:</b>	
At 3 October 2019 (date of incorporation)	1
Issuance of shares	9,999
Share split	89,990,000
At 30 June 2020	90,000,000
Issuance of shares	16,000,000
As at 30 June 2021	<b>106,000,000</b>

The Company was incorporated in the Republic of Singapore on 3 October 2019 with its issued and paid up share capital of \$1 comprising one share held by PTCC Holdings Pte Ltd. On 24 March 2020, the Company issued 9,999 ordinary shares pursuant to a restructuring exercise disclosed in Note 6. On 24 March 2020, each ordinary share was split into 9,000 ordinary shares via a share split arrangement.

On 10 December 2020, 16,000,000 ordinary shares were issued at a price of \$0.20 per share.

The holders of ordinary 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. All shares rank equally with regard to the Company's residual assets.

**Capital management**

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Group, comprising issued capital and retained earnings. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through optimisation of debt and equity balance.

There were no changes in the Group's approach to capital management during the year.

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

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 12 RESERVES

The reserves of the Group comprise the following balances:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital reserve	200	200	-	-
Merger reserve	(8,701)	(8,701)	-	-
Retained earnings	10,555	11,546	1,098	93
	<b>2,054</b>	<b>3,045</b>	<b>1,098</b>	<b>93</b>

#### Capital reserve

The capital reserve relates to deemed contribution from the shareholders of the ultimate holding company for the acquisition of a subsidiary.

#### Merger reserve

The merger reserve relates to the difference between the consideration paid and the paid-in capital of entities under common control which were acquired by the Group.

#### Dividends

The following exempt (one-tier) dividends were declared by the Group:

	Group	
	2021 \$'000	2020 \$'000
<b>Paid to the owners</b>		
Nil (2020: 0.4685 Singapore cents) per ordinary share	-	2,000

After the reporting date, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group	
	2021 \$'000	2020 \$'000
1.0 Singapore cents (2020: Nil) per ordinary share	1,060	-

NOTES TO THE FINANCIAL STATEMENTS

13 LOAN AND BORROWINGS

	Group	
	2021 \$'000	2020 \$'000
<b>Non-current liabilities</b>		
Term loan (secured)	1,230	-
<b>Current liabilities</b>		
Term loan (secured)	3,276	3,001
Trade receivables factoring facility (secured)	-	566
	<b>3,276</b>	<b>3,567</b>
	<b>4,506</b>	<b>3,567</b>

The Group's term loans are secured by corporate guarantees by the Company (2020: secured by joint and several personal guarantees by a director of the Company, and a director of a subsidiary), and trade receivables factoring facility was secured by joint and several personal guarantees by a director of the Company, and a director of a subsidiary.

One of the Group's term loan is repayable in monthly instalment between 1 July 2021 to 30 June 2025. Nonetheless, the loan contains a callable clause stating that the bank may at their absolute discretion cancel or withdraw the term loan facility. Accordingly, the Group's term loan with a carrying amount of \$3,006,000 (2020: \$3,001,000) has been classified as current liabilities.

The Group entered into a trade receivables factoring arrangement in March 2020. Under the factoring arrangement. The Group may elect to receive early receipt of their invoices from a bank by factoring the Group's trade receivables. Under the arrangement, a bank agrees to pay amounts to the Group in respect of invoices owned by customers and receives settlement from the Group at a later date. The factoring arrangements was terminated on 31 January 2021.

**Term and debt repayment schedule**

Terms and conditions of outstanding loans and borrowings are as follow:

	Nominal interest rate per annum %	Year of maturity	Face value \$'000	Carrying amount \$'000
<b>Group</b>				
<b>2021</b>				
Term loans	2.5%	2022 - 2025	4,506	4,506
<b>2020</b>				
Term loan	2.5%	2021 - 2025	3,001	3,001
Factoring facility	COF + 1.75%*	2021	566	566
			<b>3,567</b>	<b>3,567</b>

\* Being bank's Cost of Fund + 1.75% per annum

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 13 LOAN AND BORROWINGS (Cont'd)

#### Intra-group financial guarantee

Inter-group financial guarantee comprises guarantee given by the Company to banks in respect of banking facilities granted to two subsidiaries amounting to \$4,500,000 (2020: Nil) which will expire in 2025. At the reporting date, the Company has not recognized an ECL provision as the ECL amount was lower than the amortised liability for inter-group financial guarantee contracts. The Company does not consider it probable that a claim will be made against the Company under the guarantee. The carrying amount represented the initial fair value less the cumulative amount of income recognised.

#### Banker guarantees facilities

As at 30 June 2021, the Group holds banker's guarantee facilities of \$86,000 (2020: \$222,000). These banker's guarantee facilities were utilized as performance bonds in respect of certain contracts with customers. At the reporting date, the Group does not consider it probable that a claim will be made against the Group under the performance bonds.

The Group's banker's guarantee facilities were secured by fixed deposits (see Note 7).

### 14 LEASE LIABILITIES

	2021 \$'000	2020 \$'000
Current	507	1,421
Non-current	942	1,183
	<b>1,449</b>	<b>2,604</b>

Terms and conditions are as follows:

	Currency	Effective interest rate per annum %	Year of maturity	Carrying amount \$'000
<b>Group</b>				
<b>At 30 June 2021</b>				
Lease liabilities	SGD	2.57% - 5.24%	2021 - 2024	<b>1,449</b>
<b>At 30 June 2020</b>				
Lease liabilities	SGD	2.49% - 5.24%	2020 - 2024	2,604

NOTES TO THE FINANCIAL STATEMENTS

14 LEASE LIABILITIES (Cont'd)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Total \$'000
	Lease liabilities	Loans and borrowings (Note 13)	Non-trade amounts due to directors (Note 17)	
	\$'000	\$'000	\$'000	
<b>Balance at 1 July 2019</b>	4,601	-	17	4,618
<b>Changed from financing cash flows</b>				
Payment of lease liabilities	(2,544)	-	-	(2,544)
Payment in amount due to directors	-	-	(15)	(15)
Net proceeds from loans and borrowings	-	3,565	-	3,565
Interest paid	-	(21)	-	(21)
<b>Total changes arising from financing cash flows</b>	(2,544)	3,544	(15)	985
<b>Other changes</b>				
<i>Liability-related</i>				
New lease	438	-	-	438
Interest expense	109	23	-	132
<b>Total liability-related other changes</b>	547	23	-	570
<b>Balance at 30 June 2020</b>	<u>2,604</u>	<u>3,567</u>	<u>2</u>	<u>6,173</u>
	Liabilities			Total \$'000
	Lease liabilities	Loans and borrowings (Note 13)	Non-trade amounts due to directors (Note 17)	
	\$'000	\$'000	\$'000	
<b>Balance at 1 July 2020</b>	2,604	3,567	2	6,173
<b>Changed from financing cash flows</b>				
Payment of lease liabilities	(1,504)	-	-	(1,504)
Payment in amount due to directors	-	-	(2)	(2)
Proceeds from loans and borrowings	-	1,500	-	1,500
Payment of loan and borrowings	-	(561)	-	(561)
Interest paid	-	(119)	-	(119)
<b>Total changes arising from financing cash flows</b>	(1,504)	820	(2)	(686)
<b>Other changes</b>				
<i>Liability-related</i>				
New leases	289	-	-	289
Interest expense	60	119	-	179
<b>Total liability-related other changes</b>	349	119	-	468
<b>Balance at 30 June 2021</b>	<u>1,449</u>	<u>4,506</u>	<u>-</u>	<u>5,955</u>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 15 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities are as follows:

