



**ONEAPEX**  
**ANNUAL REPORT 2019**





This annual report has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor") in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.

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## CORPORATE PROFILE

Chew's Group Limited (the "**Company**" and together with its subsidiaries the "**Group**") was incorporated on 30 September 2010 and was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 28 February 2011.

Prior to 20 April 2018, the Group specialised in the production of a range of healthy and nutritious, generic and designer eggs under the Group's brand name, "Chews" through its main operating subsidiary in Singapore, Chew's Agriculture Pte Ltd. The Company disposed the entire issued and paid-up share capital of its four wholly-owned subsidiaries in Singapore, namely, Chew's Agriculture Pte Ltd, Chew's Engineering Services Pte Ltd, Chew's Group Investment Pte Ltd and Chew's Group Marketing Pte Ltd ("the **Disposal**"). As a result of the Disposal, the Group ceased its farming activities as of 20 April 2018.

On 8 October 2018, Goldhill Trust Pte Ltd ("**Goldhill Trust**"), acquired 57,580,341 shares or 68.14% of the Company's shares and became the controlling shareholder of the Company. On 23 October 2018, through Hong Leong Finance Limited, Goldhill Trust made a mandatory unconditional cash offer to the

shareholders of the Company to acquire the remaining issued and paid-up ordinary shares in the capital of the Company. At the close of offer on 20 November 2018, Goldhill Trust announced that it owned 78,928,572 shares or 93.41% of the total number of issued shares of the Company. Goldhill Trust is an investment holding company owned by Mr. Tan Pei Hong, Alex (Chen PeiFeng) ("**Alex Tan**") and his brother Mr. Tan Theng Hong, Amos, each owning 50% of the issued share capital of Goldhill Trust. Alex Tan is the Executive Director and Chief Executive Officer of the Company.

At present, the Group continues to hold its only remaining subsidiary in Hong Kong which is engaged in the business of trading of generic and designer eggs and other food products.

On 31 January 2019, the Group with its team of new directors and management, changed the Company's name to OneApex Limited (Chinese name "亿高有限公司") and has obtained shareholders' approval for diversification of its business to Property Investment, Property Management, Property Development and Financial Investments Services.





**MR. CHIU JOON SUN**  
(ZHAO JUNSHENG)



**MR. TAN PEI HONG, ALEX**  
(CHEN PEIFENG)



## CEO's STATEMENT AND FINANCIAL REVIEW

### DEAR SHAREHOLDERS

It is my pleasure to present to you OneApex Limited's (the "**Company**" or "**OneApex**" and together with its subsidiaries, the "**Group**") annual report and the Group's financial results for the financial year ended 30 September ("**FY2019**").

#### Review of the Financial Performance of the Group (FY2019 vs FY2018)

##### **Continuing operations:**

The Group's continuing operations mainly include the expenses of the Company and the trading operations of its subsidiary in Hong Kong.

The Group recorded revenue of approximately \$4.7 million in FY2019 as compared to \$3.3 million in FY2018. This is primarily due to an increase of approximately \$1.4 million in the sales of eggs in Hong Kong and increase in revenue from financial services of \$0.4m, which was partially offset by a decrease in revenue from other operations of \$0.4 million. Other income increased by approximately \$76,000 from \$111,000 in FY2018 to \$187,000 in FY2019 and comprised mainly interest income derived from bank balances in Singapore.

There was no material change in inventories in FY2019. The increase in purchase of materials of approximately \$1.3 million from \$1.5 million in FY2018 to \$2.8 million in 2019, was due to:

- (i) the purchase of materials in FY2018 which had excluded approximately \$0.7 million worth of

intercompany purchases of eggs (the "FY2018 Purchases") from Chew's Agriculture Pte Ltd ("Chew's Agriculture"), an entity that the Company had since disposed off in April 2018, and these purchases were eliminated against losses in discontinued operations in FY2018; in FY2019 such purchases were no longer eliminated at the Group level; and

- (ii) an increase in the purchase of eggs from other third-party suppliers of approximately \$0.6 million in tandem with the increase in revenue.

Employee benefits expense increased by approximately \$0.4 million, from \$1.3 million in FY2018 to \$1.7 million in FY2019, as the Hong Kong subsidiary had increased its manpower resources to support the higher sales activities.

Depreciation and rental expenses for FY2019 rose by approximately \$29,000 and \$37,000 respectively as compared to FY2018, as the Company had set up its new office premise in Singapore. Other operating expenses increased by approximately \$0.4 million primarily due to the professional fees paid for corporate activities undertaken by the Company during FY2019.

Income tax expense decreased by approximately S\$3,000 from S\$34,000 in FY2018 to \$31,000 in FY2019 mainly due to deferred tax assets recognised on timing differences relating to Hong Kong's operations.

As a result of the above, the Group made a loss from its continuing operations of approximately \$1.4 million in





## CEO'S STATEMENT AND FINANCIAL REVIEW

FY2019 as compared to a loss of \$0.6 million in FY2018.

### **Discontinued operations:**

Loss after tax from discontinued operations amounted to approximately \$1.4 million in FY2018 as the Group had completed the Disposal in Singapore on 20 April 2018.

### **Review of the Financial Position of the Group**

The Group's total assets decreased by approximately \$9.5 million, from \$23.9 million as at 30 September 2018 to \$14.4 million as at 30 September 2019. The Group's current assets as at 30 September 2019 stood at approximately \$14.1 million, which accounted for 98.1% of the Group's total assets and represents a decrease of \$9.6 million from \$23.7 million as at 30 September 2018. The decrease is mainly due to a reduction in bank balances as the Company had paid out cash dividends of approximately \$8.4 million during FY2019. The Group's non-current assets stood at approximately \$0.3 million as at 30 September 2019 and consisted mainly of property, plant and equipment of \$0.2 million and goodwill on the acquisition of Onewealth Development Pte Ltd of \$0.1 million.

The Group's total liabilities decreased by approximately \$8.3 million, from \$9.5 million as at 30 September 2018 to \$1.2 million as at 30 September 2019, mainly due to dividends payable of \$8.4 million which were declared in the financial year ended 30 September 2018 (recorded under other payables as at 30 September 2018) and paid out in FY2019.

The Group maintained a positive working capital of approximately \$12.9 million as at 30 September 2019.

### **Review of the Statement of Cash Flows for the Group**

The Group's cash and cash equivalents decreased by approximately \$9.5 million, from \$22.6 million as at 30 September 2018 to \$13.1 million as at 30 September 2019.

The Group recorded net cash used in operating activities of approximately \$1.4 million in FY2019 as compared to net cash from operating activities of \$11.1 million in FY2018, representing a decrease of \$12.5 million. This was mainly due to the Disposal which was completed in April 2018.

Net cash from investing activities amounted to approximately \$0.4 million in FY2019 as compared to

net cash used in investing activities of S\$3.1 million in FY2018. This was mainly due to net cash previously used in the operations of the Disposed Entities in FY2018 and a net cash inflow of approximately S\$0.3 million recorded from the Acquisition.

Net cash used in financing activities amounted to approximately \$8.4 million in FY2019 as the Group had paid out dividends of \$8.4 million, as compared to net cash used in financing activities of \$30.2 million in FY2018, of which \$0.3 million was for the repayment of finance leases and bank loans as well as dividends paid amounted to \$30.0 million, which was partially offset by a decrease in pledged fixed deposits of S\$0.1 million.

### **LOOKING AHEAD**

Following the diversification of the Group's business on 31 January 2019, the Group has secured contracts in managing a hotel and a hostel in the property management business.

The Group has also announced an acquisition of a dormitory, through its associated company, on 7th of November.

The Group will, in the coming months, strive to drive the business forward in the areas of property investment, property management, property development financial investment services through identification of opportunities and execution of secured contracts.

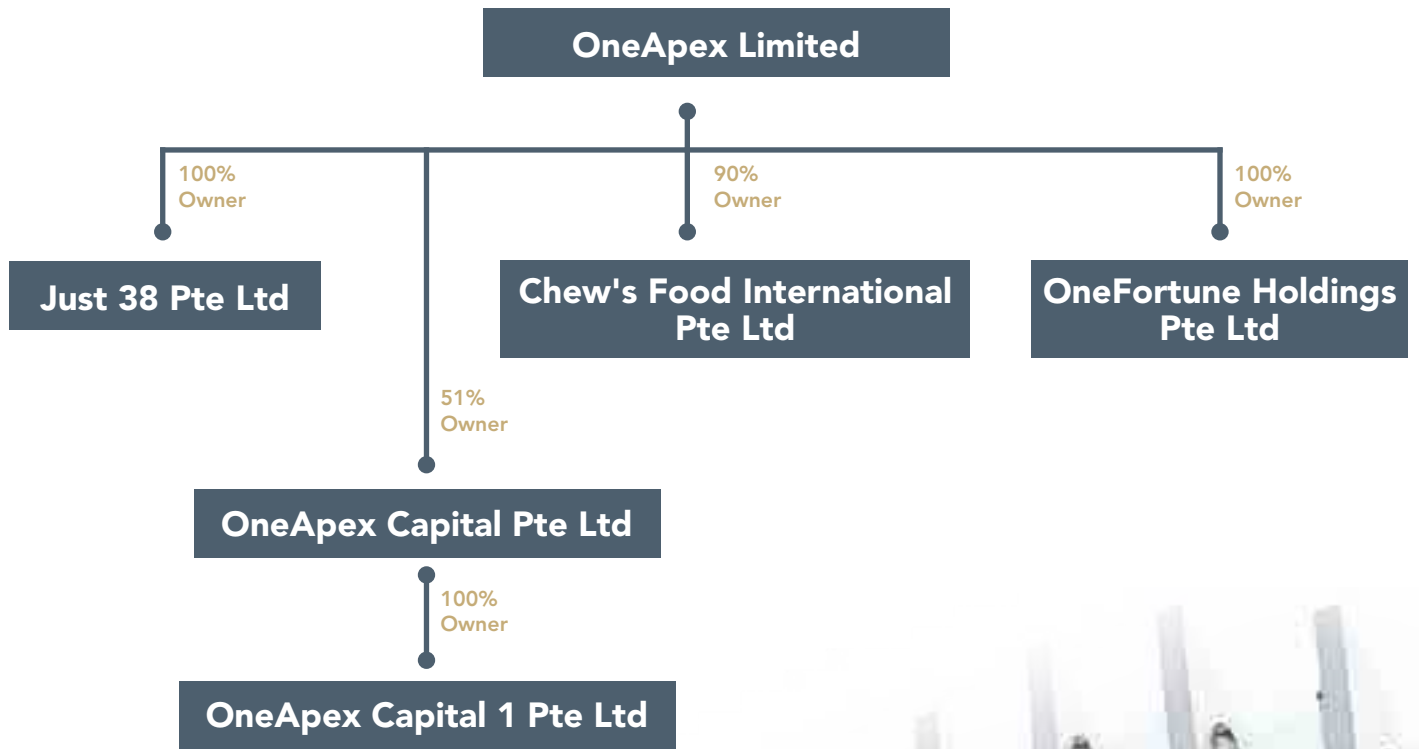
### **APPRECIATION**

On behalf of the board, I would like to extend my appreciation and gratitude to all shareholders, customers, suppliers, business associates, bankers, directors and our staff for their unwavering support to OneApex Limited.

**TAN PEI HONG, ALEX (CHEN PEIFENG)**  
**EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER**



# CORPORATE STRUCTURE





## BOARD OF DIRECTORS



**MR. ZACHARY TAN LIAN CHYE, 56,** is our Non-Executive Non-Independent Chairman and was appointed to the Board on 20 November 2018. He is also a member of our Risk Committee.

Mr. Tan has more than 30 years of experience in the real estate industry with a specialised focus on property development, construction and project management. He is currently the Project Director of Micro Project Management LLP, a firm that offers consulting and project planning services in the area of property development in Singapore. Mr. Tan has extensive knowledge in the real estate industry, in particular, the start-to-end process of land acquisition, building development and maintenance. Mr. Tan held the position of Project Director in Fission Development Pte. Ltd. from 2007 to 2013.

Mr. Tan holds a Bachelor of Business Administration in Project Management from the Ashwood University and Diplomas in Construction Law from the Irish International University and ITC School of Law, Singapore.



**MR. TAN PEI HONG, ALEX (CHEN PEIFENG), 33,** is the Executive Director and Chief Executive Officer of the Company and was appointed to the Board on 20 November 2018. He is also the Chairman of our Risk Committee and a member of Nominating Committee. He is responsible for the overall management, operations, strategic planning and business expansion of the Group and oversees the day-to-day operations for the Group.

Mr. Alex Tan was the General Manager of Yi Kai Development Pte Ltd ("Yi Kai"), a business owned by his family. Yi Kai has been established in Singapore since 1985 and is engaged in providing real estate development services, specialising in both commercial and residential property developments in Singapore. Through his family business, he has gained in-depth knowledge and built a vast network in the property market in Singapore. Prior to this appointment, Mr. Alex Tan was the Chief Operation Officer of Prime Asia Asset Management Pte. Ltd., a Registered Fund Management Company approved by the Monetary Authority of Singapore, where he set up the wealth management department. Mr. Alex Tan has also held several positions with international hotel chains which include The Pan Pacific Hotels Group, The St. Regis Singapore and Raffles Hotel, Beijing, where he was exposed to both operational and management roles of the hospitality industry during the initial years of his career.

Mr. Alex Tan holds a Bachelor of Business Administration in Hospitality Management from the Glion Institute of Higher Education in Switzerland and a Diploma in Information Technology from the Republic Polytechnic of Singapore.



## BOARD OF DIRECTORS



**MR. CHIU JOON SUN (ZHAO JUNSHENG), 40**, is an Executive Director of the Company and was appointed to the Board on 29 December 2018. He is also a member of our Nominating Committee and Risk Committee. He is responsible for the overall management, operations, strategic planning and business expansion of the Group and heads the Financial Investments Services division of the Group.

Prior to joining the Group, Mr. Chiu held a number of senior financial positions in major financial institutions including Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited, UBS Group AG and Nomura Singapore Limited. Over the past 13 years, he has accumulated extensive knowledge and experience in the Singapore financial markets covering diverse activities such as banking, capital markets, corporate finance, securities brokerage and investment portfolio management for the ultra-high net-worth individuals.

Mr. Chiu holds a Bachelor of Engineering (Mechanical and Production Engineering) from the Nanyang Technological University of Singapore.



**MR. CHEE TECK KWONG PATRICK, PBM, 65**, is the Lead Independent Director of the Company and was appointed to the Board on 20 November 2018. Mr. Chee currently chairs the Remuneration Committee and is a member of our Audit Committee, Nominating Committee and Risk Committee.

Mr. Chee holds a Bachelor of Law (Hons) from the National University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the Senior Courts of England and Wales. He has been in private legal practice since 1980. He is now a Senior Legal Consultant with Withers KhattarWong LLP, an international law firm. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions and listing of companies. He has advised on property law and has handled several landmark development projects in Singapore, Indonesia, Malaysia and China. He also conducts civil litigation and arbitration proceedings. He had initiated and was instrumental to the setting up of a full licensed KhattarWong's law practice in Vietnam.

Mr. Chee is a Notary Public and a Commissioner for Oaths. He is a member of the Singapore Institute of Arbitrators and the Singapore Institute of Directors. He had served several years in the sub-committee of the National Crime Prevention Council and worked with the National Productivity Board in developing and overseeing the successful launch of some well-known franchises in Singapore in the early 1990s. From 2002 to 2013, Mr. Chee was the Organising Chairman of the "National Street Soccer League - Lee Hsien Loong Challenge Trophy".

Mr. Chee is currently an Independent Director of China International Holdings Limited and Hai Leck Holdings Limited, both listed on the Main Board of the SGX-ST and MeGroup Ltd., a company listed on the Catalist of the SGX-ST.

He is also the Honorary Legal Advisor to Hospitality Purchasing Association Singapore, several big clans and trade associations in Singapore. Mr. Chee is the recipient of the National Day Awards 2003 - "The Public Service Medal (Pingat Bakti Masyarakat)" from the President of the Republic of Singapore.



## BOARD OF DIRECTORS



**MR. WAN TAI FOONG, 51**, is an Independent Director of the Company and was appointed to the Board on 20 November 2018. Mr. Wan currently chairs the Audit Committee and is a member of our Nominating Committee, Remuneration Committee and Risk Committee. Mr. Wan is currently an Independent Director of New Toyo International Holdings Ltd, a company listed on the Main Board of the SGX-ST.

Mr. Wan is currently the Chief Executive Officer of Qi Capital Pte. Ltd., a boutique advisory firm that advises private corporates on mergers and acquisitions and fund-raising transactions. Mr. Wan has more than 20 years of experience in investment banking, with varied and in-depth exposure and experience to all aspects of mergers and acquisitions, restructuring and fund-raising transactions in different sectors. To date, Mr. Wan has advised on over USD 3 billion of mergers and acquisitions transactions. Prior to setting up Qi Capital, Mr. Wan held a number of senior positions in major financial institutions including Rabobank Singapore Branch, KBC Bank (Singapore) Limited, Kim Eng Corporate Finance Pte. Ltd. and N M Rothschild & Sons (Singapore) Limited. Mr. Wan started his career with Arthur Andersen Singapore.

Mr. Wan holds a Bachelor of Commerce from Murdoch University and has been a member of the Certified Public Accountant Australia since 2010.



**MR. LOW CHIN PARN ERIC, 58**, is an Independent Director of the Company and was appointed to the Board on 20 November 2018. Mr. Low currently chairs the Nominating Committee and is a member of our Audit Committee, Remuneration Committee and Risk Committee. Mr. Low is currently an Independent Director of China Gaoxian Fibre Fabric Holdings Ltd., a company listed on the Main Board of the SGX-ST.

Mr. Low has more than 20 years of experience in the finance and banking industry where he was previously the Vice President of Product and Advisory in CIMB Securities (Singapore) Pte. Ltd.

He began his career at ANZ Bank as a regional treasury analyst before joining the fixed income sales and trading desk of a Japanese brokerage house. Following his role as the Head of Fixed Income Sales and Trading, he worked in various business development roles in DBS Asset Management, Standard Chartered Bank and OCBC Asset Management, where he led the expansion of distribution channels before moving to the insurance industry based in Singapore and Hong Kong.

Prior to working in CIMB Securities, he worked at OCBC Bank where he held consumer banking roles including Head of Wealth Management OCBC China based in Shanghai, Head of Treasury Product and OCBC Private Bank Investment Advisory, where he has extensive experience in product development and management, marketing and investment banking.

Mr. Low holds a Master of Business Administration from Washington State University in the United States of America.

## EXECUTIVE OFFICERS



**Mr LOI LUP SHENG, RON, 41**, is our Chief Financial Officer who joined our Group in July 2019. He is also the Joint Company Secretary and the Chief Risk Officer of the Company. He has more than 15 years of experience in management and finance related fields covering logistics, property, hospitality, entertainment and retail industries. He is responsible for all financial and management reporting, taxation, regulatory compliance and corporate secretarial matters of our Group and oversees the human resource and information technology functions of our Company. Prior to joining our Group, Ron was the Chief Financial Officer of Scorpio East Holdings Ltd. and KOP Limited which are companies listed on the Catalist of the SGX-ST, and Koon Holdings Limited which is listed on the Main Board of the SGX-ST.

Mr Loi is a non-practising member of the Institute of Singapore Chartered Accountants and graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS:

Zachary Tan Lian Chye  
*(Non-Executive Non-Independent Chairman)*  
 Tan Pei Hong, Alex (Chen Peifeng)  
*(Executive Director and Chief Executive Officer)*  
 Chiu Joon Sun (Zhao Junsheng)  
*(Executive Director)*  
 Chee Teck Kwong Patrick  
*(Lead Independent Director)*  
 Wan Tai Foong  
*(Independent Director)*  
 Low Chin Parn Eric  
*(Independent Director)*

### AUDIT COMMITTEE:

Wan Tai Foong (Chairman)  
 Chee Teck Kwong Patrick  
 Low Chin Parn Eric

### REMUNERATION COMMITTEE:

Chee Teck Kwong Patrick (Chairman)  
 Wan Tai Foong  
 Low Chin Parn Eric

### NOMINATING COMMITTEE:

Low Chin Parn Eric (Chairman)  
 Chee Teck Kwong Patrick  
 Wan Tai Foong  
 Tan Pei Hong, Alex (Chen Peifeng)  
 Chiu Joon Sun (Zhao Junsheng)

### RISK COMMITTEE:

Tan Pei Hong, Alex (Chen Peifeng) (Chairman)  
 Zachary Tan Lian Chye  
 Chiu Joon Sun (Zhao Junsheng)  
 Chee Teck Kwong Patrick  
 Wan Tai Foong  
 Low Chin Parn Eric

### COMPANY SECRETARY:

Loi Lup Sheng, Ron  
 Leong Chuo Ming

### REGISTERED ADDRESS:

80 Raffles Place  
 #25-01 UOB Plaza 1  
 Singapore 048624  
 Tel : 65 6225 2626  
 Fax : 65 6225 1838

### PRINCIPAL PLACE OF BUSINESS:

38 Jalan Pemimpin  
 #06-06 Singapore 577178

### COMPANY REGISTRATION NO:

201020806C

### AUDITORS:

Deloitte & Touche LLP  
 6 Shenton Way OUE Downtown 2  
 #33-00 Singapore 068809  
 Partner-in-charge: Mr. Loi Chee Keong (Appointed with effect from financial year ended September 30, 2019)

### SPONSOR:

Novus Corporate Finance Pte. Ltd.  
 9 Raffles Place  
 #17-05 Republic Plaza Tower 1  
 Singapore 048619

### SHARE REGISTRAR:

Tricor Barbinder Share Registration Services  
 80 Robinson Road  
 #02-00  
 Singapore 068898

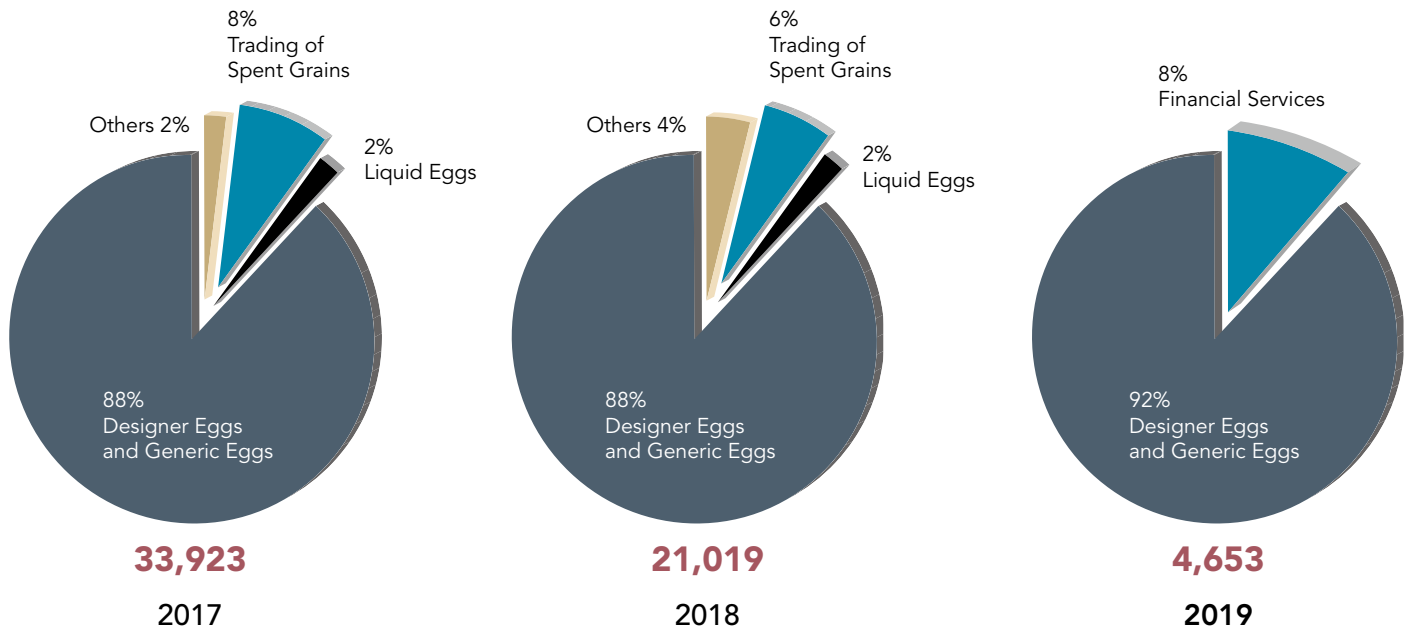
### BANKERS:

Standard Chartered Bank  
 United Overseas Bank Limited  
 Development Bank of Singapore  
 Malayan Banking Berhad

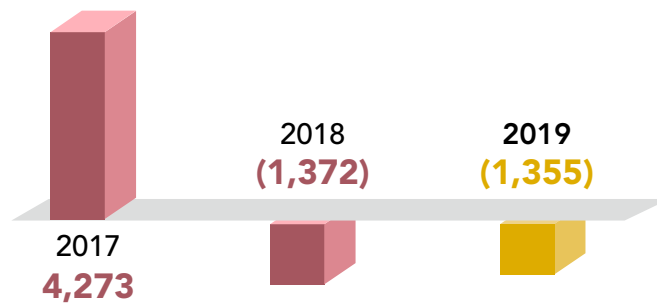


# FINANCIAL HIGHLIGHTS

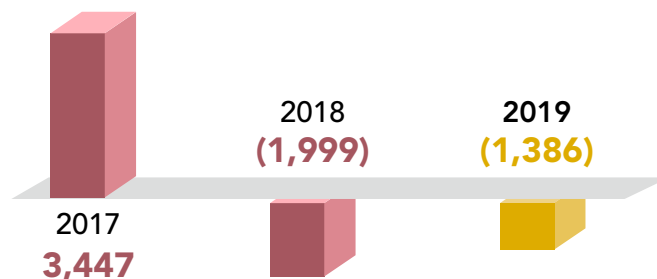
## Total Revenue (Continuing and Discontinued Operations) (S\$'000)



## Profit / (Loss) Before Income Tax (S\$'000)



## Net Profit / (Loss) After Tax (S\$'000)



# CORPORATE GOVERNANCE REPORT

## DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The Board of Directors (the “**Board**” or the “**Directors**”) of OneApex Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during FY2019, with specific reference made to the principles of the Code of Corporate Governance 2012 (the “**Code**”) and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in January 2015 (the “**Guide**”).