	At 1 July 2019 \$'000	Recognised in profit or loss (Note 25) \$'000	At 30 June 2020 \$'000	Recognised in profit or loss (Note 25) \$'000	At 30 June 2021 \$'000
Property, plant and equipment	655	269	924	199	1,123
Intangible assets	2	2	4	(1)	3
Lease liabilities	-	(67)	(67)	(8)	(75)
Tax loss carry forwards	-	(127)	(127)	(307)	(434)
	<u>657</u>	<u>77</u>	<u>734</u>	<u>(117)</u>	<u>617</u>

#### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2021 \$'000	2020 \$'000
Deductible temporary differences	1	293
Unutilised tax losses	850	-
Unutilised capital allowances	1,809	746
	<u>2,660</u>	<u>1,040</u>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

### 16 PROVISION

	Group	
	2021 \$'000	2020 \$'000
At 1 July and 30 June	<u>29</u>	<u>29</u>

The Group expects to incur a liability upon the expiry of the respective lease agreements for offices premises. These costs are included as part of the carrying amounts of property, plant and equipment, under "renovation". The largest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has estimated the provision for restoration costs based on latest quotation received.



NOTES TO THE FINANCIAL STATEMENTS

**17 TRADE AND OTHER PAYABLES**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade payables:				
- third parties	<b>680</b>	689	-	-
- GST payable	<b>246</b>	225	-	-
- accrued expenses to third parties	<b>253</b>	94	-	-
Other payables (non-trade):				
- subsidiaries	-	-	-	61
- directors	-	2	-	-
- others	<b>97</b>	2	<b>47</b>	-
Customer deposits	<b>62</b>	3	-	-
Deferred income	<b>19</b>	-	-	-
Accrued operating expenses	<b>161</b>	183	<b>81</b>	16
Accrued salaries and wages	<b>826</b>	685	-	-
Dividends payable	-	2,000	-	2,000
Deferred grant income	<b>326</b>	765	-	-
	<b>2,670</b>	4,648	<b>128</b>	2,077

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

The non-trade amounts due to directors related to amounts reimbursable to directors during the Group's normal course of business.

The deferred grant income mainly relates to monies received under the Jobs Support Scheme implemented by the Singapore government. The deferred grant income is recognised to the statement of comprehensive income on a systematic basis over the estimated period of economic uncertainty in which the Group recognises the related salary cost.

**18 REVENUE**

	Group	
	2021 \$'000	2020 \$'000
Revenue from contracts with customers:		
- Engineering services	<b>6,165</b>	5,905
- Transportation services	<b>5,207</b>	6,018
- Security and manpower services	<b>6,507</b>	11,762
	<b>17,879</b>	23,685

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 18 REVENUE (Cont'd)

#### Disaggregation of revenue

	Engineering services \$'000	Transportation services \$'000	Security and manpower services \$'000	Total \$'000
<b>For the twelve-months period ended 30 June 2021</b>				
Rendering of service	4,692	5,207	6,507	16,406
Sale of goods	1,473	-	-	1,473
<b>Total</b>	<b>6,165</b>	<b>5,207</b>	<b>6,507</b>	<b>17,879</b>
<b>Timing of revenue recognition:</b>				
Overtime	4,692	5,207	6,507	16,406
At a point in time	1,473	-	-	1,473
<b>Total</b>	<b>6,165</b>	<b>5,207</b>	<b>6,507</b>	<b>17,879</b>
<b>For the twelve-months period ended 30 June 2020</b>				
Rendering of service	5,905	6,018	11,762	23,685
<b>Timing of revenue recognition:</b>				
Overtime	5,905	6,018	11,762	23,685

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

#### Engineering services

Nature of goods and services	Sale and installation of scaffolding equipment, insulation and passive fire protection systems. Provision of workers on contract or ad-hoc basis for engineering services.
When revenue is recognised	Revenue is recognised over time as the services are provided and when all criteria for acceptance have been satisfied. Revenue is recognised at a point in time as the goods are delivered to the customer.
Significant payment terms	Invoices are payable within 30 days.

NOTES TO THE FINANCIAL STATEMENTS

**18 REVENUE** (Cont'd)

**Transport services**

Nature of goods and services	Provision of bus services for public premium service routes, schools, corporates and ad hoc charters.
When revenue is recognised	For public bus transport, revenue is recognised at the end of the ride. For other transport services, revenue is recognised over the term of the contract.
Significant payment terms	For public bus transport, payment is at the start of each ride. For other transport services, invoices are payable within 30 days.

**Security and manpower services**

Nature of goods and services	Provision of security services, cleaning services and manpower staffing for aviation technicians.
When revenue is recognised	Revenue is recognised over time as the services are provided and when all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are payable within 30 days.

The Group does not disaggregate the revenue further as the above are generated in the Singapore market.

**19 COST OF SALES**

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation of property, plant and equipment	<b>1,880</b>	1,873
Direct costs for transportation services	<b>1,073</b>	1,657
Direct costs for security and manpower services	<b>352</b>	652
Direct costs for engineering services (including cost of inventories)	<b>1,540</b>	950
Employee benefits expense (see Note 24)	<b>9,384</b>	14,115
Repair and maintenance	<b>366</b>	395
Subcontractor cost	<b>473</b>	617
Expenses relating to leases of short-term leases	<b>508</b>	539
Others	<b>307</b>	303
	<b>15,883</b>	21,101

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 20 OTHER INCOME

	Group	
	2021 \$'000	2020 \$'000
Government grants	2,776	2,091
Sundry income	1	28
	<b>2,777</b>	<b>2,119</b>

### 21 ADMINISTRATIVE EXPENSES

	Group	
	2021 \$'000	2020 \$'000
Employee benefits expense (see Note 24)	3,383	2,570
Director fees	63	-
Expenses relating to leases of short-term leases	66	120
SGX listing expenses	1,302	-
Others	382	440
	<b>5,196</b>	<b>3,130</b>

### 22 OTHER EXPENSES

	Group	
	2021 \$'000	2020 \$'000
Depreciation of property, plant and equipment	319	269
Loss on disposal/write off of property, plant and equipment	13	211
Impairment losses on trade receivables	44	306
Others	17	14
	<b>393</b>	<b>800</b>

### 23 NET FINANCE COSTS

	Group	
	2021 \$'000	2020 \$'000
Interest income from:		
- fixed deposits	3	4
- current account	9	-
Finance income	<b>12</b>	<b>4</b>
Interest expense on:		
- lease liabilities	(60)	(109)
- loans and borrowings	(119)	(23)
Finance costs	<b>(179)</b>	<b>(132)</b>
Net finance costs recognised in profit or loss	<b>(167)</b>	<b>(128)</b>

NOTES TO THE FINANCIAL STATEMENTS

**24 LOSS/(PROFIT) BEFORE TAX**

The following items have been included in arriving at loss/(profit) before tax:

	Group	
	2021 \$'000	2020 \$'000
Audit fees to auditors of the Company	120	65
Non-audit fees to auditors of the Company	-	-
<b>Employee benefits expense</b>		
Salaries, bonuses and other costs (including directors' remuneration)	11,857	13,760
Contributions to defined contribution plans	910	2,925
	<b>12,767</b>	<b>16,685</b>
Employee benefits expense recognised in cost of sales (see Note 19)	9,384	14,115
Employee benefits expense recognised in administrative expenses (see Note 21)	3,383	2,570
	<b>12,767</b>	<b>16,685</b>

**25 TAX (CREDIT)/EXPENSE**

	Group	
	2021 \$'000	2020 \$'000
<b>Current tax expense</b>		
Current year	19	4
Under provision in respect of prior years	(12)	43
	<b>7</b>	<b>47</b>
<b>Deferred tax (credit)/expense</b>		
Origination and reversal of temporary differences	(28)	21
Under provision in respect of prior years	(89)	56
	<b>(117)</b>	<b>77</b>
<b>Total tax (credit)/expense</b>	<b>(110)</b>	<b>124</b>

**Reconciliation of effective tax rate**

	Group	
	2021 \$'000	2020 \$'000
(Loss)/Profit before tax	(1,101)	546
Tax calculated using the Singapore tax rate of 17% (2020: 17%)	(187)	92
Non-deductible expenses	234	36
Tax exempt income	(331)	(187)
Under provision in respect of prior years	(101)	99
Deferred tax asset not recognised	275	99
Utilisation of deferred tax asset previously not recognised	-	(15)
	<b>(110)</b>	<b>124</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 26 EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

### Profit attributable to ordinary shareholders

	2021 \$'000	2020 \$'000
Profit for the year, attributable to the owners/ordinary shareholders of the Company	<u>(991)</u>	<u>422</u>

### Weighted-average number of ordinary shares

	2021 Number of shares '000	2020 Number of shares '000
Weighted-average number of ordinary shares	<u>98,899</u>	<u>90,000</u>

### Diluted earnings per share

As at 30 June 2021 and 30 June 2020, there were no outstanding dilutive potential ordinary shares.

## 27 LEASES

### Leases as lessee (*SFRS(I) 16*)

The Group leases office and store space. The leases typically run for a period of 3 years.

The Group leases certain motor vehicles under a number of hire purchase arrangements, which are typically runs for a period of 5 years. At the end of the lease term, the Group will acquire the motor vehicles from the lessors. The Group's obligations are secured by the lessors' title to the leased assets for such hire purchases.

The Group leases accommodations with contract terms of one year. These leases are short-term leases and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases. Some of these accommodation leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group and not by the lessors. The Group assessed at lease commencement date and determined that it was not reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Information about leases for which the Group is a lessee is presented below.

NOTES TO THE FINANCIAL STATEMENTS

**27 LEASES** (Cont'd)

**Right-of-use assets**

	<b>Motor vehicles \$'000</b>	<b>Office and store space \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2019	6,467	114	6,581
Depreciation charge for the year	(874)	(164)	(1,038)
Additions to right-of-use assets	-	438	438
<b>Balance at 30 June 2020</b>	<b>5,593</b>	<b>388</b>	<b>5,981</b>
Balance at 1 July 2020	5,593	388	5,981
Depreciation charge for the year	(480)	(244)	(724)
Additions to right-of-use assets	-	289	289
Acquired at end of lease term	(2,140)	-	(2,140)
<b>Balance at 30 June 2021</b>	<b>2,973</b>	<b>433</b>	<b>3,406</b>

**Amounts recognised in profit or loss**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Leases under SFRS(I) 16</b>		
Expenses relating to short term leases	<b>574</b>	659
Interest expense on lease liabilities	<b>60</b>	109

**Amounts recognised in statement of cash flows**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Payment of lease liabilities	<b>1,504</b>	2,544



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 28 OPERATING SEGMENTS

The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different services, and are managed separately. The Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports of each division at least quarterly. The following summary describes the operations in each of the Group's reportable segments:

- **Engineering services**

Sale and installation of scaffolding equipment, insulation and passive fire protection systems. Provision of workers on contract or ad-hoc basis for engineering services.

- **Transportation services**

Provision of bus services for public premium service routes, schools, corporates and ad hoc charters.

- **Security and manpower services**

Provision of security services, cleaning services and manpower staffing for aviation technicians

- **Others**

Others relate to unallocated amounts that includes provision of management, treasury and administrative services.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit (loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS

28 OPERATING SEGMENTS (Cont'd)

Information about reportable segments

	Engineering services \$'000	Transportation services \$'000	Security and manpower services \$'000	Total for reportable segments \$'000	Others \$'000	Inter-segment eliminations \$'000	Total \$'000
<b>Period ending 30 June 2021</b>							
External revenues	6,165	5,207	6,507	17,879	-	-	17,879
Inter-segment revenue	336	15	29	380	-	(380)	-
External cost of sales	(4,745)	(5,234)	(5,904)	(15,883)	-	-	(15,883)
Inter-segment cost of sales	(352)	-	(28)	(380)	-	380	-
Finance income	-	3	9	12	-	-	12
Finance costs	(18)	(70)	(91)	(179)	-	-	(179)
Depreciation of property, plant and equipment and amortisation of intangible assets	(598)	(1,584)	(21)	(2,203)	-	-	(2,203)
Reportable segment profit before tax	362	503	719	1,584	(2,681)	(4)	(1,101)
Other material non-cash items:							
- (Gain)/Loss on disposal of property, plant and equipment	43	(44)	(12)	(13)	-	-	(13)
- Impairment loss on trade receivables	44	-	-	(44)	-	-	(44)
Capital expenditure	1,478	64	36	1,578	-	-	1,578
<b>As at 30 June 2021</b>							
Reportable segment assets	7,398	13,138	6,782	27,318	15,816	(17,130)	26,004
Reportable segment liabilities	4,481	6,066	3,964	14,511	129	(5,280)	9,360

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 28 OPERATING SEGMENTS (Cont'd)

## Information about reportable segments (Cont'd)

	Engineering services \$'000	Transportation services \$'000	Security and manpower services \$'000	Total for reportable segments \$'000	Others \$'000	Inter-segment eliminations \$'000	Total \$'000
<b>Period ending 30 June 2020</b>							
External revenues	5,906	6,018	11,761	23,685	-	-	23,685
Inter-segment revenue	449	103	-	552	-	(552)	-
External cost of sales	(4,725)	(5,866)	(10,510)	(21,101)	-	-	(21,101)
Inter-segment cost of sales	(442)	(3)	(3)	(448)	-	448	-
Finance income	-	3	1	4	-	-	4
Finance costs	(18)	(92)	(22)	(132)	-	-	(132)
Depreciation of property, plant and equipment and amortisation of intangible assets	(478)	(1,637)	(30)	(2,145)	-	-	(2,145)
Reportable segment profit before tax	(127)	(202)	1,670	1,341	(790)	(5)	546
Other material non-cash items:							
- Loss on disposal of property, plant and equipment	(192)	(17)	(2)	(211)	-	-	(211)
- Impairment loss on trade receivables	(275)	(31)	-	(306)	-	-	(306)
Capital expenditure	527	60	45	632	-	-	632
<b>As at 30 June 2020</b>							
Reportable segment assets	6,300	11,075	8,889	26,264	15,226	(15,146)	26,344
Reportable segment liabilities	2,382	3,285	4,933	10,600	2,131	(1,133)	11,598

**28 OPERATING SEGMENTS** (Cont'd)

**Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items to SFRS(I) measures**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues</b>		
Total revenue for reportable segments	<b>18,259</b>	24,237
Elimination of inter-segment revenue	<b>(380)</b>	(552)
Consolidated revenue	<b>17,879</b>	23,685
<b>Cost of sales</b>		
Total cost of sales for reportable segments	<b>16,263</b>	21,549
Elimination of inter-segment cost of sales	<b>(380)</b>	(448)
Consolidated cost of sales	<b>15,883</b>	21,101
<b>Profit or loss before tax</b>		
Total profit or loss before tax for reportable segments	<b>1,584</b>	1,341
Elimination of inter-segment profits	<b>(4)</b>	(5)
Unallocated amounts	<b>(2,681)</b>	(790)
Consolidated profit before tax from continuing operations	<b>(1,101)</b>	546
<b>Assets</b>		
Total assets for reportable segments	<b>27,318</b>	26,264
Elimination of inter-segment assets	<b>(17,130)</b>	(15,146)
Other unallocated amounts	<b>15,816</b>	15,226
Consolidated total assets	<b>26,004</b>	26,344
<b>Liabilities</b>		
Total liabilities for reportable segments	<b>14,511</b>	10,600
Elimination of inter-segment liabilities	<b>(5,280)</b>	(1,133)
Other unallocated amounts	<b>129</b>	2,131
Consolidated total liabilities	<b>9,360</b>	11,598

**Geographical information**

The engineering business, transportation business and security and manpower business are managed in Singapore.