Guideline	Code and/or Guide Description	Company’s Compliance or Explanation
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.  Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2019.



# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																																
<b>BOARD MATTERS</b>																																		
<b>The Board's Conduct of Affairs</b>																																		
1.1/1.2	What is the role of the Board?	<p>For the period from 1 October 2018 to 20 November 2018, the Board comprised of six (6) members as follows:</p> <table border="1"> <thead> <tr> <th colspan="2"><b>Table 1.1 – Composition of the Board (From 1 October 2018 to 20 November 2018)</b></th> </tr> <tr> <th><b>Name of Director</b></th> <th><b>Designation</b></th> </tr> </thead> <tbody> <tr> <td>Chew Chee Bin</td> <td>Executive Chairman</td> </tr> <tr> <td>Chew Eng Hoe</td> <td>Managing Director and Executive Director</td> </tr> <tr> <td>Yuen Sou Wai</td> <td>Lead Independent Director</td> </tr> <tr> <td>Chong Chin Fan</td> <td>Independent Director</td> </tr> <tr> <td>Choo Boon Seng</td> <td>Independent Director</td> </tr> <tr> <td>Chew Chee Keong</td> <td>Non-Executive Director</td> </tr> </tbody> </table> <p>On 20 November 2018, the above Directors resigned from the Board and for the period from 20 November 2018 to 30 September 2019, the Board comprised of six (6) members who were appointed with effect from 20 November 2018 as follows:</p> <table border="1"> <thead> <tr> <th colspan="2"><b>Table 1.1 (A) – Composition of the Board (From 20 November 2018 to 30 September 2019)</b></th> </tr> <tr> <th><b>Name of Director</b></th> <th><b>Designation</b></th> </tr> </thead> <tbody> <tr> <td>Zachary Tan Lian Chye ("Zachary Tan")</td> <td>Non-Executive Non-Independent Chairman</td> </tr> <tr> <td>Tan Pei Hong, Alex (Chen Peifeng) ("Alex Tan")</td> <td>Executive Director and Chief Executive Officer ("CEO")</td> </tr> <tr> <td>Chee Teck Kwong Patrick ("Patrick Chee")</td> <td>Lead Independent Director</td> </tr> <tr> <td>Wan Tai Foong</td> <td>Independent Director</td> </tr> <tr> <td>Low Chin Parn Eric ("Eric Low")</td> <td>Independent Director</td> </tr> <tr> <td>Chiu Joon Sun (Zhao Junsheng) ("Lawrence Chiu")<sup>(1)</sup></td> <td>Executive Director</td> </tr> </tbody> </table> <p><i>Note:</i> (1) Appointed as Director on 29 December 2018.</p> <p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board oversees the management of the Company (the "Management") and affairs of the Group's business and oversees processes for evaluating the adequacy and effectiveness of the Group's internal controls and risk management systems. It focuses on the strategies and policies, with particular attention paid to growth and financial performance. The Board works with the Management to achieve this and the Management remains accountable to the Board. Each individual Director has objectively discharged his duties and responsibilities at all times as fiduciaries in the interests of the Company.</p>	<b>Table 1.1 – Composition of the Board (From 1 October 2018 to 20 November 2018)</b>		<b>Name of Director</b>	<b>Designation</b>	Chew Chee Bin	Executive Chairman	Chew Eng Hoe	Managing Director and Executive Director	Yuen Sou Wai	Lead Independent Director	Chong Chin Fan	Independent Director	Choo Boon Seng	Independent Director	Chew Chee Keong	Non-Executive Director	<b>Table 1.1 (A) – Composition of the Board (From 20 November 2018 to 30 September 2019)</b>		<b>Name of Director</b>	<b>Designation</b>	Zachary Tan Lian Chye ("Zachary Tan")	Non-Executive Non-Independent Chairman	Tan Pei Hong, Alex (Chen Peifeng) ("Alex Tan")	Executive Director and Chief Executive Officer ("CEO")	Chee Teck Kwong Patrick ("Patrick Chee")	Lead Independent Director	Wan Tai Foong	Independent Director	Low Chin Parn Eric ("Eric Low")	Independent Director	Chiu Joon Sun (Zhao Junsheng) ("Lawrence Chiu") <sup>(1)</sup>	Executive Director
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# CORPORATE GOVERNANCE REPORT

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1.3	Has the Board delegated certain responsibilities to committees? If yes, please provide details.	<p>The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC"), the Nominating Committee (the "NC") and the Risk Committee (collectively, the "Board Committees"). The compositions of the Board Committees for the period from 1 October 2018 to 20 November 2018 were as follows:</p> <p style="text-align: center;"><b>Table 1.3 – Composition of the Board Committees (From 1 October 2018 to 20 November 2018)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">AC<sup>1</sup></th> <th style="text-align: center;">NC<sup>2</sup></th> <th style="text-align: center;">RC<sup>3</sup></th> <th style="text-align: center;">Risk Committee</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Yuen Sou Wai</td> <td>Choo Boon Seng</td> <td>Chong Chin Fan</td> <td>Chew Chee Bin</td> </tr> <tr> <td>Member</td> <td>Chong Chin Fan</td> <td>Yuen Sou Wai</td> <td>Yuen Sou Wai</td> <td>Yuen Sou Wai</td> </tr> <tr> <td>Member</td> <td>Choo Boon Seng</td> <td>Chong Chin Fan</td> <td>Choo Boon Seng</td> <td>Chong Chin Fan</td> </tr> <tr> <td>Member</td> <td></td> <td>Chew Eng Hoe</td> <td>Chew Chee Keong</td> <td>Choo Boon Seng</td> </tr> <tr> <td>Member</td> <td></td> <td>Chew Chee Bin</td> <td></td> <td>Chew Eng Hoe</td> </tr> <tr> <td>Member</td> <td></td> <td></td> <td></td> <td>Chew Chee Keong</td> </tr> </tbody> </table> <p><i>Notes:</i></p> <p>(1) The AC comprised three (3) members, all of whom (including the Chairman) were independent.</p> <p>(2) The NC comprised five (5) members, the majority of whom (including the Chairman) were independent.</p> <p>(3) The RC comprised four (4) members, the majority of whom (including the Chairman) were independent.</p> <p>With the resignation of the above Directors from the Board on 20 November 2018, the compositions of the Board Committees for the period from 20 November 2018 to 30 September 2019 were as follows:</p> <p style="text-align: center;"><b>Table 1.3 (A) – Composition of the Board Committees (From 20 November 2018 to 30 September 2019)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">AC<sup>1</sup></th> <th style="text-align: center;">NC<sup>2</sup></th> <th style="text-align: center;">RC<sup>3</sup></th> <th style="text-align: center;">Risk Committee</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Wan Tai Foong</td> <td>Eric Low</td> <td>Patrick Chee</td> <td>Alex Tan</td> </tr> <tr> <td>Member</td> <td>Patrick Chee</td> <td>Patrick Chee</td> <td>Wan Tai Foong</td> <td>Zachary Tan</td> </tr> <tr> <td>Member</td> <td>Eric Low</td> <td>Wan Tai Foong</td> <td>Eric Low</td> <td>Patrick Chee</td> </tr> <tr> <td>Member</td> <td></td> <td>Alex Tan</td> <td></td> <td>Wan Tai Foong</td> </tr> <tr> <td>Member</td> <td></td> <td>Lawrence Chiu<sup>4</sup></td> <td></td> <td>Eric Low</td> </tr> <tr> <td>Member</td> <td></td> <td></td> <td></td> <td>Lawrence Chiu<sup>4</sup></td> </tr> </tbody> </table> <p><i>Notes:</i></p> <p>(1) The AC comprises three (3) members, all of whom (including the Chairman) are independent.</p> <p>(2) The NC comprises five (5) members, the majority of whom (including the Chairman) are independent.</p> <p>(3) The RC comprises three (3) members, all of whom (including the Chairman) are independent.</p> <p>(4) Appointed as Director on 29 December 2018.</p>		AC <sup>1</sup>	NC <sup>2</sup>	RC <sup>3</sup>	Risk Committee	Chairman	Yuen Sou Wai	Choo Boon Seng	Chong Chin Fan	Chew Chee Bin	Member	Chong Chin Fan	Yuen Sou Wai	Yuen Sou Wai	Yuen Sou Wai	Member	Choo Boon Seng	Chong Chin Fan	Choo Boon Seng	Chong Chin Fan	Member		Chew Eng Hoe	Chew Chee Keong	Choo Boon Seng	Member		Chew Chee Bin		Chew Eng Hoe	Member				Chew Chee Keong		AC <sup>1</sup>	NC <sup>2</sup>	RC <sup>3</sup>	Risk Committee	Chairman	Wan Tai Foong	Eric Low	Patrick Chee	Alex Tan	Member	Patrick Chee	Patrick Chee	Wan Tai Foong	Zachary Tan	Member	Eric Low	Wan Tai Foong	Eric Low	Patrick Chee	Member		Alex Tan		Wan Tai Foong	Member		Lawrence Chiu <sup>4</sup>		Eric Low	Member				Lawrence Chiu <sup>4</sup>
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1.4	Have the Board and Board Committees met in the last financial year?	<p>The Board meets on a half-yearly basis, and as and when circumstances require. In FY2019, the number of the Board and the Board Committee meetings held and the attendance of each Board member are shown below.</p> <p style="text-align: center;"><b>Table 1.4 – Board and Board Committee Meetings for the period from 1 October 2018 to 20 November 2018)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Board</th> <th style="text-align: center;">AC</th> <th style="text-align: center;">NC</th> <th style="text-align: center;">RC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <th style="text-align: left;">Name of Director</th> <th colspan="4" style="text-align: center;">Number of Meetings Attended</th> </tr> <tr> <td>Chew Chee Bin</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1*</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1*</td> </tr> <tr> <td>Chew Eng Hoe</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1*</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1*</td> </tr> <tr> <td>Yuen Sou Wai</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Chong Chin Fan</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Choo Boon Seng</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Chew Chee Keong</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1*</td> <td style="text-align: center;">1*</td> <td style="text-align: center;">1</td> </tr> </tbody> </table> <p style="margin-left: 20px;">* By invitation</p> <p style="text-align: center;"><b>Table 1.4A – Board and Board Committee Meetings for the period from 20 November 2018 to 30 September 2019</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Board</th> <th style="text-align: center;">AC</th> <th style="text-align: center;">NC</th> <th style="text-align: center;">RC</th> </tr> </thead> <tbody> <tr> <td>Number of Meetings Held</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <th style="text-align: left;">Name of Director</th> <th colspan="4" style="text-align: center;">Number of Meetings Attended</th> </tr> <tr> <td>Zachary Tan</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1*</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Alex Tan</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2*</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1*</td> </tr> <tr> <td>Patrick Chee</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Wan Tai Foong</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Eric Low</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Lawrence Chiu<sup>(1)</sup></td> <td style="text-align: center;">2</td> <td style="text-align: center;">2*</td> <td style="text-align: center;">1*</td> <td style="text-align: center;">1*</td> </tr> </tbody> </table> <p style="margin-left: 20px;">Note: (1) Appointed as Director on 29 December 2018.</p> <p>The Company's Constitution (the "Constitution") allows for Board meetings to be held by way of tele-conferences and through other electronic communications equipment.</p>		Board	AC	NC	RC	Number of Meetings Held	2	1	1	1	Name of Director	Number of Meetings Attended				Chew Chee Bin	2	1*	1	1*	Chew Eng Hoe	2	1*	1	1*	Yuen Sou Wai	2	1	1	1	Chong Chin Fan	2	1	1	1	Choo Boon Seng	2	1	1	1	Chew Chee Keong	2	1*	1*	1		Board	AC	NC	RC	Number of Meetings Held	2	2	1	1	Name of Director	Number of Meetings Attended				Zachary Tan	1	1*	0	0	Alex Tan	2	2*	1	1*	Patrick Chee	2	2	1	1	Wan Tai Foong	2	2	1	1	Eric Low	2	2	1	1	Lawrence Chiu <sup>(1)</sup>	2	2*	1*	1*
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1.5	What are the types of material transactions which require approval from the Board?	<p>The Board has put in place internal policies for matters that require Board approval. The Board approves transactions exceeding certain threshold limits. The authority for transactions below such limits is delegated to Board Committees and/or the Management to optimise operational efficiency guided by internal policies and limits of authority.</p> <p>Specifically, matters and transactions that require the Board's approval include, amongst others, the following:</p> <ul style="list-style-type: none"> <li>• release of the half year and full year results announcements;</li> <li>• annual report and financial statements;</li> <li>• annual budgets and financial plans of the Company;</li> <li>• convening of shareholders' meetings;</li> <li>• corporate strategies;</li> <li>• material acquisitions and disposals of assets exceeding S\$100,000;</li> <li>• share issuances;</li> <li>• declaration of interim dividends and proposal of final dividends;</li> <li>• appointing of directors and key management staff, including the review of performance and remuneration packages; and</li> <li>• interested person transactions.</li> </ul>
1.6/1.7	<p>(a) Are new Directors given formal training? If not, please explain why.</p> <p>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</p>	<p>All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel.</p> <p>The Company will provide training to first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate and such training will be arranged and funded by the Company. First-time directors of listed companies in Singapore will also attend relevant training programmes conducted by the Singapore Institute of Directors ("<b>SID</b>").</p> <p>The Directors who were appointed on 20 November 2018 and 29 December 2018 were briefed on the Group's new business strategies and appropriate training will be arranged. The Directors may also attend other trainings, conferences and seminars that are organised by the professional bodies, regulatory institutions and corporations at the Company's expense. A formal letter setting out the Director's duties and obligations has been provided to the current Directors.</p> <p>During FY2019, the external auditors ("<b>EA</b>") had briefed the AC and the Board on changes or amendments to accounting standards. New releases issued by SGX-ST and Accounting and Corporate Regulatory Authority ("<b>ACRA</b>") which are relevant to the Directors had been circulated to the Board. The Board encourages, at the Company's expense, its members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors. All Directors are provided with courses available/ to be conducted by SID on a regular basis.</p>



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<b>Board Composition and Guidance</b>		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	<p>In FY2019, in view that the chairman of the Board (the "<b>Chairman</b>") was not an independent director, Independent Directors made up at least half of the Board. In FY2019, three (3) out of six (6) Directors on the Board were Independent Directors. Thus, Guideline 2.2 of the Code was satisfied.</p> <p>To strengthen the independence of the Board, Mr. Patrick Chee has been appointed as the Lead Independent Director of the Company. He makes himself available to the shareholders of the Company at the Company's general meetings, where they have concerns and for which contact through the normal channels to the Chairman, CEO and the Chief Financial Officer ("<b>CFO</b>") have failed to resolve or is inappropriate. The Lead Independent Director is also responsible for leading the meetings of independent directors and providing feedback to the Chairman after such meetings.</p>
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The NC had reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors had also confirmed their independence in accordance with the Code.
	<p>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.</p> <p>(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.</p>	There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

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2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	None of the Independent Directors have served on the Board for more than nine (9) years since the date of his first appointment.
2.5	What are the steps taken by the Board to progressively renew the Board composition?	The composition of the Board and independence of each Director is reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience to govern and manage the Group's affairs.
	Has the Board considered the present Board size, and with a view to determining the impact of the number upon effectiveness, decide on what it considered an appropriate size for the Board, which facilitates effective decision-making?	The Board, through the NC, has considered the present Board size and is satisfied that the current size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operations.
2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience that could effectively contribute to the Group, regardless of gender.



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	(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.	<p>The Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="background-color: #d3d3d3;"><b>Table 2.6 – Balance and Diversity of the Board</b></th> </tr> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: center;"><b>Number of Directors</b></th> <th style="width: 20%; text-align: center;"><b>Proportion of Board</b></th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Core Competencies</b></td> </tr> <tr> <td>- Accounting or finance</td> <td style="text-align: center;">3</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>- Business management</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>- Legal or corporate governance</td> <td style="text-align: center;">3</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>- Relevant industry knowledge or experience</td> <td style="text-align: center;">4</td> <td style="text-align: center;">67%</td> </tr> <tr> <td>- Strategic planning experience</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>- Customer based experience or knowledge</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <p>The NC is of the view that the Board comprises persons whose diverse skills, experience 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.</p>	<b>Table 2.6 – Balance and Diversity of the Board</b>				<b>Number of Directors</b>	<b>Proportion of Board</b>	<b>Core Competencies</b>			- Accounting or finance	3	50%	- Business management	6	100%	- Legal or corporate governance	3	50%	- Relevant industry knowledge or experience	4	67%	- Strategic planning experience	6	100%	- Customer based experience or knowledge	6	100%
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	(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	<p>The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> <li>• annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and</li> <li>• annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.</li> </ul> <p>The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</p>																											
2.7	What are the roles of the Non-Executive Directors?	They constructively challenge and assist in the development of proposals on strategy, assist the Board in reviewing the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance.																											
2.8	Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?	The Non-Executive Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of the Management. In FY2019, the Non-Executive Directors had met at least once in the absence of key management personnel.																											

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<b>Chairman and Chief Executive Officer</b>		
3.1 3.2	Are the duties between Chairman and CEO segregated?	Mr. Zachary Tan is our Chairman of the Board and is responsible for ensuring the effectiveness and integrity of the governance process. He approves meeting agendas for the Board and reviews the meeting agendas for the Board Committees. Mr. Alex Tan is the CEO and is responsible for the overall management, operations, strategic planning and business expansion of the Group and overseeing the day-to-day operations of the Group. He works with the Board to determine the strategic and operational objectives of the Group. The Board is of the view that there is a clear division of responsibilities between the Chairman and the CEO in order to ensure that there is an appropriate balance of power, increased accountability and sufficient capacity of the Board for independent decision making.
3.4	Have the Independent Directors met in the absence of other directors?	Led by the Lead Independent Director, the Independent Directors will meet in the absence of the other Directors as and when circumstances warrant. In FY2019, the Independent Directors have met the EA and internal auditors ("IA") once in the absence of other Directors. The Lead Independent Director will provide feedback to the Chairman, when necessary.
<b>Board Membership</b>		
4.1 4.2	What are the duties of the NC?	<p>The NC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> <li>(a) deciding how the Board's performance may be evaluated and proposing objective performance criteria;</li> <li>(b) making recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if applicable) having regard to the Director's contributions and performance, including making recommendations on the composition of the Board and the balance between Executive and Non-Executive Directors appointed to the Board;</li> <li>(c) regularly reviewing the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;</li> <li>(d) identifying and nominating candidates as necessary for the approval of the Board, determining annually whether or not a Director is independent under the definition set out in the Code, filling Board vacancies as and when they arise, as well as putting in place plans for succession, in particular, in respect of the roles of the Chairman and the CEO;</li> <li>(e) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations and/or a conflict of interest; and</li> <li>(f) reviewing the training and professional development programmes for the Board.</li> </ul>



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4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not prescribed a limit with respect to the maximum number of listed company board representations each Director may hold.
	(b) If a maximum has not been determined, what are the reasons?	The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director may hold is not meaningful, as long as Directors are able to devote sufficient time and attention to the affairs of the Company. The NC also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. The Board also noted that only three (3) Directors of the Board have directorships in other listed companies and each of them holds not more than three (3) other directorships. Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC is of the view that sufficient time and attention to the affairs of the Company have been given by these Directors and is satisfied that all Directors have discharged their duties adequately.
	(c) What are the specific considerations in deciding on the capacity of directors?	The considerations in assessing the capacity of Directors include the following: <ul style="list-style-type: none"> <li>• expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;</li> <li>• geographical location of Directors;</li> <li>• size and composition of the Board; and</li> <li>• nature and scope of the Group's operations and size.</li> </ul>
	(d) Have the Directors adequately discharged their duties?	The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and was satisfied that all the Directors have discharged their duties adequately for FY2019.
4.5	Are there alternate Directors?	The Company does not have any alternate Directors.



# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																		
4.6	Please describe the board nomination process for the Company for (i) selecting and appointing new directors and (ii) reelecting incumbent directors.	<p><b>Table 4.6(a) – Process for the Selection and Appointment of New Directors</b></p> <table border="1"> <tbody> <tr> <td data-bbox="616 472 663 506">1.</td> <td data-bbox="663 472 1082 506">Determination of selection criteria</td> <td data-bbox="1082 472 1501 734"> <ul style="list-style-type: none"> <li>The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity.</li> </ul> </td> </tr> <tr> <td data-bbox="616 741 663 775">2.</td> <td data-bbox="663 741 1082 775">Search for suitable candidates</td> <td data-bbox="1082 741 1501 965"> <ul style="list-style-type: none"> <li>The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</li> </ul> </td> </tr> <tr> <td data-bbox="616 972 663 1005">3.</td> <td data-bbox="663 972 1082 1005">Assessment of shortlisted candidates</td> <td data-bbox="1082 972 1501 1106"> <ul style="list-style-type: none"> <li>The NC would meet and interview the shortlisted candidates to assess their suitability.</li> </ul> </td> </tr> <tr> <td data-bbox="616 1113 663 1146">4.</td> <td data-bbox="663 1113 1082 1146">Appointment of director</td> <td data-bbox="1082 1113 1501 1247"> <ul style="list-style-type: none"> <li>The NC would recommend the selected candidate to the Board for consideration and approval.</li> </ul> </td> </tr> </tbody> </table> <p><b>Table 4.6(b) – Process for the Re-election of Incumbent Directors</b></p> <table border="1"> <tbody> <tr> <td data-bbox="616 1308 663 1341">1.</td> <td data-bbox="663 1308 1082 1341">Assessment of director</td> <td data-bbox="1082 1308 1501 1599"> <ul style="list-style-type: none"> <li>The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and</li> <li>The NC would also consider the current needs of the Board.</li> </ul> </td> </tr> <tr> <td data-bbox="616 1606 663 1639">2.</td> <td data-bbox="663 1606 1082 1639">Re-appointment of director</td> <td data-bbox="1082 1606 1501 1830"> <ul style="list-style-type: none"> <li>Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</li> </ul> </td> </tr> </tbody> </table>	1.	Determination of selection criteria	<ul style="list-style-type: none"> <li>The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity.</li> </ul>	2.	Search for suitable candidates	<ul style="list-style-type: none"> <li>The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</li> </ul>	3.	Assessment of shortlisted candidates	<ul style="list-style-type: none"> <li>The NC would meet and interview the shortlisted candidates to assess their suitability.</li> </ul>	4.	Appointment of director	<ul style="list-style-type: none"> <li>The NC would recommend the selected candidate to the Board for consideration and approval.</li> </ul>	1.	Assessment of director	<ul style="list-style-type: none"> <li>The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and</li> <li>The NC would also consider the current needs of the Board.</li> </ul>	2.	Re-appointment of director	<ul style="list-style-type: none"> <li>Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</li> </ul>
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## CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		<p>Under Regulation 100 of the Constitution, at least one-third of its Directors shall retire from office by rotation and are subject to re-election at every annual general meeting of the Company. All Directors shall submit themselves for renomination and re-election at regular intervals and at least once every three (3) years. In addition, the Constitution also provides that a newly appointed Director must submit himself for re-election at the next annual general meeting of the Company following his appointment.</p> <p>The NC has recommended to the Board that Mr. Zachary Tan and Mr. Patrick Chee be nominated for re-election at the forthcoming annual general meeting ("<b>AGM</b>"). In making the recommendation, the NC had considered the directors' qualifications, expertise, past experiences and overall contribution since they were appointed as Directors of the Company. The Board has accepted the recommendations and, with the concurrence of the NC, has also considered Mr. Patrick Chee to be independent for the purposes of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "<b>Catalist Rules</b>").</p> <p>Mr. Zachary Tan will, upon re-election as a Director of the Company, remain as the Non-Executive Non-Independent Chairman of the Board and a member of the Risk Committee.</p> <p>Mr. Patrick Chee will, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the RC and a member of the AC, NC and Risk Committee.</p> <p>Mr. Patrick Chee being a member of the NC, has abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of his own contributions and/or re-election as a Director.</p> <p>Please refer to pages 6 to 7 and pages 39 to 44 for information on the Directors nominated for re-election, including the information required under Appendix 7F of the Catalist Rules.</p>
4.7	Please provide Directors' key information.	The key information of the current Directors, who were appointed to the Board on 20 November 2018 and 29 December 2018 including directorships held in other listed companies in the past three (3) years, are set out on pages 6 to 8 of this annual report.
<b>Board Performance</b>		
5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	The NC has adopted a formal process to assess the effectiveness of the Board and Board Committees as a whole, as well as the performance of each individual Director. The appraisal process for Board and Board Committees focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with Management and Directors' standards of conduct. The appraisal process of individual Director focused on the evaluation of factors such as attendance, preparedness, participation and know-how. All Directors are required to complete the evaluation form. The results of the evaluation are used constructively by the NC to identify areas of improvements and to recommend to the Board the appropriate action.

# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																											
	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	<p>The review of the performance of the Board, Board Committees and the Directors are conducted by the NC annually.</p> <p>For FY2019, the review process was as follows:</p> <ol style="list-style-type: none"> <li>1. each Director completed the Board, Board Committee and individual Director evaluation form;</li> <li>2. the Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and</li> <li>3. the NC discussed the report and concluded the performance results during the NC meeting.</li> </ol> <p>No external facilitator was used in the evaluation process.</p>																											
	(b) Has the Board met its performance objectives?	Yes, the Board has met its performance objectives for FY2019.																											
Access to Information																													
6.1 6.2 10.1 10.3	What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	<p>It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full-year financial results announcements, other price sensitive public reports and reports to regulators (if required). The Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by the Management to the Independent Directors are set out in the table below:</p> <table border="1"> <thead> <tr> <th colspan="3"><b>Table 6 – Types of information provided by key management personnel to Independent Directors</b></th> </tr> <tr> <th></th> <th><b>Information</b></th> <th><b>Frequency</b></th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td>Half-yearly</td> </tr> <tr> <td>2.</td> <td>Updates to the Group's operations and the markets in which the Group operates in</td> <td>Half-yearly</td> </tr> <tr> <td>3.</td> <td>Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)</td> <td>Half-yearly</td> </tr> <tr> <td>4.</td> <td>Reports on on-going or planned corporate actions</td> <td>Half-yearly</td> </tr> <tr> <td>5.</td> <td>Enterprise risk framework and IA' report(s)</td> <td>Half-yearly</td> </tr> <tr> <td>6.</td> <td>Research report(s)</td> <td>As required</td> </tr> <tr> <td>7.</td> <td>Shareholding statistics</td> <td>Annually</td> </tr> </tbody> </table>	<b>Table 6 – Types of information provided by key management personnel to Independent Directors</b>				<b>Information</b>	<b>Frequency</b>	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Half-yearly	2.	Updates to the Group's operations and the markets in which the Group operates in	Half-yearly	3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s)	Half-yearly	4.	Reports on on-going or planned corporate actions	Half-yearly	5.	Enterprise risk framework and IA' report(s)	Half-yearly	6.	Research report(s)	As required	7.	Shareholding statistics	Annually
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## CORPORATE GOVERNANCE REPORT

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		<p>Key management personnel will also provide any additional material or information that is requested by the Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p> <p>All Directors have direct and independent access to key management personnel.</p>
6.3 6.4 6.5	What is the role of the Company Secretary?	<p>All Directors have separate and independent access to the Company Secretary and are able to obtain independent professional advice at the Company's expense. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:</p> <ul style="list-style-type: none"> <li>• ensures that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore (the "<b>Companies Act</b>") and the Catalist Rules, are complied with;</li> <li>• assists the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value;</li> <li>• assists the Chairman to ensure good information flows within the Board and its committees and key management personnel;</li> <li>• facilitates orientation and assisting with professional development as required;</li> <li>• trains, designs and implements a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;</li> <li>• attends and prepares minutes for all Board meetings;</li> <li>• as secretary to all the other Board Committees, the Company</li> <li>• Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and</li> <li>• assists the Chairman, the chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.</li> </ul>

# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>REMUNERATION MATTERS</b>		
<b>Developing Remuneration Policies</b>		
7.1 7.2	What is the role of the RC?	<p>The RC is guided by key terms of reference as follows:</p> <p>(a) review and recommend to the Board, in consultation with the Executive Directors, a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each Director and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;</p> <p>(b) review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses; and</p> <p>(c) review and approve the granting of share options and/or performance shares to Directors and employees.</p>
7.3	Were remuneration consultants engaged in the last financial year?	<p>The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors. No remuneration consultants were engaged by the Company in FY2019. The service of an external remuneration consultant will be sought, as and when necessary.</p>
8.1 8.2 8.3	Are the Directors' remuneration structured so as to link rewards to corporate and individual performance?	<p>The Chairman and Independent Directors do not have any service contracts and are paid basic directorship fees. The RC recommends the payment of such fees in accordance with the contributions of the Independent Directors, taking into account factors such as effort and time spent and the responsibilities of the Independent Directors, which will then be endorsed by the Board and subjected to the approval of shareholders at the AGM.</p> <p>The Company has entered into service agreements with the two Executive Directors, namely Mr. Alex Tan and Mr. Chiu Joon Sun. The service agreements with the Executive Directors are for a period of three years. The Executive Directors will not be receiving any Directors' fees from the Company or its subsidiary companies and their remuneration comprises a basic salary, a fixed bonus and a variable performance bonus which is based on the performance of the Group.</p>
8.4	Are "claw-back" provisions provided for in the service agreements of Executive Directors and key management personnel?	<p>The Company currently does not have any contractual provisions allowing the Company to reclaim incentives from the Executive Directors and key management personnel in circumstances such as exceptional cases of wrong doings. The Board is of the view that as the Group pays performance bonus based on the actual performance of the Group, "claw-back" provisions in the service agreements may not be relevant or appropriate.</p>



## CORPORATE GOVERNANCE REPORT

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<b>Disclosure on Remuneration</b>																																																			
9	What is the Company's remuneration policy?	The Group's remuneration policy (which covers all aspects of remuneration including directors' fees, salaries, allowances, and bonuses, grant of shares and share options, and benefits-in-kind) is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise. The policy articulates to staff the link that total compensation has to be the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry.																																																	
9.1 9.2	Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	<p>The breakdown for the remuneration of the Directors for FY2019 is as follows:</p> <p><b>Table 9 – Directors' Remuneration</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Remuneration (S\$)</th> <th>Salary (%)</th> <th>Bonus (%)</th> <th>Directors Fees (%)</th> <th>Commission (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Zachary Tan</td> <td>32,742</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Alex Tan</td> <td>157,488</td> <td>94</td> <td>6</td> <td>–</td> <td>–</td> <td>100</td> </tr> <tr> <td>Patrick Chee</td> <td>34,466</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Wan Tai Foong</td> <td>34,466</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Eric Low</td> <td>30,158</td> <td>–</td> <td>–</td> <td>100</td> <td>–</td> <td>100</td> </tr> <tr> <td>Lawrence Chiu</td> <td>447,783</td> <td>28</td> <td>2</td> <td>–</td> <td>70</td> <td>100</td> </tr> </tbody> </table> <p>There are no termination, post-employment and retirement benefits that may be granted to the Directors.</p> <p>The independence of the Non-Executive Directors is not compromised by their compensation. The NC recommends Directors' fee for the Board's endorsement and approval by shareholders at the Company's annual general meeting and the fees are determined having regard to the scope and extent of the Directors' responsibilities and obligation to the Company.</p> <p>No Director is involved in deciding his own remuneration.</p>	Name	Remuneration (S\$)	Salary (%)	Bonus (%)	Directors Fees (%)	Commission (%)	Total (%)	Zachary Tan	32,742	–	–	100	–	100	Alex Tan	157,488	94	6	–	–	100	Patrick Chee	34,466	–	–	100	–	100	Wan Tai Foong	34,466	–	–	100	–	100	Eric Low	30,158	–	–	100	–	100	Lawrence Chiu	447,783	28	2	–	70	100
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9.3	<p>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</p> <p>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</p>	<p>The disclosure for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2019 is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: center;"><b>Table 9.3 – Remuneration of Key Management Personnel</b></th> </tr> <tr> <th style="text-align: center;">Name</th> <th style="text-align: center;">Remuneration Band (S\$)</th> <th style="text-align: center;">Base/Fixed Salary (%)</th> <th style="text-align: center;">Variable bonus (%)</th> <th style="text-align: center;">Total (%)</th> </tr> </thead> <tbody> <tr> <td>Tay Bee Gek, Dorriz</td> <td style="text-align: center;">&lt;250,000</td> <td style="text-align: center;">94</td> <td style="text-align: center;">6</td> <td style="text-align: center;">100</td> </tr> <tr> <td>Loi Lup Sheng, Ron</td> <td style="text-align: center;">&lt;250,000</td> <td style="text-align: center;">100</td> <td style="text-align: center;">–</td> <td style="text-align: center;">100</td> </tr> </tbody> </table> <p>In view of the highly competitive industry conditions and in the interest of maintaining good morale and building team work within the Group, the specific remuneration of each key management personnel has not been disclosed.</p> <p>There are no termination and retirement benefits that may be granted to the key management personnel.</p> <p>The total remuneration paid to the top two (2) key management personnel for FY2019 was S\$248,764.</p>	<b>Table 9.3 – Remuneration of Key Management Personnel</b>					Name	Remuneration Band (S\$)	Base/Fixed Salary (%)	Variable bonus (%)	Total (%)	Tay Bee Gek, Dorriz	<250,000	94	6	100	Loi Lup Sheng, Ron	<250,000	100	–	100
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9.4	<p>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S\$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</p>	<p>There are no other employees who are immediate family members of a Director or the CEO and whose remuneration exceed S\$50,000 for FY2019.</p>																				
9.5	<p>Please provide details of the employee share scheme(s).</p>	<p>The Company does not have any employee share scheme(s).</p>																				



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9.6	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2019. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.												
	(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?	<p>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders in FY2019:</p> <table border="1"> <thead> <tr> <th colspan="3"><b>Table 9.6(b) – Performance Incentives Criteria</b></th> </tr> <tr> <th><b>Performance Conditions</b></th> <th><b>Short-term Incentives</b> (such as performance bonus)</th> <th><b>Long-term Incentives</b> (such as the ESOS and PSP)</th> </tr> </thead> <tbody> <tr> <td><b>Qualitative</b></td> <td> <ol style="list-style-type: none"> <li>Leadership</li> <li>People development</li> <li>Commitment</li> <li>Teamwork</li> <li>Current market and industry practices</li> <li>Macro-economic factors</li> </ol> </td> <td> <ol style="list-style-type: none"> <li>Group's major project or development</li> <li>Current market and industry practices</li> </ol> </td> </tr> <tr> <td><b>Quantitative</b></td> <td>Annual profit before tax</td> <td></td> </tr> </tbody> </table>	<b>Table 9.6(b) – Performance Incentives Criteria</b>			<b>Performance Conditions</b>	<b>Short-term Incentives</b> (such as performance bonus)	<b>Long-term Incentives</b> (such as the ESOS and PSP)	<b>Qualitative</b>	<ol style="list-style-type: none"> <li>Leadership</li> <li>People development</li> <li>Commitment</li> <li>Teamwork</li> <li>Current market and industry practices</li> <li>Macro-economic factors</li> </ol>	<ol style="list-style-type: none"> <li>Group's major project or development</li> <li>Current market and industry practices</li> </ol>	<b>Quantitative</b>	Annual profit before tax	
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<b>Quantitative</b>	Annual profit before tax													
(c) Were all of these performance conditions met? If not, what were the reasons?	<p>Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2019.</p> <p>For FY2019, no incentive bonus was paid out as the Group is still in the process of establishing its new businesses.</p>													
<b>ACCOUNTABILITY AND AUDIT</b>														
10.1 10.2 10.3	How does the Company ensure accountability to its shareholders?	<p>The Board is accountable to the shareholders while the Management is accountable to the Board. Therefore, the Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.</p> <p>The Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Company's performance, financial position and prospects on a half-yearly basis. The Company announces its financial results on a half-yearly basis and discloses other relevant material information on the Company via SGXNET to the shareholders.</p>												



# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>RISK MANAGEMENT AND INTERNAL CONTROLS</b>		
11.1 11.2 11.4	The Board may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies.	<p>The Board is responsible for the overall governance of the risk management of the Company, establishing risk management policies and tolerance strategies that set the direction for the Group and overseeing the implementation of risk management framework to ensure that risks identified and managed.</p> <p>The Risk Committee, which comprises all directors of the Company, assumes the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Company's risk management systems and procedures. The Company's CFO, Mr Loi Lup Sheng, Ron is also the Company's Chief Risk Officer (the "<b>CRO</b>") and will assist the Risk Committee to meet their objectives.</p> <p>The Risk Committee determines the Company's levels of risk tolerance and risk policies, and oversees the Management in the design and implementation of a framework for the monitoring of risk management. The Risk Governance and Internal Control Framework, prepared on a yearly basis, sets out the Board's approved code of ethics, risk appetite and tolerance guidance, authority and risk control matrix, key control activities and key reporting and monitoring activities that the Management must strictly adhere to. The Risk Committee regularly reviews the risks and controls of the Group's business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The CRO reviews all significant control policies and procedures and highlights all significant matters to the Risk Committee. At least once a year, the Group undertakes an enterprise-wide review of the adequacy and effectiveness of the Company's risk management and internal control systems, of which includes the financial, operational, compliance and information technology controls. During this exercise, risk owners review and update the risks and controls for their respective areas, taking into consideration any change in business environment and processes. The results of this annual review are presented to the Board to ensure that enterprise risks are appropriately identified and managed.</p>



## CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
11.3	<p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p>	<p>The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2019.</p> <p>The bases for the Board's view are as follows:</p> <ol style="list-style-type: none"> <li>1. assurance has been received from the CEO and CFO (refer to Section 11.3(b) below);</li> <li>2. an internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed;</li> <li>3. key management personnel regularly evaluates, monitors and reports to the AC and the Risk Committee on material risks;</li> <li>4. discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns;</li> <li>5. an enterprise risk management framework was maintained to identify, manage and mitigate significant risks; and</li> <li>6. risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels.</li> </ol>
	<p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2019.</p> <p>The Board has relied on the EA's report as assurance that the financial records have been properly kept in accordance with the provisions of the Companies Act and the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended. In addition, the EA have provided the Board a clean opinion on the Group's financial statements and the IA has carried out its reviews based on the agreed scope and the Board noted there were no major adverse findings on risk management and internal control systems relating to the agreed scope.</p>

# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>Audit Committee</b>		
12.1 12.3 12.4 12.9	What is the role of the AC?	<p>All members of the AC are independent, Non-Executive Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.</p> <p>In performing its functions in accordance with a set of terms of reference, the AC meets to, <i>inter alia</i>, discuss and review the following:</p> <ul style="list-style-type: none"> <li>(a) significant financial reporting issues and judgments to ensure the integrity of the financial statements of the Group;</li> <li>(b) adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls at least on an annual basis;</li> <li>(c) audit plan and EA's report presented by the Company's EA;</li> <li>(d) assistance provided by the Company's officers to the EA and IA;</li> <li>(e) hiring, removal, evaluation and compensation of the IA;</li> <li>(f) internal audit plan and internal audit report with the IA;</li> <li>(g) independence of the EA annually and recommend the EA to be nominated, approve the remuneration of the EA and terms of their engagement;</li> <li>(h) consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company prior to their submission to the Board for approval;</li> <li>(i) the Company's half-year and full-year results announcements, and any announcements relating to the Group's financial performance; and</li> <li>(j) all interested person transactions.</li> </ul> <p>The AC has authority to investigate any matter within its term of reference and have been given full access to the Management and reasonable resources to enable it to discharge its functions properly. The AC has full discretion to invite any Director or key management executive to attend its meetings.</p>



## CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation																		
12.2	Are the members of the AC appropriately qualified to discharge their responsibilities?	<p>The AC comprises Mr. Wan Tai Foong (Chairman), Mr. Patrick Chee and Mr. Eric Low, all of whom are independent. All members of the AC do not have any management and significant or material business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.</p> <p>The AC members possess many years of experience in accounting, legal, business and financial management. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.</p>																		
12.5	Has the AC met with the auditors in the absence of key management personnel?	Yes, the AC has met with the IA and the EA once in the absence of key management personnel in FY2019.																		
12.6	Has the AC reviewed the independence of the EA?	The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA.																		
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Table 12.6 (a) – Fees Paid/Payable to the EA for FY2019</b></th> </tr> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 20%;">S\$</th> <th style="text-align: center; width: 20%;">% of total</th> </tr> </thead> <tbody> <tr> <td>Audit fees</td> <td style="text-align: right;">105,206</td> <td style="text-align: right;">93</td> </tr> <tr> <td>Non-audit fees</td> <td></td> <td></td> </tr> <tr> <td>- Tax advice</td> <td style="text-align: right;">7,500</td> <td style="text-align: right;">7</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>112,706</b></td> <td style="text-align: right;"><b>100</b></td> </tr> </tbody> </table>	<b>Table 12.6 (a) – Fees Paid/Payable to the EA for FY2019</b>				S\$	% of total	Audit fees	105,206	93	Non-audit fees			- Tax advice	7,500	7	<b>Total</b>	<b>112,706</b>	<b>100</b>
	<b>Table 12.6 (a) – Fees Paid/Payable to the EA for FY2019</b>																			
	S\$	% of total																		
Audit fees	105,206	93																		
Non-audit fees																				
- Tax advice	7,500	7																		
<b>Total</b>	<b>112,706</b>	<b>100</b>																		
(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.	The non-audit services rendered during FY2019 were not substantial.																			
12.7	Does the Company have a whistle-blowing policy?	Yes, the Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to <a href="mailto:whistle_blowing@OneApex.com.sg">whistle_blowing@OneApex.com.sg</a> .																		

# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
12.8	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	In FY2019, the AC was kept abreast by the EA of changes to accounting standards and issues which have a direct impact on financial statements.
<b>Internal Audit</b>		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	<p>The Company's internal audit function is outsourced to RSM Risk Advisory Pte. Ltd. that reports directly to the AC chairman. The IA plans its internal audit schedules in consultation with the Management and its plans are submitted to the AC. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA is adequately qualified (given, <i>inter alia</i>, its adherence to standards set by nationally or internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.</p> <p>The AC is satisfied that the IA is able to discharge its duties effectively based on the following considerations:</p> <ul style="list-style-type: none"> <li>• with a team of between two (2) and five (5) staff led by their partner with almost 20 years of relevant experience, the IA is adequately qualified and resourced;</li> <li>• the internal audit activities are conducted in accordance with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors; and</li> <li>• the IA has the appropriate standing in the Company in view of, <i>inter alia</i>, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC and Management.</li> </ul>
<b>SHAREHOLDER RIGHTS AND RESPONSIBILITIES</b>		
<b>Shareholder Rights and Communication with Shareholders</b>		
14.1	Are shareholders sufficiently informed of changes in the company or its business which would be likely to materially affect the price or value of the company's shares.	In line with the continuous obligations of the Company under the Catalist Rules and the Companies Act, Chapter 50, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.
14.2	Are shareholders informed of the rules, including voting procedures, that govern general meetings of shareholders?	Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced on a timely manner via SGXNET.



## CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
14.3	Are corporations which provide nominee or custodial services allowed to appoint more than two proxies?	The Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.
15.1	Does the Company have an investor relations policy?	The Company currently does not have an investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	Communication with shareholders is managed by the Board. All announcements are released via SGXNET, including the half-year and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, and announcement on acquisitions, corporate development and other material developments. The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalist Rules. In addition, all shareholders will receive the Company's annual reports together with the notices of AGM, which are also accessible through SGXNET. The notice of AGM is also advertised in the newspapers.
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Company's Executive Directors and CFO are responsible for the Company's communication with shareholders.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company will also conduct media interviews as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. Further, the Company may, if it considers necessary and appropriate, release press releases or organise media/ analyst briefings to keep shareholders informed of its corporate development.
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, <i>inter alia</i> , the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.
	Is the Company paying dividends for the financial year? If not, please explain why.	No dividend has been declared or recommended as the Company has deemed it necessary to retain the cash in the Group for its future growth.

# CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
<b>CONDUCT OF SHAREHOLDER MEETINGS</b>		
16.1 16.2 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	<p>The Constitution allows for absentia voting subject to Directors' approval and implementation. However, due to security issues including but not limited to the authentication of shareholder identity information, the Directors have not approved the implementation of absentia voting.</p> <p>The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. Along with the Directors, the CFO will also be present and available to address shareholders' queries.</p> <p>Matters which require shareholders' approval were presented and proposed as a separate resolution. The Company practises having separate resolutions at general meetings for each distinct issue. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.</p> <p>All minutes of general meetings, including substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management will be made available to shareholders upon their request.</p>
<b>COMPLIANCE WITH APPLICABLE CATALIST RULES</b>		
712, 715, or 716	Appointment of Auditors	The Company confirms its compliance with Catalist Rules 712 and 715.
1204(8)	Material Contracts	Saved as disclosed in the section entitled "Interested Person Transactions," the Directors' Statement and Financial Statements of the Group, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	<p>The Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems in FY2019 were adequate and effective based on the following:</p> <ul style="list-style-type: none"> <li>• framework of risk management control and internal controls established and maintained by the Group;</li> <li>• work performed by the IA;</li> <li>• assurance from the CEO and CFO; and</li> <li>• reviews performed by the various Board Committees and the Management.</li> </ul>



## CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation												
1204(17)	Interested Persons Transaction ("IPT")	<p>The Company had obtained a general mandate from its shareholders on 31 January 2019 for certain recurring interested person transactions pursuant to Rule 920 of the Catalist Rules as described in the Company's circular to shareholders dated 9 January 2019.</p> <p>Details of all interested person transactions of S\$100,000 and above entered into in FY2019 are as follow. Save as disclosed below, there were no interested person transactions entered into in FY2019.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%; text-align: center;">Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th> <th style="width: 25%; text-align: center;">Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Name of Interested Person</td> <td style="text-align: center;">(S\$'000)</td> <td style="text-align: center;">(S\$'000)</td> </tr> <tr> <td style="text-align: center;"><u>Acquisition of assets</u></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">Chiu Joon Sun (1)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">338</td> </tr> </tbody> </table> <p>Note:</p> <p><sup>(1)</sup> The Company had on 28 March 2019 announced the completion of the acquisition from its Executive Director, Mr Chiu Joon Sun, at a cash consideration of \$338,000.</p>		Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	Name of Interested Person	(S\$'000)	(S\$'000)	<u>Acquisition of assets</u>			Chiu Joon Sun (1)	-	338
	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)												
Name of Interested Person	(S\$'000)	(S\$'000)												
<u>Acquisition of assets</u>														
Chiu Joon Sun (1)	-	338												
1204(19)	Dealing in Securities	<p>The Company has adopted an internal compliance code to guide and advise Directors and all executives of the Company with regard to dealing in the Company's securities. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to each announcement of half-year and full-year financial results by the Company and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.</p>												
1204(21)	Non-sponsor fees	<p>For FY2019, the Company did not pay any non-sponsor fee to its former sponsor, PrimePartners Corporate Finance Pte. Ltd., and its current sponsor, Novus Corporate Finance Pte. Ltd.</p>												



## CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of the Catalyst Rules

Name of Director	Mr. Zachary Tan	Mr. Chee Teck Kwong Patrick
Date of Initial Appointment	20 November 2018	20 November 2018
Date of last re-appointment (if applicable)	31 January 2019	31 January 2019
Age	56	65
Country of principal residence	Singapore	Singapore
The Board's comments on this Appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Zachary Tan as the Non-Executive Non-Independent Chairman was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Zachary Tan's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Patrick Chee as the Lead Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Patrick Chee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	No	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Non-Independent Chairman and a member of the Risk Committee.	Lead Independent Director, Chairman of the RC and a member of the AC, NC and Risk Committee
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration in Project Management</li> <li>• Diploma in Construction Law</li> </ul>	Bachelor of Law (Hons)
Working experience and occupation(s) during the past 10 years	<p>2013 to Present: Micro Project Management LLP - Project Director</p> <p>2007 to 2013: Fission Development Pte. Ltd. – Project Director</p>	2008 to Present: Withers KhattarWong LLP – Senior Consultant
Shareholding interest in the listed issuer and its subsidiaries	No	No
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	Micro Project Management LLP provides project Management services to Yi Kai Development Pte. Ltd., a company of which Mr. Tan Koo Chuan is a shareholder and director. Mr. Tan Koo Chuan is the father of Mr. Alex Tan, who is a Director and controlling shareholder of the Company.	Nil



## CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Zachary Tan	Mr. Chee Teck Kwong Patrick
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
<p>Other Principal Commitments* Including Directorships#</p> <p>*"Principal Commitments" has the same meaning as defined in the Code - "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p>		
Past (for the last 5 years)	<p>Past Principal Commitment:</p> <ul style="list-style-type: none"> <li>• Project Director of Fission Development Pte. Ltd.</li> </ul>	<p>Past Directorships:</p> <ul style="list-style-type: none"> <li>• Ramba Energy Limited</li> <li>• Hanwell Holdings Limited</li> <li>• Tat Seng Packaging Group Ltd.</li> <li>• CSC Holdings Limited</li> <li>• Hengxin Technology Ltd.</li> </ul>
Present	<p>Present Principal Commitment:</p> <ul style="list-style-type: none"> <li>• Project Director of Micro Project Management LLP</li> </ul>	<p>Present Directorships:</p> <ul style="list-style-type: none"> <li>• China International Holdings Limited</li> <li>• Hai Leck Holdings Limited</li> <li>• MeGroup Ltd.</li> </ul> <p>Principal Commitment:</p> <ul style="list-style-type: none"> <li>• Senior Consultant of Withers KhattarWong LLP</li> </ul> <p>Legal Advisor of:</p> <ul style="list-style-type: none"> <li>• Singapore Foochow Association</li> <li>• Foochow Restaurant and Bar Merchants Association, Singapore</li> <li>• Hospitality Purchasing Association, Singapore</li> <li>• Rong Lian Physical Association</li> </ul>
<p><b>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</b></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?	No	No

## CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Zachary Tan	Mr. Chee Teck Kwong Patrick
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No



## CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Zachary Tan	Mr. Chee Teck Kwong Patrick
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

## CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Zachary Tan	Mr. Chee Teck Kwong Patrick
<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> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(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</p> <p>(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</p> <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>	No	No
<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>	No	No



## CORPORATE GOVERNANCE REPORT

<b>Disclosure applicable to the appointment of Director only</b>		
<b>Name of Director</b>	<b>Mr. Zachary Tan</b>	<b>Mr. Patrick Chee</b>
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	Not Applicable	Not Applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable	Not Applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not Applicable	Not Applicable

# DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended September 30, 2019.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 52 to 112 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 September 30, 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1 DIRECTORS

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

Zachary Tan Lian Chye	(Appointed on November 20, 2018)
Tan Pei Hong, Alex (Chen Peifang)	(Appointed on November 20, 2018)
Chee Teck Kwong Patrick	(Appointed on November 20, 2018)
Low Chin Parn Eric	(Appointed on November 20, 2018)
Wan Tai Foong	(Appointed on November 20, 2018)
Chiu Joon Sun (Zhao Junsheng)	(Appointed on December 29, 2018)

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year and their interests in the share capital of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act are as follows:

Name of director and company in which interests are held	Shareholdings in which director is deemed to have an interest	
	At date of appointment	At end of year
<u>OneApex Limited</u> (Ordinary shares)		
Tan Pei Hong, Alex (Chen Peifang)	62,466,590	62,466,590

The director's interests in the shares of the Company as at October 21, 2019 were the same at September 30, 2019.

By virtue of Section 7 of the Companies Act, Mr Tan Pei Hong, Alex is deemed to have an interest in the shares held by the Company in all its subsidiary corporations.



## DIRECTORS' STATEMENT

### 4 SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

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

### 5 AUDIT COMMITTEE

The Audit Committee of the Company, consisted all non-executive directors, was chaired by Mr Wan Tai Foong, an independent director, and included Mr Chee Teck Kwong Patrick and Mr Low Chin Parn Eric, both independent directors. This Audit Committee had met two times since the last Annual General Meeting ("AGM") and had reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- (a) the audit plan and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the Group's financial and operating results and accounting policies;
- (c) the audit plan of the external auditors;
- (d) financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- (e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group; and
- (f) the co-operation and assistance given by the management to the Group's external auditors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has reviewed the financial statements of the Company and consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements.



## DIRECTORS' STATEMENT

### 6 AUDITORS

The retiring auditors, Deloitte & Touche LLP, will not be seeking re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE DIRECTORS

.....  
Zachary Tan Lian Chye

.....  
Tan Pei Hong, Alex (Chen Peifang)

December 31, 2019



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONEAPEX LIMITED  
(formerly known as CHEW'S GROUP LIMITED)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of OneApex Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at September 30, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 112.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at September 30, 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONEAPEX LIMITED  
(formerly known as CHEW'S GROUP LIMITED)

## 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 year. This matter was 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.

We identified the following key audit matter:

Key Audit Matter	Our audit performed and responses thereon
<p><b>Identification of related party transactions and disclosures in the financial statements</b></p> <p>There was a change in the ultimate holding company of the Company with effect from October 8, 2018. The Group has significant transactions with its related parties and there is a risk that the related parties may inadvertently be omitted, and as such, the Group's identification of related parties and disclosure of its transactions may be incomplete.</p> <p>As part of its strategic plans, the Group completed the acquisition of 51% of the issued share capital in OneApex Capital Pte Ltd (formerly known as OneWealth Development Pte. Ltd.) from a director of the Company on March 28, 2019.</p> <p>The Group has accounted for the acquisition of this subsidiary in accordance with SFRS(I) 3 <i>Business Combinations</i> and recognised goodwill amounting to \$84,000 arising from the acquisition.</p>	<p>Our audit procedures included the following:</p> <p>(a) Inquired management of:</p> <ul style="list-style-type: none"> <li>• The identity of entity's related parties, including changes from prior period;</li> <li>• The nature of relationships between the entity and these related parties; and</li> <li>• Whether entity has entered into any transactions with these related parties during the period and, if so, the type and purpose of the transactions.</li> </ul> <p>(b) Obtained an understanding of the controls that management has established to:</p> <ul style="list-style-type: none"> <li>• Identify, account for, and disclose related party relationships and transactions in accordance SFRS(I) 1- 24 <i>Related Party Disclosures</i>;</li> <li>• Authorise and approve significant transactions and arrangements with related parties; and</li> <li>• Authorise and approve significant transactions and arrangements outside the normal course of business.</li> </ul> <p>(c) Checked the appropriateness of related party transactions disclosure in the financial statements (Notes 5 and 6).</p>



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONEAPEX LIMITED  
(formerly known as CHEW'S GROUP LIMITED)

## Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

## Responsibilities of Management and Directors for the Financial Statements

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONEAPEX LIMITED  
(formerly known as CHEW'S GROUP LIMITED)

### Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) 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.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr Loi Chee Keong.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Singapore

December 31, 2019



# STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Note	Group			Company			
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017	
	\$	\$	\$	\$	\$	\$	
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and bank balances	7	13,075,512	22,580,263	44,931,910	11,983,364	22,311,609	3,071,802
Trade receivables	8	839,624	1,013,621	5,250,228	–	–	–
Other receivables	9	182,945	84,581	411,702	23,377	17,580	985,051
Inventories	10	29,989	61,975	1,394,103	–	–	–
Total current assets		14,128,070	23,740,440	51,987,943	12,006,741	22,329,189	4,056,853
<b>Non-current assets</b>							
Other receivables	9	–	–	149,165	–	–	–
Property, plant and equipment	11	177,947	111,111	3,605,566	116,878	–	17,700
Land use rights	12	–	–	3,912,044	–	–	–
Biological assets	13	–	–	7,634,065	–	–	–
Goodwill	14	83,965	–	–	–	–	–
Deferred tax assets	20	6,390	–	–	–	–	–
Investment in subsidiary corporations	15	–	–	–	438,003	1	10,283,720
Total non-current assets		268,302	111,111	15,300,840	554,881	1	10,301,420
<b>Total assets</b>		<b>14,396,372</b>	<b>23,851,551</b>	<b>67,288,783</b>	<b>12,561,622</b>	<b>22,329,190</b>	<b>14,358,273</b>
<b>LIABILITIES AND EQUITY</b>							
<b>Current liabilities</b>							
Current portion of bank loans	16	–	–	1,081,394	–	–	–
Trade payables	17	325,640	387,443	1,984,616	633	–	8,688
Other payables	18	862,549	9,124,718	8,157,653	428,305	8,678,975	560,312
Current portion of finance leases	19	–	–	171,742	–	–	–
Income tax payable		53,656	7,004	703,057	–	–	–
Total current liabilities		1,241,845	9,519,165	12,098,462	428,938	8,678,975	569,000
<b>Non-current liabilities</b>							
Bank loans	16	–	–	12,800	–	–	–
Other payables	18	–	31,353	390,190	–	–	–
Finance leases	19	–	–	33,831	–	–	–
Deferred tax liabilities	20	–	8,204	15,981	–	–	–
Total non-current liabilities		–	39,557	452,802	–	–	–

# STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	Group			Company		
		September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
		\$	\$	\$	\$	\$	\$
<b>Capital, reserves and non-controlling interests</b>							
Share capital	21	13,292,106	13,292,106	13,292,106	13,292,106	13,292,106	13,292,106
Capital reserve		1,527	1,527	1,527	–	–	–
Foreign exchange translation deficit		(13,265)	(17,290)	(18,089)	–	–	–
(Accumulated losses) Retained earnings		(427,499)	966,493	41,430,105	(1,159,422)	358,109	497,167
Equity attributable to owners of the Company		12,852,869	14,242,836	54,705,649	12,132,684	13,650,215	13,789,273
Non-controlling interests		301,658	49,993	31,870	–	–	–
Total equity		13,154,527	14,292,829	54,737,519	12,132,684	13,650,215	13,789,273
<b>Total liabilities and equity</b>		14,396,372	23,851,551	67,288,783	12,561,622	22,329,190	14,358,273

See accompanying notes to the financial statements.



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED SEPTEMBER 30, 2019

	Note	Group	
		2019	2018
		\$	\$
<b>Continuing operations</b>			
Revenue	22	4,653,241	3,291,617
Other income	23	187,005	111,237
Changes in inventories		(69,070)	18,606
Purchase of materials		(2,800,852)	(1,479,487)
Employee benefits expense		(1,690,553)	(1,341,138)
Depreciation expense		(75,729)	(56,221)
Rental expenses		(186,167)	(148,764)
Other operating expenses	24	(1,373,063)	(935,052)
<b>Loss before tax from continuing operations</b>		(1,355,188)	(539,202)
Income tax expense	25	(31,212)	(33,993)
<b>Loss for the year from continuing operations, net of tax</b>		(1,386,400)	(573,195)
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	31	–	(1,425,704)
<b>Loss for the year</b>	26	(1,386,400)	(1,998,899)



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED SEPTEMBER 30, 2019

	Note	Group	
		2019	2018
		\$	\$
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operation		4,025	799
<b>Other comprehensive income for the year, net of tax</b>		<u>4,025</u>	<u>799</u>
<b>Total comprehensive loss for the year</b>		<u>(1,382,375)</u>	<u>(1,998,100)</u>
<b>Loss attributable to:</b>			
<b>Owners of the Company</b>			
Loss from continuing operations, net of tax		(1,393,992)	(591,318)
Loss from discontinued operations, net of tax		–	(1,425,704)
		<u>(1,393,992)</u>	<u>(2,017,022)</u>
<b>Non-controlling interests</b>			
Profit from continuing operations, net of tax		7,592	18,123
		<u>(1,386,400)</u>	<u>(1,998,899)</u>
<b>Total comprehensive Loss attributable to:</b>			
<b>Owners of the Company</b>			
Total comprehensive loss from continuing operations, net of tax		(1,389,967)	(590,519)
Total comprehensive loss from discontinued operations, net of tax		–	(1,425,704)
		<u>(1,389,967)</u>	<u>(2,016,223)</u>
<b>Non-controlling interests</b>			
Total comprehensive income from continuing operations, net of tax		7,592	18,123
		<u>(1,382,375)</u>	<u>(1,998,100)</u>
Basic and diluted loss per share from continuing operations (cents)	27	<u>(1.64)</u>	<u>(0.70)</u>
Basic and diluted loss per share from continuing and discontinued operations (cents)	27	<u>(1.64)</u>	<u>(2.39)</u>

See accompanying notes to the financial statements.



# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED SEPTEMBER 30, 2019

	Share capital	Capital reserve	Foreign exchange translation deficit	Retained Earnings (Accumulated losses)	Attributable to owners of the Company	Non- controlling interests	Total
Note	\$	\$	\$	\$	\$	\$	\$
<u>Group</u>							
Balance at October 1, 2017	13,292,106	1,527	(18,089)	41,430,105	54,705,649	31,870	54,737,519
<i>Total comprehensive income for the year:</i>							
(Loss) Profit for the year	–	–	–	(2,017,022)	(2,017,022)	18,123	(1,998,899)
Other comprehensive income for the year	–	–	799	–	799	–	799
Total	–	–	799	(2,017,022)	(2,016,223)	18,123	(1,998,100)
<i>Transactions with owners, recognised directly in equity:</i>							
Dividends declared	–	–	–	(38,446,590)	(38,446,590)	–	(38,446,590)
Balance at September 30, 2018	13,292,106	1,527	(17,290)	966,493	14,242,836	49,993	14,292,829

## STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED SEPTEMBER 30, 2019

	Note	Share capital	Capital reserve	Foreign exchange translation deficit	Retained Earnings (Accumulated losses)	Attributable to owners of the Company	Non-controlling interests	Total
		\$	\$	\$	\$	\$	\$	\$
Group (cont'd)								
Balance at October 1, 2018		13,292,106	1,527	(17,290)	966,493	14,242,836	49,993	14,292,829
<i>Total comprehensive income for the year:</i>								
(Loss) Profit for the year		-	-	-	(1,393,992)	(1,393,992)	7,592	(1,386,400)
Other comprehensive income for the year				4,025	-	4,025	-	4,025
Total		-	-	4,025	(1,393,992)	(1,389,967)	7,592	(1,382,375)
<i>Transactions with owners, recognised directly in equity:</i>								
Acquisition of subsidiary	33	-	-	-	-	-	244,073	244,073
Balance at September 30, 2019		13,292,106	1,527	(13,265)	(427,499)	12,852,869	301,658	13,154,527



## STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED SEPTEMBER 30, 2019

	<b>Share capital</b>	<b>Retained earnings (Accumulated losses)</b>	<b>Total</b>
	\$	\$	\$
<u>Company</u>			
Balance at October 1, 2017	13,292,106	497,167	13,789,273
Profit for the year, representing total comprehensive income for the year	–	38,307,532	38,307,532
Dividends declared, representing transactions with owners recognised directly in equity (Note 28)	–	(38,446,590)	(38,446,590)
Balance at September 30, 2018	13,292,106	358,109	13,650,215
Loss for the year, representing total comprehensive income for the year	–	(1,517,531)	(1,517,531)
Balance at September 30, 2019	<u>13,292,106</u>	<u>(1,159,422)</u>	<u>12,132,684</u>

See accompanying notes to the financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2019

	Group	
	2019	2018
	\$	\$
<b>Operating activities</b>		
Loss before income tax from continuing operations	(1,355,188)	(539,202)
Loss before income tax from discontinued operations	–	(832,966)
Loss before income tax from continuing and discontinued operations	(1,355,188)	(1,372,168)
Adjustments for:		
Interest expense	–	18,029
Interest income	(183,818)	(272,630)
Biological assets written off, net	–	884,952
Depreciation of property, plant and equipment	75,729	152,410
Amortisation of land use rights	–	59,796
Amortisation of biological assets	–	8,210,681
Allowance for doubtful trade receivables, net	–	11,297
Gain on disposal of land use rights, property, plant and equipment, net	–	(5,787)
Property, plant and equipment written off	–	22,459
Government grant income	–	(159,629)
Loss on disposal of investments in subsidiaries	–	2,762,645
Operating cash flows before movements in working capital	(1,463,277)	10,312,055
Trade receivables	173,997	539,733
Other receivables	(98,364)	(689,185)
Inventories	31,986	(324,108)
Trade payables	(61,803)	1,651,169
Other payables	(11,722)	(179,176)
Cash (used in) generated from operations	(1,429,183)	11,310,488
Interest paid	–	(18,029)
Income tax paid	–	(254,863)
Net cash (used in) from operating activities	(1,429,183)	11,037,596



# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2019

	Group	
	2019	2018
	\$	\$
<b>Investing activities</b>		
Proceeds from disposal of land use rights, property, plant and equipment	–	20,921
Purchases of property, plant and equipment (Note A)	(142,147)	(138,287)
Acquisition of subsidiary (Note 33)	328,108	–
Proceeds from disposal of biological assets	–	249,496
Purchases of biological assets	–	(9,956,831)
Disposal of subsidiaries (Note 32)	–	6,489,267
Interest received	183,818	272,630
Net cash from (used in) investing activities	<u>369,779</u>	<u>(3,062,804)</u>
<b>Financing activities</b>		
Repayments of bank loans	–	(224,594)
Repayments of obligation under finance leases	–	(106,963)
Decrease (Increase) in pledged fixed deposits	–	102,942
Dividends paid	(8,449,800)	(29,996,790)
Net cash used in financing activities	<u>(8,449,800)</u>	<u>(30,225,405)</u>
Net decrease in cash and cash equivalents	(9,509,204)	(22,250,613)
Cash and cash equivalents at beginning of the year	22,580,263	44,828,968
Effects of exchange rate changes on the balance of cash held in foreign currencies	4,453	1,908
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<u><u>13,075,512</u></u>	<u><u>22,580,263</u></u>

Note A:

During the year ended September 30, 2018, the Group acquired certain property, plant and equipment at an aggregate cost of \$76,000 under finance leases and there was prepayment amounting to \$72,384 made for these property, plant and equipment during the year ended September 30, 2017.

See accompanying notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 1 GENERAL

The Company (Registration No. 201020806C) is incorporated in the Republic of Singapore with its principal place of business at 38 Jalan Pemimpin #06-06 Singapore 577178 and registered office at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary corporations are disclosed in Note 15 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the year ended September 30, 2019 were authorised for issue by the Board of Directors of the Company on December 31, 2019.

For all periods up to and including the year ended September 30, 2018, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended September 30, 2019 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first-time adoption of SFRS(I) are included in Note 2 below.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**ADOPTION OF NEW AND REVISED STANDARDS** - On October 1, 2018, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as discussed below.

### Adoption of a new financial reporting framework

The Group and the Company adopted the new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended September 30, 2019 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (September 30, 2019), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended September 30, 2019, an additional opening statement of financial position as at date of transition (October 1, 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are required for equity as at date of transition (October 1, 2017) and as at end of last financial period under FRS (September 30, 2018), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended September 30, 2018). Additional disclosures may also be required for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 9 and SFRS(I) 15 which are effective at the same time. Accordingly, reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are not presented as there were no changes compared to amounts previously reported.

### SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Group and the Company applied SFRS(I) 9 with an initial application date of October 1, 2017. The significant accounting policies for financial instruments under SFRS(I) 9 is as disclosed below.

#### (a) Classification and measurement of financial assets and financial liabilities

Under SFRS(I) 9, the classification of financial assets is based on two criteria: the Groups' and the Company's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Group's and the Company's financial assets and financial liabilities.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### (b) Impairment of financial assets

SFRS(I) 9 requires an expected credit loss model as opposed to an incurred credit loss model under SFRS(I) 1-39. The expected credit loss model requires the Group and the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, SFRS(I) 9 requires the Group and the Company to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVTOCI, ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of SFRS(I) 9 apply.

The adoption of SFRS(I) 9 did not have a material impact on the financial statements of the Group and of the Company, other than additional enhanced disclosures, and the change to recognition and measurement policies for recognising impairment losses for financial assets based on the expected credit losses model.

### SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of SFRS(I) 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in SFRS(I) 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by SFRS(I) 15.

Apart from providing more extensive disclosures on the Group's revenue transactions, the adoption of SFRS(I) 15 did not have a material impact on the financial statements of the Group.

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

### Effective for annual periods beginning on or after January 1, 2019

- SFRS(I) 16 *Leases*
- Amendments to SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*
- Annual Improvements to SFRS(I)s 2015-2017 Cycle



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

### SFRS(I) 16 Leases

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

As at September 30, 2019, the Group has non-cancellable operating lease commitments of \$174,133 (2018 : \$257,387). These arrangements will meet the definition of a lease under SFRS(I) 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. The new requirement to recognise a right-of-use asset and a related lease liability will have an impact on the amount recognised in the Group's consolidated financial statements.

**BASIS OF CONSOLIDATION** - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary corporations. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary corporation begins when the Company obtains control over the subsidiary corporation and ceases when the Company loses control of the subsidiary corporation. Specifically, income and expenses of a subsidiary corporation acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary corporation.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary corporations is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary corporations to bring their accounting policies into line with the Group's accounting policies.

In the Company's financial statements, investments in subsidiary corporations are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

**BUSINESS COMBINATIONS** - Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

**FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on the Group's and Company's statement of financial position when the Group and Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

#### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "other income" line item.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other income/other operating expenses" line item.

### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ("12m") ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower; or
- (b) breach of contract, such as a default or past due event; or
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### *Derecognition of financial assets*

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

## **Financial liabilities and equity instruments**

### Classification as debt or equity

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

### Equity instruments

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



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is the contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other income" line item.

### Other financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income/other operating expenses" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

### Derecognition of financial liabilities

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

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **The Group as lessee**

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS** - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

**INVENTORIES** - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**PROPERTY, PLANT AND EQUIPMENT** - Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses.

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

Leasehold building	47 years
Farm buildings	3.3 to 15 years
Plant, machinery and equipment	3.3 to 10 years
Office equipment	3.3 to 5 years
Motor vehicles	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

LAND USE RIGHTS - Prepaid land rental is accounted for as land use rights and amortised on a straight-line basis over the lease term of 30 years.

BIOLOGICAL ASSETS - Biological assets are recognised when, and only when:

- (a) the Group controls the asset as a result of past events;
- (b) it is probable that future economic benefits associated with the asset will flow to the Group; and
- (c) the fair value or cost of the asset can be measured reliably.

Biological assets include mature chickens and immature chickens kept by the Group for the production of eggs. A chicken is considered mature when it starts producing eggs at about 23 weeks old.

The chickens are measured at costs less accumulated amortisation and impairment losses as their fair value cannot be measured reliably. The chickens are subjected to amortisation when they are considered mature. They are being amortised on a reducing balance method over the estimated egg laying period of about 65 weeks and thereafter disposed at a residual value.

The gain or loss arising on the disposal of the biological assets is determined as the difference between the sales proceeds and the carrying amount of the biological assets and is recognised in profit or loss.

The costs of chickens consist of the initial purchase costs and accumulated costs of vaccine, chicken feed, medicine and other indirect overhead costs incurred to breed the chickens to a mature state and sustain its production capacity.

The estimated useful lives, residual values and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**IMPAIRMENT OF NON-FINANCIAL ASSETS** - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

**GOVERNMENT GRANTS** - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**REVENUE RECOGNITION** - The Group recognises revenue from the sale of eggs and rendering of financial services.

### Sale of Eggs

The Group sells eggs to retailers and revenue is recognised on the sales when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duties.

### Rendering of Financial Services

The Group's financial services primarily relates to customer referral services. Revenue is measured based on the consideration specified in a finder fees or brokerage fees contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Company expects to be entitled in exchange for referral of private banking consumers to the customer, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, refunds, incentives, or other similar items, the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**RETIREMENT BENEFIT COSTS** - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**EMPLOYEE LEAVE ENTITLEMENT** - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

**INCOME TAX** - Income tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** - The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign exchange translation deficit.

**CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS** - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### ***Critical judgements in applying the Group's accounting policies***

Management is of the opinion that there are no critical judgement that have a significant effect on the amounts recognised in the financial statements, except for the key sources of estimation uncertainty as disclosed below.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

### *(a) Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group			Company		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>						
At amortised cost	13,974,771	23,656,243	50,434,690	11,992,093	22,321,609	4,044,506
<b>Financial liabilities</b>						
At amortised cost	1,020,189	9,543,514	5,942,694	260,938	8,678,975	569,000
Fair value through profit or loss	168,000	–	–	168,000	–	–



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

### (b) *Financial risk management policies and objectives*

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. Risk management is carried out by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

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

#### (i) Foreign exchange risk management

The Group transacts its business in various foreign currencies and therefore is exposed to foreign exchange risk. The Group does not hedge against foreign exchange exposure as the currency risk is not expected to be significant.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	<b>Group</b>					
	<b>Liabilities</b>			<b>Assets</b>		
	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>October 1, 2017</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>October 1, 2017</b>
	\$	\$	\$	\$	\$	\$
United States dollar	–	7,456	44,271	5,048	12,449	52,690
Euro	–	–	23,460	–	–	–
Malaysian ringgit	–	11,713	6,640	–	–	–
Hong Kong dollar	–	–	–	–	–	341,641

#### *Foreign currency sensitivity*

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currencies weaken by 10% against the functional currency of each group entity, the Group's loss before income tax will decrease (increase) by:

	<b>2019</b>	<b>2018</b>
	\$	\$
United States dollar	(504)	(499)
Malaysian ringgit	–	1,171



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

If the relevant foreign currencies strengthen by 10% against the functional currency of each group entity, the impact on the Group's loss before income tax will be an equal but opposite effect from the above.

As the Company does not hold significant foreign currency denominated monetary assets or liabilities as at September 30, 2018 and 2019, no sensitivity analysis has been presented in the financial statements.

### (ii) Interest rate risk management

Interest-bearing financial assets are mainly bank balances which are short-term in nature and bank deposits which are subject to fixed interest rates. Hence, financial assets do not result in significant interest rate risk.

The Group's exposures to interest rate risk mainly arose from bank loans bearing variable interest rates as at October 1, 2017. Subsequent to the disposal of subsidiaries on April 20, 2018 (Note 32), the Group did not hold any interest-bearing financial liabilities as at September 30, 2018 and 2019.

Accordingly, no sensitivity analysis has been presented as management has assessed that the Group is not exposed to significant interest rate risk as at September 30, 2018 and 2019.

### (iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at September 30, 2019, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the management periodically.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	<b>Note</b>	<b>Internal credit rating</b>	<b>12-month or lifetime ECL</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>	<b>Net carrying amount</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Group</b>						
<u>September 30, 2019</u>						
Cash and bank balances	7	Performing	12m ECL	13,075,512	–	13,075,512
			Lifetime ECL (simplified approach)			
Trade receivables	8	(i)		839,624	–	839,624
Other receivables	9	Performing	12m ECL	59,635	–	59,635
<u>September 30, 2018</u>						
Cash and bank balances	7	Performing	12m ECL	22,580,263	–	22,580,263
			Lifetime ECL (simplified approach)			
Trade receivables	8	(i)		1,013,621	–	1,013,621
Other receivables	9	Performing	12m ECL	62,359	–	62,359
<u>October 1, 2017</u>						
Cash and bank balances	7	Performing	12m ECL	44,931,910	–	44,931,910
			Lifetime ECL (simplified approach)			
Trade receivables	8	(i)		5,251,225	(997)	5,250,228
Other receivables	9	Performing	12m ECL	252,552	–	252,552
<b>Company</b>						
<u>September 30, 2019</u>						
Cash and bank balances	7	Performing	12m ECL	11,983,364	–	11,983,364
Other receivables	9	Performing	12m ECL	8,729	–	8,729
<u>September 30, 2018</u>						
Cash and bank balances	7	Performing	12m ECL	22,311,609	–	22,311,609
Other receivables	9	Performing	12m ECL	10,000	–	10,000
<u>October 1, 2017</u>						
Cash and bank balances	7	Performing	12m ECL	3,071,802	–	3,071,802
Other receivables	9	Performing	12m ECL	972,704	–	972,704

- (i) For trade receivables, the Group and the Company has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and the Company determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

### (iv) Credit risk management

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties.

The Group's bank balances are held with creditworthy financial institutions and are subject to immaterial credit loss.

Concentration of credit risk exists when economic, industry or geographical factors similarly affect the Group's counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group does not have any significant credit risk exposure to any single counterparty other than one major customer which contributes 81% (2018 : 72%) of total trade receivables. However, management believes that there is no significant credit risk. The Group defines counterparties as having similar characteristics if they are related entities.

### (v) Liquidity risk management

Management is of the view that there is minimal liquidity risk as the Group maintains sufficient cash and cash equivalents and internally generated cash flows to finance their activities. If required, financing can be obtained from its existing lines of banking facilities.

#### *Liquidity and interest risk analyses*

#### Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

	<b>Weighted average effective interest risk</b>	<b>On demand or within 1 year</b>	<b>Within 2 to 5 years</b>	<b>Adjustments</b>	<b>Total</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Group</u>					
<u>September 30, 2019</u>					
Non-interest bearing	–	1,188,189	–	–	1,188,189
<u>September 30, 2018</u>					
Non-interest bearing	–	9,512,161	31,353	–	9,543,514
<u>October 1, 2017</u>					
Non-interest bearing	–	4,642,927	–	–	4,642,927
Variable interest rate instruments	2.62	1,149,544	12,861	(68,211)	1,094,194
Fixed interest rate instruments	2.86	176,454	35,001	(5,882)	205,573
		5,968,925	47,862	(74,093)	5,942,694



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

The Company's non-derivative financial liabilities of \$428,938 as at September 30, 2019 (September 30, 2018 : \$8,678,975; October 1, 2017 : \$569,000) are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

### Non-derivative financial assets

All financial assets in as at October 1, 2017, September 30, 2018 and 2019 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period other than cash and bank balances disclosed in Note 7 to the financial statements.

#### (vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

### (c) **Capital management policies and objectives**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance, and to ensure that all externally imposed capital requirements are complied with. The Group's overall strategy remains unchanged from 2018.

The capital structure of the Group consists of debt and equity, comprising issued capital and retained earnings.

The Group is not subject to any externally imposed capital requirements.

## 5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

Prior to October 8, 2018, the Company was a subsidiary corporation of Fenghe Investment Holding Pte. Ltd., incorporated in Singapore, which was also the Company's ultimate holding company. Fenghe Investment Holding Pte. Ltd. entered into a sale and purchase agreement with Goldhill Trust Pte Ltd on August 22, 2018 to dispose its entire shareholdings in the Company to Goldhill Trust Pte Ltd. The agreement was approved by the shareholders of the Company and made effective on October 8, 2018.

With effect from October 8, 2018, Goldhill Trust Pte. Ltd, incorporated in the Republic of Singapore, became the Company's holding company and ultimate holding company.

Related companies in these financial statements refer to members of the holding company's group of companies during the respective periods.

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

Transaction with ultimate holding company is as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Dividend paid to ultimate holding company	–	20,441,021

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the year, the Group entered into the following transaction with a related party:

	2019	2018
	\$	\$
Acquisition of a subsidiary from a director of the Company	338,000	–

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

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

	Group	
	2019	2018
	\$	\$
<b>Continuing operations</b>		
Short-term benefits	1,115,370	1,127,798
Post-employment benefits	48,173	49,931
Total	1,163,543	1,177,729
<b>Discontinued operations (Note 31)</b>		
Short-term benefits	–	884,953
Post-employment benefits	–	75,730
Total	–	960,683

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

## 7 CASH AND BANK BALANCES

	Group			Company		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$	\$	\$	\$
Cash at bank	1,296,154	22,580,263	44,828,968	11,983,364	22,311,609	3,071,802
Fixed deposits	11,779,358	–	102,942	–	–	–
Cash and bank balances	13,075,512	22,580,263	44,931,910	11,983,364	22,311,609	3,071,802
Less: Pledged fixed deposits	–	–	(102,942)	–	–	–
Cash and bank equivalents in the consolidated statement of cash flows	13,075,512	22,580,263	44,828,968	11,983,364	22,311,609	3,071,802

The fixed deposits of \$11,779,358 in 2019 bore interest at an average effective interest rate at 1.35% per annum and had a tenure of 7 to 30 days.

The fixed deposits of \$102,942 in 2017 were pledged to a bank as security for banking facilities. The fixed deposits bore interest at an average effective interest rate at 0.35% per annum and had a tenure of 12 months.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 8 TRADE RECEIVABLES

	<b>Group</b>		
	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>October 1, 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Third parties	839,624	1,013,621	5,251,225
Loss allowance	–	–	(997)
	<u>839,624</u>	<u>1,013,621</u>	<u>5,250,228</u>

The average credit period on sales of goods is 30 days to 90 days (2018 : 30 days to 90 days; 2017 : 30 days to 90 days). No interest is charged on the outstanding balances.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade receivables from contracts with customers. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

	<b>Group</b>				
	<b>Trade receivables - days past due</b>				
	<b>Not past due</b>	<b>&lt;30 days</b>	<b>31-60 days</b>	<b>61-90 days</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>September 30, 2019</u>					
Estimated total gross carrying amount at default	303,039	128,771	407,814	–	839,624
Lifetime ECL	–	–	–	–	–
					<u>839,624</u>
<u>September 30, 2018</u>					
Estimated total gross carrying amount at default	743,118	–	270,503	–	1,013,621
Lifetime ECL	–	–	–	–	–
					<u>1,013,621</u>
<u>October 1, 2017</u>					
Estimated total gross carrying amount at default	4,590,855	260,042	393,170	7,158	5,251,225
Lifetime ECL	–	–	–	(997)	(997)
					<u>5,250,228</u>

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	<b>Lifetime ECL - not credit impaired</b>
	<b>\$</b>
<u>Group</u>	
Balance as at October 1, 2017	997
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	11,297
Disposal	(12,294)
Balance as at September 30, 2018 and 2019	<u>–</u>

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 9 OTHER RECEIVABLES

	Group			Company		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$	\$	\$	\$
Amounts due from subsidiary corporations	–	–	–	–	–	971,705
Prepayments	123,310	22,222	159,150	14,648	7,580	12,347
Deposits	58,856	62,359	351,005	7,950	10,000	–
Others	779	–	50,712	779	–	999
	<u>182,945</u>	<u>84,581</u>	<u>560,867</u>	<u>23,377</u>	<u>17,580</u>	<u>985,051</u>
Current	182,945	84,581	411,702	23,377	17,580	985,051
Non-current	–	–	149,165	–	–	–
	<u>182,945</u>	<u>84,581</u>	<u>560,867</u>	<u>23,377</u>	<u>17,580</u>	<u>985,051</u>

The non-current portion of deposits as at October 1, 2017 pertained to deposits for property, plant and equipment.

Management has determined that the other receivables balance as at September 30, 2019 and 2018, and October 1, 2017 are subject to immaterial credit loss.

In determining the ECL, management has taken into account the financial position of the counterparties, adjusted for factors that are specific to the counterparties and general economic conditions of the industry in which they operate, in estimating the probability of default of the other receivables as well as the loss upon default.

The amounts due from subsidiary corporations is considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Company's group of companies and there has been no significant increase in the risk of default on the loan since initial recognition.

## 10 INVENTORIES

	Group		
	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$
Agricultural produce:			
- Eggs	3,481	24,486	121,841
Trading products	26,508	37,489	13,928
Chicken soup	–	–	1,355
Raw materials:			
- Feeds	–	–	994,977
- Vaccines and medicine	–	–	67,738
- Packaging materials	–	–	194,264
	<u>29,989</u>	<u>61,975</u>	<u>1,394,103</u>



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 11 PROPERTY, PLANT AND EQUIPMENT

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Group	Leasehold building	Farm buildings	Plant, machinery and equipment			Motor vehicles	Total
			\$	\$	\$		
Cost:							
At October 1, 2017	1,550,000	8,983,577	1,924,757	129,037	514,582	13,101,953	
Additions	-	-	164,667	35,908	112,311	312,886	
Disposals/Written off	(1,550,000)	(8,983,577)	(1,932,974)	(152,814)	(626,892)	(13,246,257)	
Exchange differences	-	-	216	41	(1)	256	
At September 30, 2018	-	-	156,666	12,172	-	168,838	
Additions	-	-	121,892	20,255	-	142,147	
Exchange differences	-	-	1,384	109	-	1,493	
At September 30, 2019	-	-	279,942	32,536	-	312,478	
Accumulated depreciation:							
At October 1, 2017	129,167	8,227,929	786,724	52,438	300,129	9,496,387	
Charge for the year	14,450	147,572	156,495	14,434	43,760	376,711	
Disposals/Written off	(143,617)	(8,375,501)	(891,463)	(62,224)	(343,931)	(9,816,736)	
Exchange differences	-	-	1,309	14	42	1,365	
At September 30, 2018	-	-	53,065	4,662	-	57,727	
Charge for the year	-	-	71,063	4,666	-	75,729	
Exchange differences	-	-	1,010	65	-	1,075	
At September 30, 2019	-	-	125,138	9,393	-	134,531	
Carrying amount:							
At September 30, 2019	-	-	154,804	23,143	-	177,947	
At September 30, 2018	-	-	103,601	7,510	-	111,111	
At October 1, 2017	1,420,833	755,648	1,138,033	76,599	214,453	3,605,566	



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment	Plant, machinery and equipment	Total
	\$		\$
<u>Company</u>			
Cost:			
At October 1, 2017	33,188	–	33,188
Disposals/Written off	(33,188)	–	(33,188)
At September 30, 2018	–	–	–
Additions	19,801	119,029	138,830
At September 30, 2019	19,801	119,029	138,830
Accumulated depreciation:			
At October 1, 2017	15,488	–	15,488
Charge for the year	3,872	–	3,872
Disposals/Written off	(19,360)	–	(19,360)
At September 30, 2018	–	–	–
Charge for the year	2,342	19,610	21,952
At September 30, 2019	2,342	19,610	21,952
Carrying amount:			
At September 30, 2019	17,459	99,419	116,878
At September 30, 2018	–	–	–
At October 1, 2017	17,700	–	17,700

During the year ended September 30, 2018, a depreciation charge amounting to \$224,301 for the assets used in the production of eggs was capitalised and included in the carrying amount of biological assets which were subsequently disposed of as part of the discontinued operations (Note 31).



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 12 LAND USE RIGHTS

	<b>Group</b>
	<b>\$</b>
Cost:	
At October 1, 2017	4,094,000
Disposal	(4,094,000)
At September 30, 2018 and 2019	–
Accumulated amortisation:	
At October 1, 2017	181,956
Amortisation for the year	59,796
Disposal	(241,752)
At September 30, 2018 and 2019	–
Carrying amount:	
At September 30, 2019	–
At September 30, 2018	–
At October 1, 2017	3,912,044

## 13 BIOLOGICAL ASSETS

A reconciliation of the carrying amount of the biological assets is as follows:

	<b>Group</b>
	<b>\$</b>
At October 1, 2017	7,634,065
Increase due to purchase/depreciation and amortisation charges capitalised (Notes 11 and 12)	10,181,132
Decrease due to amortisation	(8,210,681)
Decrease due to sales/write-off of biological assets	(1,134,448)
Disposal	(8,470,068)
At September 30, 2018 and 2019	–

Biological assets comprise:

	<b>Group</b>		
	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>October 1, 2017</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Mature chickens	–	–	7,223,690
Immature chickens	–	–	410,375
Total	–	–	7,634,065

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 13 BIOLOGICAL ASSETS (cont'd)

	<b>Mature</b>	<b>Immature</b>	<b>Total</b>
<u>Group</u>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost:			
At October 1, 2017	16,212,263	410,375	16,622,638
Additions	8,968,268	1,212,864	10,181,132
Transfers	997,065	(997,065)	–
Written off/Disposals	(26,177,596)	(626,174)	(26,803,770)
At September 30, 2018 and 2019	–	–	–
Accumulated amortisation:			
At October 1, 2017	8,988,573	–	8,988,573
Amortisation for the year	8,210,681	–	8,210,681
Written off/Disposals	(17,199,254)	–	(17,199,254)
At September 30, 2018 and 2019	–	–	–
Carrying amount:			
At September 30, 2019	–	–	–
At September 30, 2018	–	–	–
At October 1, 2017	7,223,690	410,375	7,634,065

Biological assets amounting to \$8,470,068 was disposed with the sale of the Group's subsidiary Chew's Agriculture Pte Ltd ("CAPL") on April 20, 2018 (Note 32).

## 14 GOODWILL

	<b>Group</b>
	<b>\$</b>
Carrying amount:	
At October 1, 2017 and September 30, 2018	–
Arising on acquisition of a subsidiary (Note 33)	83,965
At September 30, 2019	83,965

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 15 INVESTMENT IN SUBSIDIARY CORPORATIONS

	<b>September 30, 2019</b>	<b>Company September 30, 2018</b>	<b>October 1, 2017</b>
	\$	\$	\$
Unquoted equity shares, at cost	438,003	1	11,099,720
Less: Allowance for impairment loss	–	–	(816,000)
Carrying amount	<u>438,003</u>	<u>1</u>	<u>10,283,720</u>

Movement in allowance for impairment loss

	<b>September 30, 2019</b>	<b>Company September 30, 2018</b>	<b>October 1, 2017</b>
	\$	\$	\$
At beginning of year	–	816,000	816,000
Disposal	–	(816,000)	–
At end of year	<u>–</u>	<u>–</u>	<u>816,000</u>

The principal subsidiary corporations of the Company are as follows:

	<b>Country of incorporation and operation</b>	<b>Proportion of ownership interest and voting power held</b>			<b>Principal activities</b>
		<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>October 1, 2017</b>	
		%	%	%	
Chew's Food International Limited <sup>(a)</sup>	Hong Kong	90	90	90	Trading of eggs.
Just 38 Pte. Ltd. <sup>(b)</sup>	Singapore	100	–	–	Property management.
OneFortune Holdings Pte. Ltd. <sup>(b)</sup>	Singapore	100	–	–	Investment holding.
OneApex Capital Pte. Ltd. <sup>(b)</sup>	Singapore	51	–	–	Fund management.
OneApex Capital 1 Pte. Ltd. <sup>(b)</sup>	Singapore	51	–	–	Fund management.
Chew's Agriculture Pte Ltd <sup>(c)</sup>	Singapore	–	–	100	Production and selling of eggs and trading of spent grains.
Chew's Group Marketing Pte Ltd <sup>(c)</sup>	Singapore	–	–	100	Trading of food and agricultural products.
Chew's Engineering Services Pte Ltd <sup>(c)</sup>	Singapore	–	–	100	Provision of engineering, maintenance and construction services.
Chew's Group Investment Pte Ltd <sup>(c)</sup>	Singapore	–	–	100	Investment holding company.

(a) Audited by Deloitte Touche Tohmatsu, Hong Kong.

(b) Audited by Deloitte & Touche LLP, Singapore.

(c) As detailed in Note 32, the Group disposed these 4 subsidiaries on April 20, 2018.

At the end of the reporting period, the non-controlling interests are not material to the Group except for OneApex Capital Pte. Ltd. Summarised financial information in respect of OneApex Capital Pte. Ltd. is set out under the "Financial Services" segment in Note 29.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 16 BANK LOANS

	Group			Company		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$	\$	\$	\$
Bank loans	-	-	1,094,194	-	-	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	-	-	(1,081,394)	-	-	-
Amount due for settlement after 12 months	-	-	12,800	-	-	-

The Group had the following principal bank loans prior to the disposal of its subsidiary CAPL on April 20, 2018:

- There was a bank loan amounting to \$45,652 (October 1, 2017 : \$90,949) which was raised on November 14, 2014. Fixed monthly repayments commenced on December 14, 2014 and would continue until November 14, 2018. The loan carried a variable interest of 2.00% plus prevailing 3 months SIBOR rate. The average effective interest rate on the bank loan approximated 3.12% per annum in 2017. The loan was guaranteed by the Company prior to the disposal of CAPL (Note 32).
- There was a bank loan amounting to \$128,762 (October 1, 2017 : \$254,593), guaranteed by the Company and raised on July 10, 2014. Fixed quarterly repayments commenced on October 31, 2014 and would continue until July 31, 2018. The loan carried a variable interest of 1.75% plus bank's prevailing cost of funds. The average effective interest rate on the bank loan approximated 3.401% per annum in 2017.
- There was a bank loan amounting to \$695,186 (October 1, 2017 : \$748,652) which was secured by mortgage over a property, guaranteed by the Company and raised on November 21, 2013. Fixed monthly repayments commenced on December 30, 2013 and would continue until November 30, 2025. The loan carried a variable interest of 1.3% plus bank's prevailing cost of fund. The average effective interest rate on the bank loan approximated 2.29% per annum in 2017.

## 17 TRADE PAYABLES

	Group			Company		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$	\$	\$	\$
Third parties	325,640	387,443	1,984,616	633	-	8,688

The average credit period of trade payables is 30 days to 90 days (September 30, 2018 : 30 days to 60 days; October 1, 2017 : 30 days to 90 days). No interest is charged on the outstanding balances.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 18 OTHER PAYABLES

	Group			Company		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$	\$	\$	\$
Government grant deferred	–	–	5,889,532	–	–	–
Provision for reinstatement costs	37,526	26,215	–	11,085	–	–
Accruals	657,023	678,984	2,657,569	249,220	228,103	560,312
Dividends payable	–	8,449,800	–	–	8,449,800	–
Others	168,000	1,072	742	168,000	1,072	–
	<u>862,549</u>	<u>9,156,071</u>	<u>8,547,843</u>	<u>428,305</u>	<u>8,678,975</u>	<u>560,312</u>
Current	862,549	9,124,718	8,157,653	428,305	8,678,975	560,312
Non-current	–	31,353	390,190	–	–	–
	<u>862,549</u>	<u>9,156,071</u>	<u>8,547,843</u>	<u>428,305</u>	<u>8,678,975</u>	<u>560,312</u>

## 19 FINANCE LEASES

	Minimum lease payments			Present value of minimum lease payments		
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	\$	\$	\$	\$	\$	\$
<u>Group</u>						
Amounts payable under finance lease:						
Within one year	–	–	176,454	–	–	171,742
In the second to fifth year inclusive	–	–	35,001	–	–	33,831
	–	–	211,455	–	–	205,573
Less: Future finance charges	–	–	(5,882)	–	–	–
Present value of lease obligations	–	–	<u>205,573</u>	–	–	205,573
Less: Amounts due for settlement within 12 months (shown under current liabilities)						(171,742)
Amount due for settlement after 12 months	–	–		–	–	<u>33,831</u>

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 19 FINANCE LEASES (cont'd)

Finance leases amounted to \$174,610 before the disposal of CAPL on April 20, 2018. Up to its disposal, it was the Group's policy to lease certain of its property, plant and equipment under finance leases. Interest rates were fixed at the contract date, and thus exposed the Group to fair value interest rate risk. All leases were on a fixed repayment basis and no arrangements had been entered into for contingent rental payments.