**Major customers**

Revenues from three (2020: two) customer of the Group's security and manpower business segment represents approximately \$1,892,000 (2020: \$6,057,000) of the Group's total revenues.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

## 29 RELATED PARTIES

### Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors and certain key executives of the Group are considered as key management personnel of the Group.

Key management personnel compensation comprises:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Directors' fees	63	-
Short-term benefits	964	717
Post-employment benefits (including contribution to defined contribution plan)	80	69
	<b>80</b>	<b>69</b>

### Other related party transactions

Other than those disclosed elsewhere in the financial statements, the significant transactions carried out by the Group with related parties based on terms agreed between the parties are as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Affiliated corporations</b>		
Sales	-	(261)
	<b>-</b>	<b>(261)</b>

An affiliated corporation is defined as a corporation:

- (a) in which a director of the Company has substantial financial interests or who is in a position to exercise significant influence; and/or
- (b) which directly or indirectly, through one or more intermediaries is under the control of a common shareholder.

### 30 FINANCIAL INSTRUMENTS

#### Overview

The Group has exposure to the following risks from its financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

#### Risk management framework

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.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### Credit risk

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

The carrying amounts of financial assets and contract assets represent the Group's maximum exposures to credit risk.

#### *Trade receivables and contract assets*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group also performs credit evaluation of the existing customers by taking into account past experience with the customers.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 30 FINANCIAL INSTRUMENTS (Cont'd)

#### Expected credit loss assessment for customers

The Company does not have trade receivables as at 30 June 2021.

The Group uses an allowance matrix to measure the ECLs of trade receivables and contract assets.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers:

	<b>Gross carrying amount \$'000</b>	<b>Impairment loss allowance \$'000</b>	<b>Credit impaired</b>
<b>Group</b>			
<b>30 June 2021</b>			
Current (not past due)	2,594	-	No
1-30 days past due	423	-	No
31-90 days past due	683	-	No
More than 90 days past due	672	-	No
More than 90 days past due	282	(282)	Yes
	<b>4,654</b>	<b>(282)</b>	
<b>30 June 2020</b>			
Current (not past due)	2,992	-	No
Current (not past due)	2	(2)	Yes
1-30 days past due	996	-	No
1-30 days past due	29	(29)	Yes
31-90 days past due	1,371	-	No
31-90 days past due	167	(167)	Yes
More than 90 days past due	1,053	-	No
More than 90 days past due	76	(76)	Yes
	<b>6,686</b>	<b>(274)</b>	

Loss rates are estimated based on actual credit loss experience over the past three years. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The amount of ECLs on non-credit impaired trade receivables was negligible, and ECLs was recognised for credit impaired trade receivables.



**30 FINANCIAL INSTRUMENTS** (Cont'd)

**Movements in allowance for impairment in respect of trade receivables and contract asset**

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	<b>Group Lifetime ECL \$'000</b>
At 1 July 2019	20
Impairment loss recognised	306
Amounts written off	(52)
At 30 June 2020	274
Impairment loss recognised	44
Amounts written off	(36)
At 30 June 2021	<b>282</b>

**Cash and cash equivalents**

The Group held cash and cash equivalents and fixed deposits of \$9,308,000 at 30 June 2021 (2020: \$5,774,000). The Company hold cash and cash equivalents of \$1,660,000 as at 30 June 2021 (2020: \$10,000). The cash and cash equivalents and fixed deposits are held with bank and financial institution counterparties, with sound credit ratings.

Impairment on cash and cash equivalents and fixed deposits has been measured on the 12-month expected loss basis. The Group considers its cash and cash equivalents and fixed deposits have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents and fixed deposits was negligible.

**Non-trade receivables, accrued receivables and deposits**

The Group held non-trade receivables, accrued receivables and deposits amounting to \$577,000 at 30 June 2021 (2020: \$868,000). The Company held dividend receivables and amounts due from subsidiaries amounting to \$2,258,000 as at 30 June 2021 (2020: \$2,200,000). Impairment on these amounts has been measured on the 12-month expected loss basis, which reflects the low credit risk of the exposures. The amount of the allowance on non-trade receivables and deposits was negligible.

**Guarantees**

The Group's policy is to provide financial guarantees only for wholly-owned subsidiaries' liabilities. At 30 June 2021, the Company issued guarantee to certain banks in respect of credit facilities granted to two subsidiaries (see note 13). These guarantees are subject to the impairment assessment under SFRS(I) 9. The Company has assessed that the subsidiaries have strong financial capacity to meet the contractual cashflow obligations in the near future and hence, does not expect significant credit losses from the guarantees. The Company's assessment is based on qualitative and quantitative factors that are indicative of the risk of default (including but not limited management accounts and cash flow projections, and applying experienced credit judgement).

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 30 FINANCIAL INSTRUMENTS (Cont'd)

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

In addition, the Group maintains the following lines of credit:

- \$200,000 overdraft facility that is secured by a guarantee from the Company. Interest would be payable at the bank's prime rate per annum.
- Term loan facilities amounting to \$4,500,000 with a tenor of five years that is secured by guarantees from the Company, which has been drawn down to meet working capital requirements. Interest would be payable at the rate of 2.5% per annum.

The table below summarises the Group's and Company's remaining contractual maturities of financial liabilities, including interest payments.

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2-5 years \$'000
<b>Group</b>				
<b>30 June 2021</b>				
Trade and other payables*	1,253	1,253	1,253	-
Loans and borrowings	4,506	4,619	3,081	1,538
Lease liabilities	1,449	1,491	541	950
	<b>7,208</b>	<b>7,363</b>	<b>4,875</b>	<b>2,488</b>
<b>30 June 2020</b>				
Trade and other payables*	2,973	2,973	2,973	-
Loans and borrowings	3,567	3,671	3,671	-
Lease liabilities	2,604	2,696	1,481	1,215
	9,144	9,340	8,125	1,215
<b>Company</b>				
<b>30 June 2021</b>				
Trade and other payables*	128	128	128	-
Recognised financial liabilities	128	128	128	-
Intra-group financial guarantee	-	4,500	4,500	-
	<b>128</b>	<b>4,628</b>	<b>4,628</b>	<b>-</b>
<b>30 June 2020</b>				
Trade and other payables*	2,077	2,077	2,077	-

\* Excludes GST payable, accrued salaries and wages, deferred income and deferred grant income

NOTES TO THE FINANCIAL STATEMENTS

**30 FINANCIAL INSTRUMENTS** (Cont'd)

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Interest rate risk**

*Exposure to interest rate risk*

The Company is not exposed to interest rate risk as the Company does not hold any interest-bearing financial instruments.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	<b>Nominal amount Group</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Fixed rate instruments Group</b>		
Fixed deposits	146	258
Loans and borrowings	<b>(4,506)</b>	(3,001)
Lease liabilities	<b>(1,449)</b>	(2,604)
	<b><u>(5,809)</u></b>	<b><u>(5,347)</u></b>
<b>Variable rate instruments</b>		
Loans and borrowings	<b><u>-</u></b>	<b><u>(566)</u></b>

*Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting dates would not affect profit or loss.

*Cashflow sensitivity analysis for variable rate instruments*

For variable rate financial assets and liabilities, a change in 100 bp in interest rate at the reporting date would increase/(decrease) profit or loss (before any tax effects) by the amounts shown below. There is no impact on equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	<b>100 bp increase \$'000</b>	<b>100 bp decrease \$'000</b>
<b>2020</b>		
Loans and borrowings	<b><u>(57)</u></b>	<b><u>57</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

### 30 FINANCIAL INSTRUMENTS (Cont'd)

#### Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Amortised cost \$'000	Other financial liabilities \$'000	Carrying amount \$'000
<b>Group</b>				
<b>30 June 2021</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	9	4,657	-	4,657
Fixed deposits and cash and cash equivalents	7	9,308	-	9,308
		<b>13,965</b>	<b>-</b>	<b>13,965</b>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables**	17	-	(1,253)	(1,253)
Loans and borrowings	13	-	(4,506)	(4,506)
Lease liabilities	14	-	(1,449)	(1,449)
		<b>-</b>	<b>(7,208)</b>	<b>(7,208)</b>
<b>30 June 2020</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	9	6,801	-	6,801
Fixed deposits and cash and cash equivalents	7	5,774	-	5,774
		<b>12,575</b>	<b>-</b>	<b>12,575</b>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables**	17	-	(2,973)	(2,973)
Loans and borrowings	13	-	(3,567)	(3,567)
Lease liabilities	14	-	(2,604)	(2,604)
		<b>-</b>	<b>(9,144)</b>	<b>(9,144)</b>

NOTES TO THE FINANCIAL STATEMENTS

**30 FINANCIAL INSTRUMENTS** (Cont'd)

**Accounting classifications and fair values** (Cont'd)

	Note	Amortised cost \$'000	Other financial liabilities \$'000	Carrying amount \$'000
<b>Company</b>				
<b>30 June 2021</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	9	2,458	-	2,458
Fixed deposits and cash and cash equivalents	7	1,660	-	1,660
		<u>4,118</u>	<u>-</u>	<u>4,118</u>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables**	17	-	(128)	(128)
<b>30 June 2020</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	9	2,200	-	2,200
Fixed deposits and cash and cash equivalents	7	10	-	10
		<u>2,210</u>	<u>-</u>	<u>2,210</u>
<b>Financial liabilities not measured at fair value</b>				
Trade and other payables**	17	-	(2,077)	(2,077)

\* Excludes prepayments

\*\* Excludes GST payable, accrued salaries and wages, deferred income and deferred grant income

## STATISTICS OF SHAREHOLDINGS

As at 13 September 2021

Total Number of Issued Shares	:	106,000,000
Total Number of Issued Shares (excluding Treasury Shares)	:	106,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Share
Number and percentage of treasury shares and subsidiary holdings	:	Nil

### DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 13 SEPTEMBER 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0
100 - 1,000	37	29.60	34,400	0.03
1,001 - 10,000	34	27.20	184,000	0.17
10,001 - 1,000,000	44	35.20	6,971,100	6.58
1,000,001 AND ABOVE	10	8.00	98,810,500	93.22
<b>TOTAL</b>	<b>125</b>	<b>100.00</b>	<b>106,000,000</b>	<b>100.00</b>

### TWENTY-ONE LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NUMBER OF SHARES HELD	%
1	PTCC HOLDINGS PTE. LTD.	67,500,000	63.68
2	TAN AH HWA	9,000,000	8.49
3	POH SOON KENG	6,681,820	6.30
4	NG CHOON BENG	3,409,090	3.22
5	TAY CHOON WAH	3,409,090	3.22
6	KOH MOI	2,600,600	2.45
7	NG CHOR WEE	1,980,000	1.87
8	POH TZE REN	1,621,100	1.53
9	ONG DAVID	1,500,000	1.42
10	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,108,800	1.05
11	CHNG BENG GUAN	500,000	0.47
12	CHUNG WAI YEEN KELVIN	500,000	0.47
13	NEO JOHNNY	500,000	0.47
14	TAN KEAN FATT	494,000	0.47
15	LUI SOOK FUN	350,000	0.33
16	TAN KOCK SING	340,700	0.32
17	LIM LEONG FATT	250,000	0.24
18	TAN KEE YONG (CHEN QIYONG)	250,000	0.24
19	TAN KEE YUEN (CHEN QIYUN)	250,000	0.24
20	LIM SZE LIEH LIONEL (LIN SILIE LIONEL)	248,000	0.23
21	TEO HUI LENG (ZHANG HUILING)	248,000	0.23
<b>TOTAL</b>		<b>102,741,200</b>	<b>96.94</b>

STATISTICS OF SHAREHOLDINGS

**SUBSTANTIAL SHAREHOLDERS**

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 13 September 2021.

Name	Direct Interest		Deemed Interest	
	Number of Shares	%*	Number of Shares	%*
PTCC Holdings Pte. Ltd. <sup>(1)</sup>	67,500,000	63.7	-	-
Poh Soon Keng <sup>(1)</sup>	6,681,820	6.3	67,500,000	63.7
Tan Ah Hwa	9,000,000	8.5	-	-
Tan Siew Lan <sup>(1)</sup>	-	-	67,500,000	63.7
Poh Pei Chi <sup>(1)</sup>	-	-	67,500,000	63.7

**Notes:**

<sup>(1)</sup> PTCC Holdings Pte. Ltd. is owned by our Executive Chairman and CEO, Mr Poh Soon Keng (26.7%), our Human Resource and Administration Director, Ms Tan Siew Lan (26.7%), Ms Poh Pei Chi (33.3%) and Mr Poh Cher Ying (13.3%). Ms Poh Pei Chi and Mr Poh Cher Ying are the children of Mr Poh Soon Keng and Ms Tan Siew Lan. Mr Poh Soon Keng and Ms Tan Siew Lan. are deemed to have a deemed interest in the Shares held by PTCC Holdings Pte. Ltd. in the Company pursuant to Section 7 of the Companies Act.

\* Percentages are calculated based on the issued number of shares of the Company of 106,000,000 shares (excluding treasury shares and subsidiary holdings) as at 13 September 2021.

**SHAREHOLDING HELD IN PUBLIC HANDS**

As at 13 September 2021, approximately 15.1% of the issued ordinary shares of the Company was held in the hands of the public (on the basis of information available to the Company). Accordingly, the Company had complied with Rule 723 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited.