The fair value of the Group's lease obligations approximates their carrying amount as at October 1, 2017.

As at October 1, 2017, the Group's obligations under finance leases were secured by the lessor's title to the leased assets (Note 11) and guaranteed by the Company.

### *Reconciliation of liabilities arising from financing activities*

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

Note	October 1, 2017	Financing cash flow (i)	Non-cash change		September 30, 2018	
			New finance leases	Disposal of subsidiaries (Note 32)		
	\$	\$	\$	\$	\$	
<u>Group</u>						
Bank loans	16	1,094,194	(224,594)	–	(869,600)	–
Finance leases	19	205,573	(106,963)	76,000	(174,610)	–
		<u>1,299,767</u>	<u>(331,557)</u>	<u>76,000</u>	<u>(1,044,210)</u>	<u>–</u>

(i) The cash flows make up the repayments of borrowings in the statement of cash flows.

## 20 DEFERRED TAX LIABILITIES (ASSETS)

	<b>Accelerated tax depreciation (Accelerated accounting depreciation)</b>
	<b>\$</b>
<u>Group</u>	
At October 1, 2017	15,981
Charged to profit or loss (Note 25)	65,210
Disposal	(72,987)
At September 30, 2018	8,204
Credited to profit or loss (Note 25)	(14,662)
Exchange differences	68
At September 30, 2019	<u>(6,390)</u>



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 21 SHARE CAPITAL

	Group and Company					
	September 30, 2019	September 30, 2018	October 1, 2017	September 30, 2019	September 30, 2018	October 1, 2017
	Number of ordinary shares			\$	\$	\$
Issued and paid:						
At beginning and at end of year	84,498,000	84,498,000	84,498,000	13,292,106	13,292,106	13,292,106

The Company has one class of ordinary share which has no par value and carries a right to dividend as and when declared by the Company.

## 22 REVENUE

The group derives its revenue from the transfer of goods and services at a point in time in the following major segments. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8.

A disaggregation of the Group's revenue for the year, for both continuing and discontinued operations, is as follows:

	Group	
	2019	2018
	\$	\$
<b>Segment Revenue</b>		
<b>Continuing operations:</b>		
Designer and generic eggs	4,269,574	2,833,103
Financial services	383,667	–
Others	–	458,514
	4,653,241	3,291,617
<b>Discontinued operations:</b>		
Designer and generic eggs	–	15,726,951
Liquid eggs	–	512,645
Spent grains	–	1,210,952
Food processing	–	6,751
Others	–	270,128
	–	17,727,427
	4,653,241	21,019,044
<b>Timing of revenue recognition</b>		
<b>At a point in time:</b>		
Designer and generic eggs	4,269,574	18,560,054
Financial services	383,667	–
Liquid eggs	–	512,645
Spent grains	–	1,210,952
Food processing	–	6,751
Others	–	728,642
	4,653,241	21,019,044

As permitted by SFRS(I) 15, the Group has elected to apply the practical expedient not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period and an explanation of when the Group expects to recognise as revenue such an amount.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 23 OTHER INCOME

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>		
Sundry income	1,646	658
Net foreign exchange gain	1,541	12
Gain on disposal on property, plant and equipment	–	1,515
Interest income	183,818	109,052
	<u>187,005</u>	<u>111,237</u>
<b>Discontinued operations (Note 31)</b>		
Gain on disposal on property, plant and equipment	–	4,272
Reversal of allowance for doubtful trade receivables	–	494
Government grants	–	159,629
Sundry income	–	106,219
Net foreign exchange gain	–	–
Insurance claim	–	4,197
Interest income	–	163,578
	<u>–</u>	<u>438,389</u>
Total	<u>187,005</u>	<u>549,626</u>



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 24 OTHER OPERATING EXPENSES

	Group	
	2019	2018
	\$	\$
<b>Continuing operations</b>		
Advertising expenses	139,787	117,620
Professional expenses	665,019	225,118
Insurance	6,890	36,031
Repair and maintenance	3,762	18,983
Staff welfare	6,897	29,933
Transport expenses	53,356	114,634
Fixed assets written off	–	342
Other general expenses	497,352	392,391
	<u>1,373,063</u>	<u>935,052</u>
<b>Discontinued operations (Note 31)</b>		
Fixed assets written off	–	22,117
Loss on disposal of property, plant and equipment	–	–
Loss on disposal of investment	–	2,762,645
Net foreign exchange loss	–	25,480
Advertising expenses	–	76,759
Professional expenses	–	131,424
Carriage charges	–	37,000
Insurance	–	66,064
Trade receivables written off	–	11,985
Biological assets written off	–	884,952
Repair and maintenance	–	276,467
Research and development	–	32,537
Staff welfare	–	176,552
Transport expenses	–	121,762
Other general expenses	–	233,736
	<u>–</u>	<u>4,859,480</u>
Total	<u>1,373,063</u>	<u>5,794,532</u>

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 25 INCOME TAX EXPENSE

	<u>Group</u>	
	2019	2018
	\$	\$
<b>Continuing operations:</b>		
Income tax:		
- Current year	45,874	29,890
- Overprovision in prior year	-	(4,101)
Deferred tax (Note 20):		
- Current year	(14,662)	8,204
Total	<u>31,212</u>	<u>33,993</u>
<b>Discontinued operations:</b>		
Income tax:		
- Current year	-	537,478
- Over provision in prior year	-	(1,746)
Deferred tax (Note 20):		
- Current year	-	57,006
Total	<u>31,212</u>	<u>626,731</u>

Domestic income tax is calculated at 17% (2018 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 25 INCOME TAX EXPENSE (cont'd)

The total charge for the financial year can be reconciled to the accounting loss as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Continuing operations</b>		
Loss before income tax	(1,355,188)	(539,202)
Income tax benefit at statutory rate	(230,382)	(91,664)
Effect of expenses that are not deductible in determining taxable profit	41,773	181,253
Overprovision of prior year's tax	–	(4,101)
Effect of unused tax losses not recognised as deferred tax assets	222,002	–
Effect of previously unrecognised and unused tax losses	(14,662)	(53,000)
Effect of different tax rate of subsidiary operating in other jurisdiction	1,194	–
Others	11,287	1,505
Income tax expense	31,212	33,993
<b>Discontinued operations (Note 31)</b>		
Loss before income tax	–	(832,966)
Income tax benefit at statutory rate	–	(141,604)
Effect of expenses that are not deductible in determining taxable profit	–	800,800
Effect of tax concessions	–	(19,253)
Overprovision of prior year's tax	–	(1,746)
Tax exempt income	–	(17,425)
Others	–	(28,034)
Income tax expense	–	592,738
Total income tax expense	31,212	626,731

As at September 30, 2019, the Group had unutilised tax losses of \$2,193,621 (2018 : \$887,724) available for offset against future taxable profits. These deferred tax benefits for the Group were not recognised in the financial statements in accordance with the accounting policy set out in Note 2 due to uncertainty of its recoverability.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 26 LOSS FOR THE YEAR

Loss for the year is arrived at after charging (crediting):

	Continuing operations		Discontinued operations (Note 31)		Group		Total
	2019	2018	2019	2018	2019	2018	
	\$	\$	\$	\$	\$	\$	\$
Government grants	-	-	-	(159,629)	-	(159,629)	-
Cost of inventories recognised as expense	2,513,593	1,460,881	-	2,938,831	2,513,593	4,399,712	4,399,712
Directors' fee	154,041	158,950	-	-	154,041	158,950	158,950
Directors' remuneration	760,740	569,059	-	165,259	760,740	734,318	734,318
Depreciation of property, plant and equipment	75,729	56,221	-	96,189	75,729	152,410	152,410
Amortisation of land use rights	-	-	-	59,796	-	59,796	59,796
Amortisation of biological assets (Note 13)	-	-	-	8,210,681	-	8,210,681	8,210,681
Biological assets written off, net	-	-	-	884,952	-	884,952	884,952
Loss on disposal of land use rights property, plant and equipment, net	-	(1,515)	-	(4,272)	-	(5,787)	(5,787)
Fixed assets written off	-	342	-	22,117	-	22,459	22,459
Allowance for receivables	-	-	-	11,297	-	11,297	11,297



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

	Group (Note 31)					
	Continuing operations		Discontinued operations		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Employee benefits expense (including directors' remuneration)						
Salaries	1,553,783	1,258,364	-	3,858,357	1,553,783	5,116,721
Cost of defined contribution plan	74,843	34,576	-	689,960	74,843	724,536
Others	61,927	48,198	-	25,649	61,927	73,847
	1,690,553	1,341,138	-	4,573,966	1,690,553	5,915,104
Capitalised and included in the carrying amount of biological assets	-	-	-	(1,800,081)	-	(1,800,081)
Total employee benefits expense	-	1,341,138	-	2,773,885	-	4,115,023
Audit fees:						
- paid to auditors of the company	70,000	66,300	-	28,000	70,000	94,300
- paid to other auditors	39,266	-	-	-	39,266	-
	109,266	66,300	-	28,000	109,266	94,300
Non-audit fees:						
- paid to auditors of the company	7,500	4,100	-	-	7,500	4,100
- paid to other auditors	16,332	47,642	-	-	16,332	47,642
	23,832	51,742	-	-	23,832	51,742

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 27 LOSS PER SHARE

Loss per share is calculated as below:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>No. of shares</b>	
Number of ordinary shares	84,498,000	84,498,000
	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loss for the year attributable to owners of the Company from continuing operations	(1,393,992)	(591,318)
Loss per share (cents) from continuing operations	(1.64)	(0.70)
Loss for the year attributable to owners of the Company from discontinued operations	–	(1,425,704)
Loss per share (cents) from discontinued operations	–	(1.69)
Loss for the year attributable to owners of the Company from continuing and discontinued operations	(1,393,992)	(2,017,022)
Loss per share (cents) from continuing and discontinued operations	(1.64)	(2.39)

The fully diluted loss per share is equal to the basic loss per share as there is no dilution.

## 28 DIVIDENDS

On November 28, 2017, in respect of the financial year ended September 30, 2017, a final one-tier tax exempt dividend of \$0.0050 per ordinary share amounting to a total of \$422,490 was declared by the Company and paid to the shareholders of the Company.

On April 20, 2018, in respect of the financial year ended September 30, 2018, a special one-tier tax exempt dividend of \$0.35 per ordinary share amounting to a total of \$29,574,300 was declared and was paid on May 10, 2018. On September 26, 2018, the Company declared an interim one-tier dividend of \$0.10 per ordinary share amounting to a total of \$8,449,800 and paid to the shareholders of the Company on October 12, 2018.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 29 SEGMENT INFORMATION

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

The Group's reportable operating segments for the financial year ended September 30, 2018 are as follows:

- (a) Designer and generic eggs - production and sale of designer and generic eggs.
- (b) Liquid eggs - production and sale of liquid eggs.
- (c) Spent grains - trading of spent grains.
- (d) Food processing - production and sale of chicken soup.

Subsequent to the disposal of subsidiaries on April 20, 2018 (Note 32) the Group's reportable operating segments for the financial year ended September 30, 2019 are as follows:

- (a) Designer and generic eggs - sale of designer and generic eggs.
- (b) Financial services.
- (c) Property management.

Others relates to sale of feed material, trading products and others that do not constitute an operating segment. Accordingly, others are presented as a reconciliation to the segment information presented.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment result represents the profit earned by each segment without allocation of other income, corporate expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources, the chief operating decision maker monitors the tangible and financial assets attributable to each segment. Assets, if any, used jointly by reportable segments are allocated on the basis of the revenue earned by individual reporting segments.

For 2019, unallocated corporate assets mainly comprise cash and bank balances which include the unutilised cash proceeds received from the disposal of subsidiaries (Note 32), property, plant and equipment., and goodwill (Note 14) (2018 : cash and bank balances which include the unutilised cash proceeds received from the disposal of subsidiaries). Unallocated corporate liabilities include consideration payable for the acquisition of subsidiary during the year (2018 : dividend payable).



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 29 SEGMENT INFORMATION (cont'd)

Information regarding the Group's reportable segments is presented below.

	Designer and generic eggs	Financial services	Property management	Others	Total
	\$	\$	\$	\$	\$
<b>Continuing Operations</b>					
<u>2019</u>					
<b>REVENUE</b>					
External revenue	4,269,574	383,667	–	–	4,653,241
<b>RESULT</b>					
Segment result	238,725	(28,748)	(49,528)	–	160,449
Unallocated other income					184,853
Unallocated corporate expenses					(1,700,490)
Loss before income tax					<u>(1,355,188)</u>
<b>OTHER INFORMATION</b>					
Additions to property, plant and equipment	3,275	–	–	138,830	142,105
Depreciation of property, plant and equipment	53,777	–	–	21,952	75,729
<b>SEGMENT ASSETS</b>					
Segment assets	1,300,587	825,108	63,092	–	2,188,787
Unallocated corporate assets					12,207,585
Total assets					<u>14,396,372</u>
<b>SEGMENT LIABILITIES</b>					
Segment liabilities	606,433	353,856	12,619	–	972,908
Unallocated corporate liabilities					268,937
Total liabilities					<u>1,241,845</u>



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 29 SEGMENT INFORMATION (cont'd)

	Designer and generic eggs	Liquid eggs	Spent grains	Food processing	Others	Total
	\$	\$	\$	\$	\$	\$
<b>Continuing Operations</b>						
<u>2018</u>						
<b>REVENUE</b>						
External revenue	2,833,103	-	-	-	458,514	3,291,617
<b>RESULT</b>						
Segment result	894,445	-	-	-	237,838	1,132,283
Unallocated other income						111,225
Unallocated corporate expenses						(1,782,710)
Loss before income tax						<u>(539,202)</u>
<b>OTHER INFORMATION</b>						
Additions to property, plant and equipment	-	-	-	-	149,442	149,442
Depreciation of property, plant and equipment	-	-	-	-	56,221	56,221
<b>SEGMENT ASSETS</b>						
Segment assets	1,021,870	-	-	-	53,726	1,075,596
Unallocated corporate assets						<u>22,775,955</u>
Total assets						<u>23,851,551</u>
<b>SEGMENT LIABILITIES</b>						
Segment liabilities	367,389	-	-	-	7,481	374,870
Unallocated corporate liabilities						<u>9,183,852</u>
Total liabilities						<u>9,558,722</u>

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 29 SEGMENT INFORMATION (cont'd)

	Designer and generic eggs	Liquid eggs	Spent grains	Food processing	Others	Total
	\$	\$	\$	\$	\$	\$
<b>Discontinued Operations (Note 31)</b>						
<u>2019</u>						
<b>REVENUE</b>						
External revenue	-	-	-	-	-	-
<b>RESULT</b>						
Segment result	-	-	-	-	-	-
Unallocated other income	-	-	-	-	-	-
Unallocated corporate expenses	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Loss before income tax	-	-	-	-	-	-
<b>OTHER INFORMATION</b>						
Biological assets written off, net	-	-	-	-	-	-
Depreciation of property, plant and equipment	-	-	-	-	-	-
Amortisation of land use rights	-	-	-	-	-	-
Amortisation of biological assets	-	-	-	-	-	-
Allowance for doubtful trade receivables, net	-	-	-	-	-	-
Additions to biological assets	-	-	-	-	-	-
Additions to property, plants and equipment	-	-	-	-	-	-



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 29 SEGMENT INFORMATION (cont'd)

### Discontinued Operations (Note 31)

2018

#### REVENUE

External revenue

15,726,951      512,645      1,210,952      270,128      17,727,427

#### RESULT

Segment result

Unallocated other income

Unallocated corporate expenses

Finance costs

Loss before income tax

2,141,475      278,149      71,366      53,996      2,463,126  
 417,689  
 (3,695,752)  
 (18,029)  
 (832,966)

#### OTHER INFORMATION

Biological assets written off, net

Depreciation of property, plant and equipment

Amortisation of land use rights

Amortisation of biological assets

Allowance for doubtful trade receivables, net

Additions to biological assets

Additions to property, plant and equipment

884,952      -      -      -      884,952  
 24,407      322      -      20,140      96,189  
 -      -      -      59,796      59,796  
 8,210,681      -      -      -      8,210,681  
 11,297      -      -      -      11,297  
 -      -      -      10,181,132      10,181,132  
 -      -      -      163,444      163,444

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 29 SEGMENT INFORMATION (cont'd)

### *Geographical information*

The Group operates in two principal geographical areas - Singapore (country of domicile) and Hong Kong.

The Group's revenue from external customers and information about its segment assets by geographical location are detailed below:

	<b>Singapore</b>	<b>Hong Kong</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>2019</u>			
REVENUE			
External revenue	383,667	4,269,574	<u>4,653,241</u>
NON-CURRENT ASSETS			
Non-current assets	200,843	67,459	<u>268,302</u>
<u>2018</u>			
REVENUE			
External revenue	17,727,427	3,291,617	<u>21,019,044</u>
NON-CURRENT ASSETS			
Non-current assets	–	111,111	<u>111,111</u>

### *Information about major customers*

Included in revenues arising from selling of designer and generic eggs are \$4,356,409 (2018 : \$6,324,645) which arose from sales to the Group's largest customer.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 30 OPERATING LEASE ARRANGEMENTS

	Group	
	2019	2018
	\$	\$
<b>Continuing Operations</b>		
Minimum lease payments under non-cancellable operating leases recognised as an expense in the year	186,167	148,764

### Discontinued Operations

Minimum lease payments under non-cancellable operating leases recognised as an expense in the year	–	41,891
--	---	--------

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases which fall due as follows:

	Group	
	2019	2018
	\$	\$
Within 1 year	168,358	134,289
Within 2 to 5 years	5,775	123,098
	174,133	257,387

Operating lease payments represent rentals payable by the Group for office premises. Office premises leases are negotiated and rentals are fixed for an average term of 2 years (2018 : 3 years).

## 31 DISCONTINUED OPERATION

On March 8, 2018, the Company has entered into a sale and purchase agreement (the "SPA") with a third party to dispose the entire shareholdings of its four wholly-owned subsidiaries, Chew's Agriculture Pte Ltd, Chew's Group Marketing Pte Ltd, Chew's Engineering Services Pte Ltd and Chew's Group Investment Pte Ltd ("Disposal Group"), for a total consideration of \$12.5 million, which includes the cash and bank balances of the four subsidiaries amounting to \$1.5 million as at March 31, 2018 retained by the Group. The SPA of the disposal was approved by the shareholders of the Company at an extraordinary meeting convened on March 8, 2018 and the disposal was completed on April 20, 2018. Therefore, the results of the Disposal Group has been classified as discontinued operations as the business operations of the Disposal Group is a separate major geographical area of operations.

# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 31 DISCONTINUED OPERATION (cont'd)

The results of the discontinued operations for the period from October 1, 2017 to April 20, 2018 are as follows:

	<b>2018</b>
	<b>\$</b>
Revenue	17,727,427
Other income (Note 23)	438,389
Change in inventories	303,294
Purchase of materials	(3,242,125)
Employee benefits expense	(2,773,885)
Depreciation and amortisation expense	(155,985)
Rental expenses	(41,891)
Amortisation of biological assets	(8,210,681)
Other operating expenses (Note 24)	(4,859,480)
Finance costs	(18,029)
<b>Loss before tax</b>	<b>(832,966)</b>
Income tax expense (Note 25)	(592,738)
<b>Loss for the year</b>	<b>(1,425,704)</b>

The cash flows of the discontinued operations for the year ended September 30, 2018, which have been included in the consolidated financial statements, were as follows:

	<b>2018</b>
	<b>\$</b>
Operating activities	11,152,809
Investing activities	(12,208,116)
Financing activities	(228,615)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,283,922)</b>

## 32 DISPOSAL OF SUBSIDIARIES

As referred to in Note 31, the Group discontinued its operations in Singapore on March 8, 2018 and the disposal of its subsidiaries was completed on April 20, 2018.

Details of the disposal are as follows:

### Carrying amounts of net assets over which control was lost

	<b>2018</b>
	<b>\$</b>
<b><u>ASSETS</u></b>	
<b>Current assets</b>	
Cash and bank balances	2,582,336
Trade receivables	3,685,577
Other receivables	804,816
Inventories	1,656,236
Total current assets	<b>8,728,965</b>



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 32 DISPOSAL OF SUBSIDIARIES (cont'd)

	<b>2018</b>
	<b>\$</b>
<b>Non-current assets</b>	
Other receivables	288,271
Property, plant and equipment	3,391,928
Land use rights	3,852,248
Biological assets	8,470,068
Total non-current assets	<u>16,002,515</u>
<b>Total assets</b>	<u><u>24,731,480</u></u>
<b>LIABILITIES AND EQUITY</b>	
<b>Current liabilities</b>	
Current portion of bank loans	869,600
Trade payables	3,248,342
Other payables	7,334,000
Current portion of finance leases	91,992
Income tax payable	1,002,711
Total current liabilities	<u>12,546,645</u>
<b>Non-current liabilities</b>	
Other payables	194,982
Finance leases	82,618
Deferred tax liabilities	72,987
Total non-current liabilities	<u>350,587</u>
<b>Total liabilities</b>	<u><u>12,897,232</u></u>
<b>Net assets derecognised</b>	<u><u>11,834,248</u></u>
<b>Consideration received</b>	
Cash	12,501,144
<b>Loss on disposal</b>	
Consideration received	12,501,144
Net asset derecognised	(11,834,248)
Expenses incurred for disposal	(3,429,541)
	<u><u>(2,762,645)</u></u>
<b>Net cash inflow arising on disposal</b>	
Consideration received	12,501,144
Expenses incurred for disposal	(3,429,541)
Cash and cash equivalent disposed of	(2,582,336)
	<u><u>6,489,267</u></u>

The loss on disposal of subsidiaries is recorded as part of loss for the year from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 33 ACQUISITION OF SUBSIDIARY

On March 28, 2019, the group acquired 51% of the issued share capital of OneWealth Development Pte. Ltd. ("OAC") for cash consideration of \$338,000. This transaction has been accounted for by the acquisition method of accounting. OAC also changed its name to OneApex Capital Pte Ltd on the same day.

OAC is incorporated in Singapore on July 5, 2018 and is a Registered Fund Management Company with the Monetary Authority of Singapore. This acquisition is in line with the Group's strategy to expand into the Financial Investment Services Business.

### Consideration transferred (at acquisition date fair values)

	<u>Total</u>
	\$
Cash	170,000
Contingent consideration arrangement	168,000
Total	<u>338,000</u>

The Group is required to pay the remaining amount in cash equivalent to the sum of \$168,000 by April 7, 2020 if OAC has on that date achieved an asset under management equivalent to \$50,000,000. The fair value of the contingent consideration is measured using Level 3 inputs and management has determined that the expected future economic benefits that will flow out of the Group arising from the contingent consideration approximates the fair value of the contingent consideration due to the relatively short-term maturity of the financial liability.

### Assets acquired at the date of acquisition

	<u>Total</u>
	\$
<u>Current assets</u>	
Cash and bank balances, representing total assets and net assets acquired and liabilities assumed	<u>498,108</u>

### Non-controlling interest

The non-controlling interest (49%) in OAC recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to \$244,073. This fair value was estimated by applying an income approach.

### Goodwill arising on acquisition

	<u>Total</u>
	\$
Consideration	338,000
Add: Non-controlling interest	244,073
Less: Fair value of identifiable net assets acquired	(498,108)
Goodwill arising on acquisition	<u>83,965</u>

Goodwill arose in the acquisition of OAC because the cost of the combination included a control premium. In addition, the consideration paid for the acquisition effectively included amounts in relation to the benefit of revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.