## NOTICE OF **ANNUAL GENERAL MEETING**

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“**AGM**”) of Aedge Group Limited (the “**Company**”) will be convened and held by way of electronic means on Thursday, 28 October 2021 at 10:30 a.m. to transact the following business

### **AS ORDINARY BUSINESS**

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Statement of Directors and the Independent Auditor’s Report thereon. **Resolution 1**
  
2. To declare a first and final dividend tax exempt one-tier dividend of one (1) Singapore cent per ordinary share for the financial year ended 30 June 2021. **Resolution 2**
  
3. To approve the payment of Directors’ Fees of S\$63,789 for the financial year ended 30 June 2021. **Resolution 3**
  
4. To re-elect Mr Teo Joo Huak, a Director who is retiring pursuant to Regulation 98 of the Company’s Constitution. **Resolution 4**  
  
[See Explanatory Note (i)]
  
5. To re-elect Mr Goh Joon Lian, a Director who is retiring pursuant to Regulation 98 of the Company’s Constitution. **Resolution 5**  
  
[See Explanatory Note (ii)]
  
6. To appoint Messrs Moore Stephens LLP as the Auditors of the Company in place of the retiring Auditors, Messrs KPMG LLP, to hold office until the conclusion of the next AGM and to authorise the Directors of the Company to fix their remuneration. **Resolution 6**  
  
[See Explanatory Note (iii)]

## AS SPECIAL BUSINESS

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

7. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE AEDGE PERFORMANCE SHARE PLAN** **Resolution 7**

“THAT pursuant to Section 161 of the Companies Act and the provisions of the Aedge Performance Share Plan (“**PSP**”), approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards granted under the PSP, provided always that the aggregate number of additional ordinary Shares to be allotted and issued pursuant to the PSP, when aggregated with the aggregate number of Shares over which options and awards are granted under any other share option schemes or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.”

[See Explanatory Note (iv)]

8. **AUTHORITY TO ALLOT AND ISSUE SHARES** **Resolution 8**

“THAT pursuant to Section 161 of the Companies Act, Chapter 50 and the Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company to (i) issue and allot new shares (“**Shares**”) in the capital of the Company (whether by way of rights, bonus or otherwise); and/or 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 or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this resolution was in force, provided that:

- (1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company (“**Shareholders**”) are not given the opportunity to participate in the same on a pro-rata basis (“**non pro-rata basis**”), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);

## NOTICE OF **ANNUAL GENERAL MEETING**

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- (2) (Subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares of the Company (excluding treasury shares and subsidiary holdings) at the time such authority was conferred, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
  - (b) new Shares arising from the exercising of share options or the vesting of share awards which are outstanding or subsisting at the time this resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules of the SGX-ST; and
  - (c) any subsequent consolidation or subdivision of the Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Rules of Catalist of the SGX-ST for the time being in force (in each case, 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 for the time being; and

unless revoked or varied by the Company in a general meeting, the authority so conferred shall continue to be 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.”

[See Explanatory Note (v)]

BY ORDER OF THE BOARD

LOH SIEW KEEN  
COMPANY SECRETARY  
SINGAPORE

6 October 2021

## NOTICE OF ANNUAL GENERAL MEETING

### *Explanatory Notes:*

- (i) Mr Teo Joo Huak, upon re-election as Director of the Company, remains a member of the Audit and Risk Committee and Remuneration Committee. The Board considers Mr Teo to be independent for the purposes of Rule 704(7) of the Catalist Rules.
- (ii) Mr Goh Joon Lian, upon re-election as Director of the Company, remains as the Chairman of Nominating Committee as well as a member of the Audit and Risk Committee and Remuneration Committee. The Board considers Mr Goh to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information of Mr Teo Joo Huak and Mr Goh Joon Lian can be found under the "Board of Directors" and "Disclosure of information on directors seeking re-election pursuant to Rule 720(5) of the Catalist Rules" sections in the Company's Annual Report 2021.

- (iii) Resolution 6 proposed in item 6 above is to approve the appointment of Messrs Moore Stephens LLP ("**MS**") as Auditors of the Company in place of the retiring Auditors, KPMG LLP ("**KPMG**"), and to authorise the Directors to fix their remuneration.

The Company has received the notice of nomination from a shareholder, Ms Fam Yien Fung dated 5 August 2021 on the appointment of MS in place of the retiring Auditors, KPMG. KPMG has served as the Auditors of the Company and its subsidiaries (the "**Group**") since initial public offering.

The Audit and Risk Committee ("**ARC**") is of the view that the change of Auditors is in the best interests of the Company as it would enable the Company to benefit from a change of perspectives and save costs. The change of Auditors is expected to result in a reduction of audit costs by approximately 33% based on the previous audit fees for the financial year ended 30 June 2021.

There will be no change in the scope of the audit to be undertaken by MS. The ARC has also considered the Audit Quality Indicators listed in the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") in assessing the suitability of MS as the Company's new Auditors. Upon recommendation from the ARC and after due deliberation, the Board is of the view that it would be in the best interests of the Company to effect a change of Auditors with effect from the financial year ending 30 June 2022. Accordingly, KPMG will not be seeking re-appointment at the forthcoming AGM of the Company.

MS, registered with ACRA, has been established in Singapore for more than 30 years and is a member firm of Moore Global Network Limited, which is regarded as one of the world's leading accounting and consulting association with approximately 600 offices in across 110 countries throughout the world, incorporating 30,000 people and with fees of more than US\$3 billion per annum.

More information about MS, its values and its services can be found on their website at <https://www.mooresingapore.com/>.

Mr Neo Keng Jin ("**Mr Neo**"), a partner with MS, will be assigned to the audit of the Company as the lead engagement partner. Mr Neo has extensive experience over a span of more than 25 years in a wide range of industries. The audit engagement team will be led by Mr Neo and assisted by a manager. The team has experience in financial audit in public-listed companies and private companies, with a wide industry domain experience in various sectors and industries.

The Board, with the concurrence of the ARC is satisfied that MS will be able to meet the audit requirements of the Group after having considered factors such as the adequacy of the resources and experience of MS and the audit engagement partner assigned to the audit, MS's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff who will be assigned to the Group's audit. MS has given their consent to be appointed as the Auditors, subject to the approval of the shareholders at the AGM.

Assuming that Ordinary Resolution 6 is approved by the Shareholders, MS will be appointed as the auditor of the Company's Singapore incorporated subsidiaries.

Pursuant to Rule 712 of the Catalist Rules, the Company must engage a suitable auditing firm for its audit obligations. MS will engage the relevant team with sufficient audit and relevant industry experience.

The Directors wish to express their appreciation for the services rendered by KPMG in the past. The appointment of MS as Auditors in place of KPMG will take effect subject to the approval of the same by shareholders at the AGM.

In accordance with Rule 712(3) of the Catalist Rules of the SGX-ST:

- (a) The outgoing Auditor, KPMG, has confirmed to MS, by way of their letter dated 27 September 2021, that they are not aware of any professional reasons why the new auditors, MS, should not accept the appointment as auditors of the Company;
- (b) the Company confirms that there were no disagreements with KPMG on accounting treatments within the last 12 months;
- (c) the Company confirms that it is not aware of any circumstances connected with the proposed change of Auditors that should be brought to the attention of the shareholders of the Company;

## NOTICE OF ANNUAL GENERAL MEETING

- (d) the specific reasons for the proposed change of Auditors have been disclosed above. The proposed change of Auditors is not due to resignation of KPMG as Auditors of the Company, KPMG declining to stand for re-appointment, nor the dismissal of KPMG; and
  - (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of MS as its new auditors.
- (iv) The proposed ordinary resolution 7, if passed, will empower the Directors of the Company to allot and issue Shares in the Company with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, collectively of up to a number not exceeding in total 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company from time to time pursuant to the grant of share awards under the PSP.
  - (v) The proposed ordinary resolution 8, if passed, will empower the Directors of the Company from the date of the above meeting to issue shares in the Company up to an amount not exceeding 100% of the total number of issued shares in the capital of the Company with a sub-limit of 50% other than on a pro-rata basis to shareholders for the time being for such purposes as they consider would be in the interest of the Company. The authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, 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 purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

### Notes:

1. The AGM is being convened, and will be 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. **Printed copies of this notice of AGM (the "Notice") will not be sent to members.** This Notice will be published via an announcement on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at the URL <https://www.aedge.com.sg/>.
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 stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Company's announcement accompanying this Notice dated 6 October 2021. This announcement may be accessed at the Company's website at the URL <https://www.aedge.com.sg/>, and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. **Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.** The accompanying proxy form for the AGM will be announced together with this Notice and may be accessed at the Company's website at the URL <https://www.aedge.com.sg/>, and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven working days before the AGM, latest by 18 October 2021 at 10.30 a.m.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com)

in either case not less than 72 hours before the time appointed for the AGM.