# NOTES TO THE FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 2019

## 33 ACQUISITION OF SUBSIDIARY (cont'd)

### Net cash inflow on acquisition of subsidiary

	<b>Total</b>
	<b>\$</b>
Consideration paid in cash	(170,000)
Add: Cash and cash equivalent balances acquired	498,108
	<u>328,108</u>

### Impact of acquisition on the results of the Group

Included in the loss for the year is \$28,748 attributable to OAC.

Had the business combination during the year been effected at January 1, 2018, the revenue of the Group for the year from continuing operations would remain at \$4,653,241 and the loss of the Group for the year from continuing operations would have been \$1,385,435.

## 34 SUBSEQUENT EVENTS

On October 16, 2019, OneFortune Holdings Pte. Ltd. ("OneFortune"), a wholly-owned subsidiary of the Company, entered into a sale purchase agreement with Mr Tan Poon Kuan, a third party, pursuant to which OneFortune has acquired 300,000 ordinary shares representing 30% of the total issued and paid-up share capital of Tuas Seatown Dormitory Pte. Ltd. ("Tuas Seatown"), a company incorporated in Singapore and which is engaged in the business of managing/operating/developing hostels and dormitories in Singapore. The purchase consideration for the shares was \$3 (the "Consideration") paid in cash and was arrived at pursuant to arm's length negotiations, on a willing-buyer, willing-seller basis. As Tuas Seatown is newly-incorporated and has yet to commence any operations, the Consideration was arrived at having taken into consideration the paid-up share capital of the Target Company of \$10 as at October 16, 2019.

Following the completion of the acquisition, the Tuas Seatown has become an associated company of the Company.

On October 17, 2019, Tuas Seatown, was granted an option to purchase a property located at 69H Tuas South Avenue 1 Seatown Industrial Centre, Singapore 637509 for a total consideration of \$24,000,000. Tuas Seatown has on 7 November 2019 exercised the option to purchase the property and has paid \$1,200,000, equivalent to 5% of the consideration to the owner of the property in accordance with the terms of the option. The payment was partially financed by an advance of \$360,000 from the Group to Tuas Seatown which is unsecured, interest-free and repayable on demand.

# STATISTICS OF SHAREHOLDING

AS AT 17 DECEMBER 2019

Issued and paid up share capital	:	S\$13,292,106
Number of issued shares	:	84,498,000
Subsidiary holdings	:	Nil
Treasury shares	:	Nil
Class of share	:	Ordinary shares fully paid
Voting rights	:	One vote for each ordinary share

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 17 DECEMBER 2019

Size of Shareholders	No. of Shareholders	%	No. of shares	%
1 - 99	2	0.97	3	0.00
100 - 1,000	30	14.49	14,800	0.02
1,001 - 10,000	80	38.65	422,319	0.50
10,001 - 1,000,000	87	42.03	7,602,308	9.00
1,000,001 and above	8	3.86	76,458,570	90.48
<b>Total</b>	<b>207</b>	<b>100.00</b>	<b>84,498,000</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS AS AT 17 DECEMBER 2019

Name of Shareholder	No. of Shares	% of Shares
1 GOLDHILL TRUST PTE LTD	62,466,590	73.93
2 ANG DE YU	4,746,084	5.62
3 OONG BING HUI	2,049,600	2.43
4 TAN ENG TIONG	2,000,000	2.37
5 CHEW ENG KENG	1,634,500	1.93
6 CHEW SUU HAI	1,202,075	1.42
7 OH CHEE TAT (HU ZHIDA)	1,186,521	1.40
8 CHAN KIM HOO	1,173,200	1.39
9 OH HONG LEE	1,000,000	1.18
10 OH KIAN CHYE	1,000,000	1.18
11 TAN SIEW HONG	1,000,000	1.18
12 CHEN YI JIN	500,000	0.59
13 TOO AH KIT OR CHEW GEOK PENG	500,000	0.59
14 LIM YUH SHIUAN	474,608	0.56
15 SEE WEE SIAH	274,500	0.32
16 DANIEL TAN POON KUAN	200,000	0.24
17 TAN YEO KEE	200,000	0.24
18 CHONG YEN CHAN	138,300	0.16
19 DBS NOMINEES PTE LTD	133,450	0.16
20 CHEW ENG HOE	129,800	0.15
<b>Total:</b>	<b>82,009,228</b>	<b>97.04</b>



## STATISTICS OF SHAREHOLDING

AS AT 17 DECEMBER 2019

### PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF THE PUBLIC

Based on the information available to the Company as at 17 December 2019, approximately 20.46% of the issued ordinary shares of the Company is held by the public. Accordingly, Rule 723 of the Listing Manual Section B. Rules of Catalist of the SGX-ST (“**Catalist Rules**”) has been complied with.

### SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholder	Direct Interest		Deemed Interest	
		No. of shares	%	No. of shares	%
1	Goldhill Trust Pte. Ltd.	62,466,590	73.93	–	–
2	Ang De Yu	4,746,084	5.62	–	–
3	Alex Tan	–	–	62,466,590	73.93
4	Tan Theng Hong, Amos	–	–	62,466,590	73.93

Goldhill Trust is an investment holding company incorporated in Singapore on 10 May 2018. Mr. Alex Tan and Mr. Tan Theng Hong, Amos, each owns 50% of the issued share capital of Goldhill Trust. As such, Mr. Alex Tan and Mr. Tan Theng Hong, Amos are deemed to be interested in the ordinary shares of the Company owned by Goldhill Trust pursuant to Section 4 of the Securities and Futures Act (Cap 289). Mr. Alex Tan is also the Executive Director and CEO of the Company.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **ONEAPEX LIMITED** (the “**Company**”) will be held at 9 Kent Ridge Drive, Singapore 119241, Kent Ridge Guild House, Cluny Room, Level 2 on Wednesday, 29 January 2020 at 10.00 a.m., for the purpose of transacting the following business:

### ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2019 together with the Directors’ Statement and the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr. Zachary Tan Lian Chye, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.  
[See Explanatory Note (1)] **(Resolution 2)**
3. To re-elect Mr. Chee Teck Kwong Patrick, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.  
[See Explanatory Note (2)] **(Resolution 3)**
4. To approve the payment of Directors’ fees of S\$153,000 for the financial year ending 30 September 2020, payable half-yearly in arrears. **(Resolution 4)**
5. To appoint Messrs Ernst & Young LLP as auditors of the Company in place of the retiring auditors of the Company, Messrs Deloitte & Touche LLP, to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Directors of the Company to fix their remuneration (“**Proposed Change of Auditors**”).  
[See Explanatory Note (3)] **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

### SPECIAL BUSINESS

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

#### 7. **Authority to allot and issue shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors to:

- (a)
  - (i) allot and issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force,



## NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under subparagraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding and subsisting at the time this Resolution is passed, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next annual general meeting 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 (4)] **(Resolution 6)**

### 8. **Proposed Renewal of the Share Buy-Back Mandate of OneApex Limited**

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) on-market purchase(s) (each a "**Market Purchase**") transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Rules and the Companies Act,

## NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, the Constitution of the Company and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

- (b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or is required by law to be held; or
  - (ii) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or
  - (iii) the date on which the authority contained in the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting;
- (c) for purposes of this Resolution:

“**Maximum Limit**” means ten per cent. (10%) of the total issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution 7, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued ordinary shares of the Company shall be taken to be the total number of the issued ordinary shares of the Company as altered by such capital reduction (the total number of ordinary shares shall exclude any ordinary shares that may be held as treasury shares by the Company and subsidiary holdings from time to time);

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, fifteen per cent. (15%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

“**Relevant Period**” means the period commencing from the date of the passing of this Resolution 7 and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate or the date the said mandate is revoked or varied by the Company in a general meeting;

- (d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;



## NOTICE OF ANNUAL GENERAL MEETING

- (e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and
- (f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.  
[See Explanatory Note (5)] **(Resolution 7)**

### 9. Proposed Renewal of the IPT General Mandate

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” under Chapter 9 of the Catalist Rules, or any of them, to enter into any of the transactions falling within the types of interested party transactions described in paragraph 4.5 of the Appendix to Shareholders dated 14<sup>th</sup> January 2020 (“**Appendix**”), with any party who is of the class of interested persons described in paragraph 4.4 of the Appendix, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders, and in accordance with the guidelines and review procedures for such transactions as set out in the Appendix (the “**IPT General Mandate**”);
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company;
- (c) the Audit Committee of the Company be and are hereby authorised to take such action as they deem proper in respect of procedures and to implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT General Mandate and/or the transactions contemplated by this Resolution. **(Resolution 8)**

BY ORDER OF THE BOARD

**Leong Chuo Ming**  
Company Secretary  
14<sup>th</sup> January 2020



# NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY NOTES:

- (1) Mr. Zachary Tan Lian Chye will, upon re-election as a Director of the Company, remain as the Non-Executive Non-Independent Chairman of the Board of Directors and a member of the Risk Committee. There are no relationships (including family relationships) between Mr. Zachary Tan Lian Chye and the other Directors, the Company and its ten per cent. (10%) shareholder. Detailed information on Mr. Zachary Tan Lian Chye can be found on page 6 of the annual report.
- (2) Mr. Chee Teck Kwong Patrick will, upon re-election as a Director of the Company, remain as the Lead Independent Director of the Company, the Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and Risk Committee. Mr. Chee Teck Kwong Patrick will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST. There are no relationships (including family relationships) between Mr. Chee Teck Kwong Patrick and the other Directors, the Company and its ten per cent (10%) shareholder. Detailed information on Mr. Chee Teck Kwong Patrick can be found on page 7 of the annual report.
- (3) The Ordinary Resolution 5 proposed in item 5 above is to appoint Messrs Ernst & Young LLP as auditors of the Company in place of the retiring auditors of the Company, Messrs Deloitte & Touche LLP, and to authorise the Directors of the Company to fix their remuneration. Further information on the Proposed Change of Auditors is set out in the Appendix.

In accordance with the requirements pursuant to Rule 712(3) of the Catalist Rules:

- (a) the retiring auditors of the Company, Messrs Deloitte & Touche LLP, have confirmed by way of a letter dated 8<sup>th</sup> January 2020 to Messrs Ernst & Young LLP that they are not aware of any professional reasons why Messrs Ernst & Young LLP should not accept appointment as auditors of the Company;
  - (b) the Company confirms that there were no disagreements with the retiring auditors of the Company, Messrs Deloitte & Touche LLP, on accounting treatments within the last twelve (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 shareholders of the Company which has not been disclosed in the Appendix;
  - (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Paragraph 2.2 of the Appendix; and
  - (e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of Messrs Ernst & Young LLP as the new auditors of the Company.
- (4) The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors from the date of this Annual General Meeting until the date 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings), of which the total number of shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings).  
  
For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares subsidiary holdings) at the time Resolution 6 is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Resolution 6 is passed and any subsequent consolidation or subdivision of shares.
  - (5) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, from the date of the this Annual General Meeting until the date the next annual general meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten per cent. (10%) of the total number of issued Shares excluding any Shares which are held as treasury shares by the Company, at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in Section 3 of the Appendix.



# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

1. A member of the Company (other than a Relevant Intermediary) (as defined in Note 2 below) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Such proxy need not be a member of the Company and where there are two (2) proxies, the number of shares to be represented by each proxy must be stated
2. A member who is a Relevant Intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

“**Relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a member of the Company.
  4. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
  5. The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624, not less than seventy-two (72) hours before the time appointed for the holding of the Annual General Meeting.

## Personal Data Privacy

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor (“**Sponsor**”), Novus Corporate Finance Pte. Ltd., in compliance with Rule 226(2)(b) the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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

*The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, Novus Corporate Finance Pte. Ltd. at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.*

# APPENDIX

## APPENDIX DATED 14<sup>th</sup> JANUARY 2020

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined in the section titled "DEFINITIONS" of this Appendix.

This Appendix is circulated to the shareholders of OneApex Limited (the "**Company**") ("**Shareholders**") together with the Company's annual report for the financial year ended 30 September 2019 (the "**2019 Annual Report**"). Its purpose is to explain to the Shareholders the rationale and provide information relating to the Proposed Change of Auditors (as defined hereinafter), the proposed renewal of the Share Buy-Back Mandate (as defined hereinafter), and the proposed renewal of the IPT General Mandate (as defined hereinafter) to be tabled at the 2020 AGM (as defined hereinafter).

The ordinary resolutions proposed to be passed in relation to the Proposed Change of Auditors, the proposed renewal of the Share Buy-Back Mandate, and the proposed renewal of the IPT General Mandate are set out as Ordinary Resolution 5, Ordinary Resolution 7 and Ordinary Resolution 8 respectively, in the Notice of AGM and proxy form which are enclosed with the 2019 Annual Report.

If you have sold or transferred all your Shares (as defined hereafter) held through CDP, you need not forward this Appendix with the Notice of AGM and proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the Notice of AGM and proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Appendix together with the Notice of AGM and proxy form which are enclosed with the 2019 Annual Report to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with the Catalist Rules (as defined hereinafter). The Sponsor has not verified the contents of this Appendix.

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

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, Novus Corporate Finance Pte. Ltd. at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.



## ONEAPEX ONEAPEX LIMITED

(Company Registration Number: 201020806C)  
(Incorporated in the Republic of Singapore)

### APPENDIX TO SHAREHOLDERS

in relation to:-

- (1) **THE PROPOSED CHANGE OF AUDITORS;**
- (2) **THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE; AND**
- (3) **THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE.**



# APPENDIX

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# APPENDIX

## DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

<b>"2019 Annual Report"</b>	:	The annual report of the Company for the financial year ended 30 September 2019
<b>"2019 AGM"</b>	:	The annual general meeting of the Company convened and held on 31 January 2019
<b>"2020 AGM"</b>	:	The annual general meeting of the Company to be convened and held on 29 January 2020
<b>"ACRA"</b>	:	The Accounting & Corporate Regulatory Authority of Singapore
<b>"AGM"</b>	:	The annual general meeting of the Company
<b>"Appendix"</b>	:	This appendix to Shareholders dated 14 <sup>th</sup> January 2020 in relation to the Proposed Change of Auditors, the proposed renewal of the Share Buy-Back Mandate and the proposed renewal of the IPT General Mandate
<b>"associate"</b>	:	<p>(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none"> <li>(i) his immediate family;</li> <li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object; and</li> <li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and</li> </ul> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more</p>
<b>"Audit Committee"</b>	:	The audit committee of the Company for the time being
<b>"Board"</b>	:	The board of directors of the Company for the time being
<b>"Catalist"</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>"Catalist Rules"</b>	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Chief Executive Officer"</b>	:	The chief executive officer of the Company for the time being
<b>"Chief Financial Officer"</b>	:	The chief financial officer of the Company for the time being



## APPENDIX

<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	OneApex Limited
<b>“Constitution”</b>	:	The constitution of the Company, as amended from time to time
<b>“Contemplated Associates”</b>	:	The associates of (i) Mr. Tan Pei Hong, Alex (Chen Peifeng), (ii) Mr. Tan Theng Hong, Amos and (iii) Mr. Chiu Joon Sun (Zhao Junsheng), who may enter into a Transaction with the Company, and as more particularly described in paragraph 4.4 of this Appendix
<b>“Controlling Shareholder”</b>	:	A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or</li> <li>(b) in fact exercises control over the Company</li> </ul>
<b>“Deloitte”</b>	:	Messrs Deloitte & Touche LLP
<b>“Director”</b>	:	A director of the Company for the time being
<b>“entity at risk”</b>	:	Means, in relation to the Company: <ul style="list-style-type: none"> <li>(a) the Company;</li> <li>(b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or</li> <li>(c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its interested person(s), has control over the associated company</li> </ul>
<b>“Ernst &amp; Young”</b>	:	Ernst & Young LLP
<b>“EPS”</b>	:	Earnings per Share
<b>“Financial Investments Services Business”</b>	:	The Group’s financial investments services business, which includes the fund management business, wealth management and family office advisory services, as more particularly described in the January 2019 Circular
<b>“FY2019”</b>	:	Financial year ended 30 September 2019
<b>“Group”</b>	:	The Company and its subsidiaries, collectively
<b>“immediate family”</b>	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
<b>“interested person”</b>	:	Means, in relation to the Company: <ul style="list-style-type: none"> <li>(a) a Director, Chief Executive Officer, or Controlling Shareholder; or</li> <li>(b) an associate of any such Director, Chief Executive Officer, or Controlling Shareholder</li> </ul>

## APPENDIX

<b>“interested person transaction”</b>	:	A Transaction between an “entity at risk” and an “interested person”
<b>“IPT General Mandate”</b>	:	A general mandate given by the Shareholders pursuant to Chapter 9 of the Catalist Rules, authorising the Company and its subsidiaries, in their ordinary course of business, to enter into the categories of transactions specified in paragraph 4.5 of this Appendix with any Contemplated Associate subject to the guidelines and review procedures for such transactions as set out in this paragraph 4.7 of this Appendix
<b>“IPT Guidelines and Review Procedures”</b>	:	The methods or procedures for determining Transaction prices for interested person transactions with a Contemplated Associate, as more particularly described in paragraph 4.7 of this Appendix
<b>“IPT Register”</b>	:	A register maintained by the Company to record all interested person transactions, including interested person transactions below S\$100,000, as more particularly described in paragraph 4.7 of this Appendix
<b>“IPT Review Procedure Thresholds”</b>	:	The review procedure thresholds, as more particularly described in paragraph 4.7 of this Appendix
<b>“January 2019 Circular”</b>	:	The circular to Shareholders dated 9 January 2019 in relation to the proposed change of name, the proposed diversification of the business of the Group and the proposed adoption of the IPT General Mandate
<b>“Latest Practicable Date”</b>	:	6 <sup>th</sup> January 2020, being the latest practicable date prior to the printing of this Appendix
<b>“LPS”</b>	:	Loss per Share
<b>“NAV”</b>	:	Net asset value
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for securities trading
<b>“Notice of AGM”</b>	:	The notice of AGM dated 14 <sup>th</sup> January 2020
<b>“NTA”</b>	:	Net tangible asset
<b>“Property Business”</b>	:	The Group’s property business, which includes the Property Investment Business, Property Management Business and Property Development Business, as more particularly described in the January 2019 Circular
<b>“Property Development Business”</b>	:	The Group’s property development activities including acquisition, development and/or sale of commercial and residential properties and hotels, as more particularly described in the January 2019 Circular
<b>“Property Investment Business”</b>	:	The Group’s investments into various properties for rental income and/or capital growth, as more particularly described in the January 2019 Circular
<b>“Property Management Business”</b>	:	The Group’s management of various properties for the collection of fees for the provision of property related services and facilities, as more particularly described in the January 2019 Circular
<b>“Proposed Change of Auditors”</b>	:	The proposed change of auditors of the Company, from Messrs Deloitte & Touche LLP to Messrs Ernst & Young LLP



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<b>“Proposed Diversification”</b>	:	The proposed diversification of the Group’s business to include the Property Business and the Financial Investments Services Business, as more particularly described in the January 2019 Circular
<b>“Recommending Directors”</b>	:	Directors who are regarded as independent for the purposes of making a recommendation on the proposed renewal of the IPT General Mandate, namely, Mr. Zachary Tan Lian Chye, Mr. Chee Teck Kwong Patrick, Mr. Low Chin Parn Eric and Mr. Wan Tai Foong
<b>“Relevant Period”</b>	:	The period commencing from the date on which the resolution relating to the proposed renewal of the Share Buy-Back Mandate is passed at the forthcoming 2020 AGM and expiring on the earliest of the date on which the next AGM is held or required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate or the date on which the authority conferred in the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
<b>“SF(LCB)R”</b>	:	Securities and Futures (Licensing and Conduct of Business) Regulations (Chapter 289, Regulation 10), as amended, modified or supplemented from time to time
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective securities accounts in the Depository Register maintained by CDP
<b>“Share Buy-Back Mandate”</b>	:	The general and unconditional mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
<b>“Share(s)”</b>	:	Ordinary shares in the capital of the Company
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Sponsor”</b>	:	Novus Corporate Finance Pte. Ltd.
<b>“Subsidiary Holdings”</b>	:	Shares held by subsidiaries of the Company in accordance with the Companies Act
<b>“Substantial Shareholders”</b>	:	A person who has an interest (directly or indirectly) in one (1) or more voting Shares and the total votes attaching to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time



## APPENDIX

**“Transaction”** : Includes:

- (a) the provision or receipt of financial assistance;
- (b) the acquisition, disposal or leasing of assets;
- (c) the provision or receipt of services;
- (d) the issuance or subscription of securities;
- (e) the grant of or being granted options; and
- (f) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example through one or more interposed entities)

### Currencies and Units

**“S\$” and “cents”** : Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore

**“%”** : per centum or percentage

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term **“treasury shares”** shall have the meaning ascribed to it in Section 76H of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Appendix, shall have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.



# APPENDIX

## ONEAPEX LIMITED

(Company Registration Number: 201020806C)  
(Incorporated in the Republic of Singapore)

### Directors

Mr. Zachary Tan Lian Chye (Non-Executive Non-Independent Chairman)  
Mr. Tan Pei Hong, Alex (Chen Peifeng) (Executive Director and Chief Executive Officer)  
Mr. Chiu Joon Sun (Zhao Junsheng) (Executive Director)  
Mr. Chee Teck Kwong Patrick (Lead Independent Director)  
Mr. Wan Tai Foong (Independent Director)  
Mr. Low Chin Parn Eric (Independent Director)

### Registered Office

80 Raffles Place  
#25-01 UOB Plaza  
Singapore 048624

14<sup>th</sup> January 2020

**To: The Shareholders of OneApex Limited**

Dear Sir / Madam

- (1) THE PROPOSED CHANGE OF AUDITORS;**
- (2) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE; AND**
- (3) THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE.**

### 1. INTRODUCTION

We refer to the Notice of AGM enclosed with the 2019 Annual Report, convening the 2020 AGM which is scheduled to be held on 29 January 2020 and the following Ordinary Resolutions set out in the Notice of AGM:

- (a) Ordinary Resolution 5 in relation to the Proposed Change of Auditors under the heading "Ordinary Business" set out in the Notice of AGM;
- (b) Ordinary Resolution 7 in relation to the proposed renewal of the Share Buy-Back Mandate under the heading "Special Business" set out in the Notice of AGM; and
- (c) Ordinary Resolution 8 in relation to the proposed renewal of the IPT General Mandate under the heading "Special Business" set out in the Notice of AGM,

(collectively, the "**Proposed Resolutions**").

The purpose of this Appendix is to provide Shareholders with information relating to and explain the rationale for the Proposed Resolutions.

**This Appendix has been prepared solely for the purposes outlined above and may not be relied upon by any other person (other than the Shareholders to whom this Appendix is despatched by the Company) or for any other purpose.**

### 2. THE PROPOSED CHANGE OF AUDITORS

#### 2.1 Introduction

At the 2019 AGM, the Shareholders approved the re-appointment of Deloitte as the external auditors of the Company until the conclusion of the next AGM. Deloitte has served as the auditors of the Company since 2010.

## APPENDIX

### 2.2 Rationale

As part of ongoing good corporate governance initiatives, the Directors are of the view that a change of auditors would enable the Company to benefit from fresh perspectives and views of another professional audit firm and further enhance the value of the audit. The Directors are also of the view that changing the audit engagement partner from within the same retiring audit firm is not an option that would result in the same benefits from changing the audit firm, as the audit firm itself would inherently have certain firm-wide views, policies and practices that would be in place regardless of the audit engagement partner. Further, as part of the Company's ongoing efforts to enhance operating cost efficiencies, the Board had reviewed fee proposals from various audit firms, and having considered the factors listed in paragraph 2.4 below as well as in consultation with the Audit Committee, has determined that the fee proposal from Ernst & Young is the most competitive. The Company expects modest savings in audit fees with the Proposed Change of Auditors based on the audit fees for the financial year ended 30 September 2019. The Company does not expect the reduction in cost to affect the quality of the audit to be undertaken and there will be no changes in the scope of the audit to be undertaken with the Proposed Change of Auditors.

Ernst & Young had, on 8<sup>th</sup> January 2020, given their written consent to act as auditors of the Company, subject to the approval by Shareholders at the 2020 AGM for the Proposed Change of Auditors.

The appointment of Ernst & Young as auditors of the Company will be effective upon the approval by Shareholders at the 2020 AGM for the Proposed Change of Auditors. If appointed, Ernst & Young will hold office until the conclusion of the next AGM.