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NOTICE OF ANNUAL GENERAL MEETING

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

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

6. The Annual Report 2021 may be accessed at the Company's website at the URL <http://www.aedge.com.sg/> and on the SGX website at the URL <https://www.sgx.com/securities/annual-reports-related-documents>.
7. Members will not be able to ask questions during the live audio-visual webcast or audio-only stream of the AGM. Members who wish to ask questions relating to the resolutions to be tabled at the AGM must pre-register and submit their questions in advance of the AGM.
8. Questions must be submitted to the Company in the following manner by **5.00 p.m. on 21 October 2021**:
  - (a) via the Aedge AGM Website; or
  - (b) if submitted electronically, be submitted via email to the Company at [agmqueries@aedge.com.sg](mailto:agmqueries@aedge.com.sg); or
  - (c) if submitted by post, be lodged at Company's registered office address, at Block 4009 Ang Mo Kio Ave 10, Tech Place 1 #04-32/33, Singapore 569738.

When sending questions, members should also provide their full name as it appears on the CDP/CPF/SRS records, address, contact number, email address, number of shares in the Company and the manner in which the shares are held in the Company (e.g., via CDP, CPF or SRS) for verification.

9. The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to those questions on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <http://www.aedge.com.sg/>. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them during the AGM through the live audio-visual webcast and live audio-only stream.

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE “CATALIST RULES”) \_\_\_\_\_

Mr Teo Joo Huak and Mr Goh Joon Lian are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 October 2021 (“AGM”) (the “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Director as set out in Appendix 7F to the Catalist Rules are as follows:

### a) Mr Teo Joo Huak

Date of Appointment	24 March 2020
Date of last re-appointment	16 October 2020
Age	71
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Teo Joo Huak as the Independent Non-Executive Director was recommended by the Nominating Committee (“NC”), and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title	Independent Non-Executive Director, a member of the Audit and Risk Committee as well as Remuneration Committee.
Professional qualifications	Bachelor of Accountancy from the University of Singapore (the present NUS) in 1977
Working experience and occupation(s) during the past 10 years	Nil - Retired
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO  
RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")

<p>Other Principal Commitments Including Directorships Past (for the last 5 years):</p> <p>Present:</p>	<p>J2 Capital Pte Ltd N.S.M. Services Pte Ltd</p> <p>Flying Colours China Ltd Flying Colours International (HK) Ltd Healthy Home (HK) Ltd High Flyers (Macau) Ltd</p>
<p>(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?</p>	<p>No</p>
<p>(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?</p>	<p>No</p>
<p>(c) Whether there is any unsatisfied judgment against him?</p>	<p>No</p>
<p>(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?</p>	<p>No</p>
<p>(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?</p>	<p>No</p>



## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE “CATALIST RULES”) \_\_\_\_\_

<p>(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?</p>	No
<p>(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?</p>	No
<p>(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?</p>	No
<p>(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?</p>	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> <li>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</li> <li>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</li> </ul>	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO  
RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")

<p>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?</p>	
<p>(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?</p>	<p>No</p>

<p><b>Disclosure applicable to the appointment of Director only</b></p>	
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>N.A.</p>



## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE “CATALIST RULES”) \_\_\_\_\_

### b) Mr Goh Joon Lian

Date of Appointment	24 March 2020
Date of last re-appointment	16 October 2020
Age	69
Country of principal residence	Singapore
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Goh Joon Lian as the Independent Non-Executive Director was recommended by the NC, and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title	Independent Non-Executive Director, Chairman of Nominating Committee as well as a member of the Audit and Risk Committee and Remuneration Committee.
Professional qualifications	Bachelor of Science with First Class Honours (Mechanical Engineering) from the University of Surrey, United Kingdom in 1976
Working experience and occupation(s) during the past 10 years	Regional Chairman of Shell South China from 1999 to 2012.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO  
RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")

Other Principal Commitments Including Directorships Past (for the last 5 years): Present:	Nil Nil
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

## DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE “CATALIST RULES”) \_\_\_\_\_

<p>(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?</p>	No
<p>(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?</p>	No
<p>(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?</p>	No
<p>(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?</p>	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <ul style="list-style-type: none"> <li>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</li> <li>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</li> <li>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</li> </ul>	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO  
RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")

<p>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?</p>	
<p>(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?</p>	<p>No</p>

<p><b>Disclosure applicable to the appointment of Director only</b></p>	
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	<p>N.A.</p>





**AEDGE GROUP LIMITED**

(the “Company”)

(Company Registration No.: 201933214E)

(Incorporated in the Republic of Singapore)

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**INSTRUCTIONS TO MEMBERS PERTAINING TO THE ANNUAL GENERAL MEETING TO BE HELD VIA LIVE WEBCAST ON THURSDAY, 28 OCTOBER 2021 AT 10:30 A.M.**

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Dear Shareholders,

These instructions are circulated together with and forms part of Aedge Group Limited’s (the “Company”) Notice of Annual General Meeting (“AGM”) dated 6 October 2021 (the “Notice of AGM”) issued by the Company in respect of the upcoming AGM scheduled to be held on Thursday, 28 October 2021 at 10:30 a.m.

Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the AGM in person. The following are the alternative arrangements which have been put in place for members to participate in the AGM:

- (a) observing the AGM proceedings via live audio-visual webcast or listening to the AGM proceedings via live audio-only stream;
- (b) submitting questions in advance of the AGM; and
- (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM.

Members are to note the following instructions with regard to the pre-registration, pre-submission of questions and submission of proxy forms:-

**1. Registration to attend Live AGM Webcast**

- (a) All members as well as investors who hold shares through relevant intermediaries (including CPF or SRS investors), who wish to follow the proceedings of the AGM through the Live AGM Webcast must pre-register online at Aedge AGM Website, URL <https://globalmeeting.bigbangdesign.co/aedge/>, to create an account, not later than **25 October 2021 at 10.30 a.m.** (the “Registration Deadline”).
- (b) Following the verification, authenticated members or investors will receive the confirmation email to join the Live AGM Webcast by **26 October 2021 at 5.00 p.m.** The confirmation email will contain the instructions to access the live audio-visual webcast or the live audio-only stream of the AGM proceedings.
- (c) Members must not forward the login details to join the Live AGM Webcast to another person who is not a member of the Company and/or who is not authorised to attend the Live AGM Webcast.
- (d) Members who register by the Registration Deadline but do not receive an email response by **26 October 2021 at 5.00 p.m.** should contact the Company’s Share Registrar, Tricor Barbinder Share Registration Services via email at [sg.is.enquiry@sg.tricorglobal.com](mailto:sg.is.enquiry@sg.tricorglobal.com) with the following details to be included, (i) the full name of the member; and (2) his/her/its identification/registration number, **before 27 October 2021 at 1.00 p.m.**

## 2. Submission of Questions

- (a) Members will not be able to ask questions at the AGM live during the webcast or audio-stream. Therefore, it is important for members to pre-register and submit their questions in advance of the AGM.
- (b) Members may pre-register and submit their questions relating to the resolutions to be tabled for approval at the AGM to the Chairman of the Meeting, in advance of the AGM, in the following manner:
  - (i) via the Aedge AGM Website; or
  - (ii) if submitted electronically, be submitted via email to the Company at [agmqueries@aedge.com.sg](mailto:agmqueries@aedge.com.sg); and
  - (iii) if submitted by post, be lodged at Company's registered office address, at Block 4009 Ang Mo Kio Ave 10, Tech Place 1 #04-32/33, Singapore 569738.
- (c) When sending questions, members should also provide their full name as it appears on the CDP/CPF/SRS records, address, contact number, email address, number of shares in the Company and the manner in which the shares are held in the Company (e.g. via CDP, CPF or SRS) for verification.
- (d) All questions must be submitted by **21 October 2021 at 5.00 p.m.**
- (e) The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to those questions on the SGX website at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL <https://www.aedge.com.sg/>. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them at the AGM.
- (f) The responses from the board of directors and management of the Company shall thereafter be published on the SGXNET and the Company's corporate website at the URL <https://www.aedge.com.sg/>, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM.

## 3. Proxy Voting

- (a) **Voting at the AGM is by proxy ONLY.** Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM will be announced together with the Notice of AGM and may be accessed at the Company's website at the URL <https://www.aedge.com.sg/>, and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- (b) Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.



- (c) Central Provident Fund (“CPF”) or Supplementary Retirement Scheme (“SRS”) investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven working days before the AGM, latest by **18 October 2021 at 10.30 a.m.**
- (d) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
- (i) if submitted by post, be lodged at the office of the Company’s Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898; or
- (ii) if submitted electronically, be submitted via email to the Company’s Share Registrar at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com),

in either case not less than 72 hours before the time appointed for the AGM, latest by **25 October 2021 at 10.30 a.m.**

#### 4. Key dates/deadlines

In summary, the key dates/deadlines which members should take note of are set out in the table below:

Key dates	Actions
6 October 2021 at 9.00 a.m.	Members may begin to pre-register for live audio- visual webcast/live audio-only stream of the AGM proceedings.
18 October 2021 at 10.30 a.m.	Deadline for CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
21 October 2021 at 5.00 p.m.	Deadline for members to submit questions in advance.
25 October 2021 at 10.30 a.m.	Deadline for members to submit proxy form.
25 October 2021 at 10.30 a.m.	Deadline for members to pre-register for live audio-visual webcast/live audio- only stream of the AGM proceedings.
26 October 2021 at 5.00 p.m.	Authenticated members will receive an email which will contain the link to access the live audio-visual webcast or the live audio-only stream of the AGM proceedings (the “Confirmation Email”). Members who do not receive the Confirmation Email by 26 October 2021 at 5.00 p.m., but have registered by 25 October 2021 deadline should contact our Share Registrar, Tricor Barbinder Share Registration Services at <a href="mailto:sg.is.enquiry@sg.tricorglobal.com">sg.is.enquiry@sg.tricorglobal.com</a>
Date and time of AGM – Thursday, 28 October 2021 at 10:30 a.m.	Click on the link in the Confirmation Email and follow the instructions to access the live audio-visual webcast or live audio-only stream of the AGM proceedings.

## **5. Important reminder**

Due to the constantly evolving COVID-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice. Members are reminded to regularly check SGXNET for updates on the AGM.

The Company would like to thank all members for their patience and co-operation in enabling us to hold our AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

### **BY ORDER OF THE BOARD**

Poh Soon Keng  
Executive Chairman and Chief Executive Officer

6 October 2021

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*Aedge Group Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 14 December 2020. The initial public offering of the Company was sponsored by UOB Kay Hian Private Limited (the "Sponsor").*

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist.*

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

*The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*

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# AEDGE GROUP LIMITED

(the "Company")

(Company Registration No.: 201933214E)

(Incorporated in the Republic of Singapore)

## PROXY FORM ANNUAL GENERAL MEETING

### IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting and Proxy Form will not be sent to members. The Notice of Annual General Meeting and Proxy Form will be published by electronic means via announcement on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at the URL <https://www.aedge.com.sg/>.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the Annual General Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting are set out in the Company's announcement accompanying the Notice of Annual General Meeting dated 6 October 2021. The aforesaid announcement may be accessed at the Company's website at the URL <https://www.aedge.com.sg/>, and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.
4. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven working days before the AGM.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 October 2021.
6. Please read the notes overleaf which contain instructions

I/We\*, \_\_\_\_\_, \_\_\_\_\_  
(Name) (NRIC/Passport No./Company Registration No. \*)

of \_\_\_\_\_  
(Address)

being a member/members\* of Aedge Group Limited (the "Company"), hereby appoint the Chairman of the Annual General Meeting, as my/our\* proxy to attend, speak and to vote for me/us\* on my/our\* behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on Thursday, 28 October 2021 at 10:30 a.m. and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	VOTING		ABSTAIN FROM VOTING**
		FOR **	AGAINST **	
<b>ORDINARY BUSINESS</b>				
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2021, together with the Statement of Directors and the Independent Auditor's Report thereon.			
2.	To declare a first and final tax exempt one-tier dividend of one (1) Singapore cent per ordinary share for the financial year ended 30 June 2021.			
3.	To approve the payment of Directors' Fees of S\$63,789 for the financial year ended 30 June 2021.			
4.	To re-elect Mr Teo Joo Huak as a Director under Regulation 98 of the Company's Constitution.			
5.	To re-elect Mr Goh Joon Lian as a Director under Regulation 98 of the Company's Constitution.			
6.	Appointment of Messrs Moore Stephens LLP as Auditors in place of the retiring auditors			
<b>SPECIAL BUSINESS</b>				
7.	Authority to allot and issue shares under the Aedge Performance Share Plan.			
8.	Authority to allot and issue shares.			

\* Delete as appropriate

\*\* Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes for or against in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain From Voting" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain From Voting" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

Total Number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of member(s) or  
Common Seal of Corporate Shareholder

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**



**NOTES:**

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy (the "Proxy Form") will be deemed to relate to all the shares held by the member.
2. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the Annual General Meeting ("**AGM**") in person. A member (whether individual or corporate) must submit his/her/its Proxy Form appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The Proxy Form for the AGM will be announced together with the Notice of AGM and may be accessed at the Company's website at the URL <https://www.aedge.com.sg/> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.  
CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven working days before the AGM.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The Proxy Form must be submitted to the Company in the following manner:
  - a. if submitted by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898; or
  - b. if submitted electronically, be submitted via email to the Company's Share Registrar at [sg.is.proxy@sg.tricorglobal.com](mailto:sg.is.proxy@sg.tricorglobal.com)in either case not less than 72 hours before the time appointed for the AGM.

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*Please fold here*

**PROXY FORM**

Affix  
Postage  
Stamp

The Share Registrar  
**AEDGE GROUP LIMITED**  
Tricor Barbinder Share Registration Services  
80 Robinson Road  
#11-02  
Singapore 068898

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*Please fold here*

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

**In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.**

5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form (or any related attachment) if the member, being the appointor, is not shown to have shares entered against his 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.



**AEDGE GROUP LIMITED**

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