In view of the above, Deloitte has indicated that it will retire and not seek re-appointment as auditors of the Company at the 2020 AGM, being the end of their current term. The Board wishes to express their appreciation for the services rendered by Deloitte.

### 2.3 Information on Ernst & Young

Ernst & Young is one of the largest professional service firms in Singapore and is among the big four accounting firms in Singapore.

Ernst & Young has a history of 129 years offering audit, tax and professional services to Singapore and the global markets and employs more than 3,500 and 284,000 people locally and globally respectively. Ernst & Young has relevant industry experience with audit clients in the financial investment service industry and property industry which the Company is in.

Adrian Koh will be the audit engagement partner assigned to the audit of the Company and its subsidiaries. Adrian has over 23 years of experience in providing audit services to a variety of clients, including public companies listed on the SGX-ST and is a member of the Institute of Singapore Chartered Accountants.

Adrian graduated from the National University of Singapore with a Master of Science (Financial Engineering) and has a Bachelor of Accountancy from the Nanyang Technological University. He served significant clients in the financial services industry including DBS Bank, UBS Bank, UOB Bank, other financial intermediaries and asset management companies, In the real estate space, Adrian has served REITs, listed and private property groups including asset owners, developers, main contractors and sub-contractors.

For more information on Ernst & Young, please visit [www.ey.com](http://www.ey.com).

### 2.4 Compliance with Rule 712 of the Catalist Rules

Ernst & Young LLP is registered with ACRA. The Directors together with the Audit Committee, in assessing the suitability of Ernst & Young LLP, have considered factors such as the fee structure, the adequacy of resources and experience of Ernst & Young LLP to handle the audit of the Company and the Group, the audit engagement partner to be assigned to the audit, the other audit engagements of Ernst & Young LLP, the size and complexity of the Group's operations and the number and experience of supervisory and professional staff assigned to the audit of the Company and the Group. Accordingly, Rules 712(1) and 712(2) of the Catalist Rules have been complied with.



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

- (a) Deloitte has confirmed by way of a letter dated 8<sup>th</sup> January 2020 (“**Professional Clearance Letter**”) that they are not aware of any professional reasons why Ernst & Young should not accept appointment as auditors of the Company;
- (b) the Company confirms that there were no disagreements with Deloitte on accounting treatments within the last twelve (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 which has not been disclosed in this Appendix;
- (d) the specific reasons for the Proposed Change of Auditors is in furtherance of good corporate governance initiatives and enhancing cost efficiencies for the Group as set out in paragraph 2.2 above; and
- (e) the Company confirms that it is in compliance with Rule 712 and 715 of the Catalist Rules in relation to the proposed appointment of Ernst & Young as its new auditors.

### 2.5 Compliance with Rule 715 of the Catalist Rules

Subject to the approval by Shareholders at the 2020 AGM for the Proposed Change of Auditors, the Company will appoint Ernst & Young as auditors of the following subsidiaries of the Company:

- (a) Just 38 Pte. Ltd.;
- (b) Chews’ Food International Limited;
- (c) OneApex Capital Pte. Ltd.;
- (d) OneApex Capital 1 Pte. Ltd.; and
- (e) OneFortune Holdings Pte. Ltd.

Ernst & Young will not be appointed as auditor of the Company’s Singapore-incorporated associated company as the results of this associated company is expected to be insignificant.

Accordingly, the Company confirms that Rule 715 of the Catalist Rules has been complied with.

### 2.6 Audit Committee’s Recommendations

The Audit Committee has enquired on whether Adrian has been subject to the Practice Monitoring Programme review by ACRA. In this regard, the Audit Committee has noted that Adrian has passed the Practice Monitoring Programme review by ACRA on her previous audit engagements.

The Audit Committee had not considered the Audit Quality Indicators Disclosure Framework (the “**AQI Framework**”) in its entirety when selecting the new auditors as the adoption of the AQI Framework is voluntary. However, the Audit Committee has based its selection of Ernst & Young as the proposed new auditors of the Company based on the Company’s internal criteria, which includes costs, quality and scope of audit, and adequacy of the resources, experience and reputation of the audit firm.

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### 3. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

#### 3.1 The Existing Share Buy-Back Mandate

At the Extraordinary General Meeting of the Company held on 20 January 2012, the Shareholders had approved the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire Shares. At the 2019 AGM, the Shareholders approved the renewal of the Share Buy-Back Mandate. As the Share Buy-Back Mandate will expire on the date of the forthcoming 2020 AGM, the Directors propose that the Share Buy-Back Mandate be renewed at the 2020 AGM.

#### 3.2 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under its constitution.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 14(B) of the Constitution expressly permits the Company to purchase its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the 2020 AGM for the proposed renewal of the Share Buy-Back Mandate.

If approved by Shareholders at the 2020 AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the 2020 AGM at which the proposed renewal of the Share Buy-Back Mandate is approved ("**Approval Date**") and continue to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next AGM is held or is required by law to be held (whereupon it will lapse, unless renewed at such meeting), the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate or the date on which the authority conferred in the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting. Subject to its continued relevance to the Company, the Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent AGM.

#### 3.3 Rationale for the Proposed Renewal of the Share Buy-Back Mandate

The Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and its Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share. Share buy-backs also help the Company to minimise the dilution impact arising from the issue and allotment of shares pursuant to any share scheme(s).

Pursuant to the Companies Act, Shares purchased or otherwise acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as treasury shares.

The existing Shares purchased by the Company under the Share Buy-Back Mandate, if held as treasury shares, may be used for the purposes as set out in paragraph 3.6.3 below, which include but is not limited to the issuance of Shares pursuant to the exercise of any share option scheme and the vesting of such awards. Under the Companies Act, the Company may deliver Shares pursuant to the exercise of options granted under such share scheme(s) and/or awards granted in the form of existing Shares held as treasury shares and/or an issue of new Shares.



## APPENDIX

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company and when the Directors believe that such purchases or acquisitions would be in the best interests of the Company and the Shareholders.

### 3.4 Terms of the Proposed Renewal of the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate are summarised below:

#### 3.4.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 867 of the Catalist Rules, the total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares of the Company (excluding treasury shares and Subsidiary Holdings) as at the Approval Date, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as treasury shares and Subsidiary Holdings will be disregarded.

**For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 84,498,000 Shares, and assuming no further Shares are issued on or prior to the 2020 AGM, no more than 8,449,800 Shares representing ten per cent. (10%) of the issued and paid-up share capital of the Company as at that date of the 2020 AGM may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

#### 3.4.2 Duration of authority

Purchases or acquisitions of Shares may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held; or
- (b) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting.

#### 3.4.3 Manner of purchase of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for that purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Catalist Rules, the Constitution and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme.

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Pursuant to the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (A) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
  - (B) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
  - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share buy-back;
- (4) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any share buy-back made by the Company in the previous twelve (12) months (whether Off-Market Purchases in accordance with an equal access scheme or Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

#### 3.4.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares, excluding related expenses of the purchase or acquisition, must not exceed the Maximum Price (as defined hereinafter) which is:

- (a) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, fifteen per cent. (15%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price (as defined hereinafter) calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.



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### 3.5 Status of Purchased Shares under the Share Buy-Back Mandate

A Share purchased or otherwise acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Shares are held by the Company as treasury shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as treasury shares. All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The Company may hold Shares purchased pursuant to the Share Buy-Back Mandate as treasury shares to be used, *inter alia*, in the issue of Shares pursuant to the exercise of options under any share option scheme and/or the grant of awards under any share scheme(s).

### 3.6 Treasury Shares

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

#### 3.6.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

#### 3.6.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

#### 3.6.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time (subject to the Take-over Code):

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of, or pursuant to any share scheme of the Company, whether for employees, Directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in, or assets of, another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance.



## APPENDIX

### 3.7 Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase or acquisition of Shares, the Company's issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

The Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer.

The notification of such purchase or acquisition of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion, the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

### 3.8 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. As stated in the Companies Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment made by the company in consideration of acquiring any right with respect to the purchase or acquisition of its own shares:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the company within the period of twelve (12) months immediately after the date of the payment, the company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after the proposed purchase, acquisition, variation or release (as the case may be) of the company's obligations, become less than the value of its liabilities (including contingent liabilities).



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The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. In purchasing or acquiring Shares pursuant to the Share Buy-Back Mandate, the Directors will, firstly, consider the availability of internal resources before considering the availability of external financing. The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that it would have a material adverse effect on the working capital requirements and/or the gearing of the Group.

### 3.9 Financial Effects

Under the Companies Act, the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company of the Shares) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (including any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company of the Shares) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

**For illustrative purposes only**, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding treasury shares and Subsidiary Holdings) comprises 84,498,000 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 8,449,800 Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or otherwise acquired are cancelled or held as treasury shares.

**For illustrative purposes only**, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2019 are based on the following assumptions:

- (a) based on 84,498,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or purchased and kept as treasury shares and there are no Subsidiary Holdings on or prior to the 2020 AGM, the maximum number of Shares that the Company can purchase or acquire without adversely affecting the ten per cent. (10%) public float requirement (as elaborated in paragraph 3.10.5 below) is 8,449,800 Shares or ten per cent. (10%) of the issued Shares;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 8,449,800 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.20 for one (1) Share which is five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$1.69 million;
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 8,449,800 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.22 for one (1) Share which is fifteen per cent. (15%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$1.86 million.

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**For illustrative purposes only** and on the basis of the assumptions set out in (a), (b) and (c) above, the financial effects of the:

- (i) purchase or acquisition of 8,449,800 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 8,449,800 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for FY2019 are set out below.

Based on the audited financial statements of the Company and the Group for FY2019, the Company and the Group does not have sufficient distributable profits to effect the Share buy-back. As such, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases and Off-Market Purchases made entirely out of profits is not disclosed in this Appendix.

Scenario 1: Market Purchase made entirely out of capital and the Shares so purchased are cancelled

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
<b>As at 30 September 2019</b>				
Share Capital	13,292	11,602	13,292	11,602
Capital Reserve	2	2	–	–
Accumulated Profits/(Losses)	(428)	(428)	(1,159)	(1,159)
Foreign exchange translation deficit	(13)	(13)	–	–
Shareholders' Funds	12,853	11,163	12,133	10,443
NTA	13,155	11,465	12,133	10,443
Current Assets	14,128	12,438	12,007	10,317
Current Liabilities	1,242	1,242	429	429
Working Capital	12,886	11,196	11,578	9,888
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	13,076	11,386	11,983	10,293
Total Number of Issued Shares ('000)	84,498	76,048	84,498	76,048
Weighted Average Number of Shares ('000)	84,498	76,048	84,498	76,048
(Loss)/Profit Attributable to the Owners of the Company	(1,394)	(1,394)	(1,518)	(1,518)
<b>Financial Ratios</b>				
NTA per Share (S\$)	0.16	0.15	0.14	0.14
Gearing (times)	–	–	–	–
Current Ratio (times)	11.38	10.01	27.99	24.05
(Loss)/Earnings per Share <sup>(1)</sup> (cents)	(1.65)	(1.83)	(1.80)	(2.00)

**Notes:**

- (1) For (Loss)/Earnings per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.
- (2) As a result of rounding differences, numbers or percentages may not add up to the total.



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Scenario 2: Market Purchase made entirely out of capital and the Shares so purchased are held as treasury shares

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
<b>As at 30 September 2019</b>				
Share Capital	13,292	13,292	13,292	13,292
Capital Reserve	2	2	–	–
Accumulated Profits/(Losses)	(428)	(428)	(1,159)	(1,159)
Foreign exchange translation deficit	(13)	(13)	–	–
Treasury Shares	–	(1,690)	–	(1,690)
Shareholders' Funds	12,853	11,163	12,133	10,781
NTA	13,155	11,465	12,133	10,443
Current Assets	14,128	12,438	12,007	10,317
Current Liabilities	1,242	1,242	429	429
Working Capital	12,886	12,886	11,578	9,888
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	13,076	11,196	11,983	10,293
Total Number of Issued Shares ('000)	84,498	84,498	84,498	84,498
Weighted Average Number of Shares ('000)	84,498	84,498	84,498	84,498
(Loss)/Profit Attributable to the Owners of the Company	(1,394)	(1,394)	(1,518)	(1,518)
<b>Financial Ratios</b>				
NTA per Share (S\$)	0.16	0.14	0.14	0.12
Gearing (times)	–	–	–	–
Current Ratio (times)	11.38	10.01	27.99	24.05
(Loss)/Earnings per Share <sup>(1)</sup> (cents)	(1.65)	(1.65)	(1.80)	(1.80)

**Notes:**

- (1) For (Loss)/Earnings per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.
- (2) As a result of rounding differences, numbers or percentages may not add up to the total.

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Scenario 3: Off-Market Purchase made entirely out of capital and the Shares so purchased are cancelled

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
<b>As at 30 September 2019</b>				
Share Capital	13,292	11,433	13,292	11,433
Capital Reserve	2	2	–	–
Accumulated Profits/(Losses)	(428)	(428)	(1,159)	(1,159)
Foreign exchange translation deficit	(13)	(13)	–	–
Shareholders' Funds	12,853	10,994	12,133	10,274
NTA	13,155	11,296	12,133	10,274
Current Assets	14,128	12,269	12,007	10,148
Current Liabilities	1,242	1,242	429	429
Working Capital	12,886	11,027	11,578	9,719
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	13,076	11,217	11,983	10,124
Total Number of Issued Shares ('000)	84,498	76,048	84,498	76,048
Weighted Average Number of Shares ('000)	84,498	76,048	84,498	76,048
(Loss)/Profit Attributable to the Owners of the Company	(1,394)	(1,394)	(1,518)	(1,518)
<b>Financial Ratios</b>				
NTA per Share (S\$)	0.16	0.15	0.14	0.14
Gearing (times)	–	–	–	–
Current Ratio (times)	11.38	9.88	27.99	23.66
(Loss)/Earnings per Share <sup>(1)</sup> (cents)	(1.65)	(1.83)	(1.80)	(2.00)

**Notes:**

- (1) For (Loss)/Earnings per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.
- (2) As a result of rounding differences, numbers or percentages may not add up to the total.



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Scenario 4: Off-Market Purchase made entirely out of capital and the Shares so purchased are held as treasury shares

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy- Back S\$'000	After Share Buy-Back S\$'000
<b>As at 30 September 2019</b>				
Share Capital	13,292	13,292	13,292	13,292
Capital Reserve	2	2	–	–
Accumulated Profits/(Losses)	(428)	(428)	(1,159)	(1,159)
Foreign exchange translation deficit	(13)	(13)	–	–
Treasury Shares	–	(1,859)	–	(1,859)
Shareholders' Funds	12,853	10,994	12,133	10,274
NTA	13,155	11,296	12,133	10,274
Current Assets	14,128	12,269	12,007	10,148
Current Liabilities	1,242	1,242	429	429
Working Capital	12,886	11,027	11,578	9,719
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	13,076	11,217	11,983	10,124
Total Number of Issued Shares ('000)	84,498	84,498	84,498	84,498
Weighted Average Number of Shares ('000)	84,498	84,498	84,498	84,498
(Loss)/Profit Attributable to the Owners of the Company	(1,394)	(1,394)	(1,518)	(1,518)
<b>Financial Ratios</b>				
NTA per Share (S\$)	0.16	0.13	0.14	0.12
Gearing (times)	–	–	–	–
Current Ratio (times)	11.38	9.88	27.99	23.66
(Loss)/Earnings per Share <sup>(1)</sup> (cents)	(1.65)	(1.65)	(1.80)	(1.80)

**Notes:**

- (1) For (Loss)/Earnings per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.
- (2) As a result of rounding differences, numbers or percentages may not add up to the total.

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The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

**Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2019, and is not necessarily representative of the future financial performance of the Company and the Group.**

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

### 3.10 Take-over Implications Arising From Share Buy-Back

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

#### 3.10.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital of the company which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, treasury shares shall be excluded.

#### 3.10.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);



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- (b) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights, all with one another. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of them) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

### 3.10.3 Effect of Rule 14 and Appendix 2

Appendix 2 of the Take-over Code contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, if, as a result of any purchase or acquisition by the Company of its Shares, the proportionate percentage of voting rights held by a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14. If as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting on the resolution authorising the Share Buy-Back Mandate.

Shareholders (including Directors) and their concert parties who hold more than fifty per cent (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.



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In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

### 3.10.4 Advice to Shareholders

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

### 3.10.5 Obligation of Directors and Substantial Shareholders to make a General Offer

Based on the information set out in section 5 below, assuming that there is no change to the interest set out below since the Latest Practicable Date, none of the Shareholders, including Directors and persons acting in concert with them respectively, are expected to incur an obligation to make a general offer to other Shareholders under the Take-over Code solely by reason of the Share Buy-Back Mandate.

In the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Mr. Tan Pei Hong, Alex (Chen Peifeng) will be 82.14%. As his shareholding interest will remain above fifty per cent (50%), no general offer by Mr. Tan Pei Hong, Alex (Chen Peifeng) is required to be made pursuant to the Take-over Code.

In the event that the Company undertakes share buy-backs of up to ten per cent (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Goldhill Trust Pte Ltd will be 82.14%. As its shareholding interest will remain above fifty per cent (50%), no general offer by Goldhill Trust Pte Ltd is required to be made pursuant to the Take-over Code.

In the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Mr. Tan Theng Hong, Amos will be 82.14%. As his shareholding interest will remain above fifty per cent (50%), no general offer by Mr. Tan Theng Hong, Amos is required to be made pursuant to the Take-over Code.

In the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Mr. Ang De Yu will be 6.24%. As his shareholding interest will remain below thirty per cent (30%), no general offer by Mr. Ang De Yu is required to be made pursuant to the Take-over Code.

### 3.10.6 Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent. (10%) of its Shares are in the hands of the public. The term "public", as defined under the Catalist Rules, are persons other than (i) the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries; and (ii) the associates of persons in (i).

As at the Latest Practicable Date, there are 207 Shareholders and approximately 17,285,326 issued Shares are held by the public, representing 20.46% of the total number of issued Shares. **For illustrative purposes only**, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 8,449,800 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be reduced to 8,835,526 Shares, representing approximately 11.62% of the remaining issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full ten per cent. (10%) limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.



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Before deciding to effect a purchase of Shares, the Directors will consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

### 3.10.7 Shares purchased by the Company

The Company has not made any Share purchases in the last twelve (12) months preceding the Latest Practicable Date.

### 3.11 **Timing of purchases**

While the Catalist Rules do not expressly prohibit any purchase of its own shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares during the period of one (1) month immediately preceding the announcement of the Company’s half-year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

### 3.12 **Tax implications**

Shareholders who are in doubt as to their respective tax positions or tax implications arising from share buy-backs by the Company in their respective jurisdictions should consult their own professional advisers.

## 4. **THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE**

### 4.1 **Background**

The IPT General Mandate was adopted by the Shareholders at the Extraordinary General Meeting of the Company held on 31 January 2019 and was expressed to take effect until the conclusion of the next AGM, which is scheduled to be held on 29 January 2020.

As the Group has no prior experience in the Property Business, it is anticipated that the Group would, in the normal course of business, engage various Contemplated Associates to provide various services in connection with the Group’s Property Business. Further, the Group intends to leverage on its familiarity with Contemplated Associates to provide relevant financial investments services for an extra source of revenue. The services to be obtained from and/or provided to the Contemplated Associates are expected to contribute a majority of the Group’s revenue and/or costs for the Property Business and the Financial Investments Services Business.

As such, the Directors are seeking Shareholders’ approval for the proposed renewal of the IPT General Mandate. The proposed renewal of the IPT General Mandate will enable the Group, in its ordinary course of business, to enter into the categories of interested person transactions specified in paragraph 4.5 below with any Contemplated Associate specified in paragraph 4.4 below, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the guidelines and review procedures for such transactions set out in paragraph 4.7 of this Appendix.

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### 4.2 Particulars of the IPT General Mandate to be Renewed

The categories of transactions, entities at risk and interested persons to which the proposed renewal of the IPT General Mandate will apply are substantially similar to the IPT General Mandate adopted by the Shareholders at the Extraordinary General Meeting of the Company held on 31 January 2019.

The renewed IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2020 AGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the conclusion of the next AGM. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next AGM and each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the interested person transactions with Contemplated Associates.

### 4.3 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an **"entity at risk"**) enters into or proposes to enter into with a party who is an **"interested person"** of the listed company. The objective of Chapter 9 (as stated in Rule 901 of the Catalist Rules) is to guard against the risk that the interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

Pursuant to Rule 905 of the Catalist Rules, a listed company must make an immediate announcement of any interested person transaction of a value equal to, or more than, three per cent. (3%) of the group's latest audited NTA. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the group's latest audited NTA, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Pursuant to Rule 906 of the Catalist Rules, a listed company must obtain shareholder approval for any interested person transaction of a value equal to, or more than:

- (a) five per cent. (5%) of the group's latest audited NTA; or
- (b) five per cent. (5%) of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

Rule 920 of the Catalist Rules, however, permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is also subject to annual renewal.

### 4.4 Class of Interested Persons contemplated under the IPT General Mandate

The IPT General Mandate will apply to transactions carried out with the associates of:

- (i) Mr. Tan Pei Hong, Alex (Chen Peifeng), the Executive Director, Chief Executive Officer and Substantial Shareholder of the Company;
- (ii) Mr. Tan Theng Hong, Amos, a Substantial Shareholder of the Company;
- (iii) Mr. Chiu Joon Sun (Zhao Junsheng), an Executive Director of the Company.



## APPENDIX

It is anticipated that the Company may, in its ordinary course of business, provide or obtain the categories of services set out in paragraph 4.5 below from the associates of (i) Mr. Tan Pei Hong, Alex (Chen Peifeng), (ii) Mr. Tan Theng Hong, Amos and (iii) Mr. Chiu Joon Sun (Zhao Junsheng) ("**Contemplated Associates**").

The Contemplated Associates are:

- (a) Mr. Tan Koo Chuan, the father of Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos;
- (b) any companies in which Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos and/or their immediate family (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (c) OneApex Capital Pte. Ltd. (formerly known as OneWealth Development Pte. Ltd.).

For the avoidance of doubt, Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos are siblings and Mr. Tan Koo Chuan is their father. As a result, (a) Mr. Tan Koo Chuan and (b) any companies in which Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos and their immediate family (directly or indirectly) have an interest of thirty per cent. (30%) or more are "**interested persons**" within the meaning of Chapter 9 of the Catalist Rules.

OneApex Capital Pte. Ltd. ("**OneApex Capital**") is a Registered Fund Management Company ("**RFMC**") and a subsidiary of the Company. As an RFMC, OneApex Capital may carry out the business of fund management in Singapore on behalf of not more than 30 qualified investors (as defined in the SF(LCB)R), of which not more than 15 may be collective investment schemes, closed-end funds, or limited partnerships, and the total value of the assets managed by OneApex Capital shall not exceed S\$250 million. RFMC will not be involved with retail investors. As at the Latest Practicable Date, the Company owns 51% of the issued and paid-up share capital of OneApex Capital while Mr. Chiu Joon Sun (Zhao Junsheng), Executive Director of the Company, owns the remaining 49% of the issued and paid-up share capital of OneApex Capital. Consequently, notwithstanding that OneApex Capital is a partly-owned subsidiary of the Company and is deemed to be an "**entity at risk**" within the meaning of Chapter 9 of the Catalist Rules, OneApex Capital is also deemed to be an associate of Mr. Chiu Joon Sun (Zhao Junsheng) and is considered to be an "**interested person**" within the meaning of Chapter 9 of the Catalist Rules. Accordingly, transactions between OneApex Capital and our Group are interested person transactions.

### 4.5 Nature of the Interested Person Transactions contemplated under the IPT General Mandate

The interested person transactions to which the IPT General Mandate will apply relate to the Group's provision to and/or obtaining from Contemplated Associates recurrent transactions of a revenue or trading nature or which are necessary for its day-to-day operations but not in respect of the purchase or sale of assets, undertakings or businesses.

The categories of interested person transactions to which the IPT General Mandate will apply are set out below:

- (a) Property management services pursuant to the Group's Property Management Business

The first category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates property management services pursuant to the Group's Property Management Business.

- (b) Project management services pursuant to the Group's Property Development Business

The second category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates project management services pursuant to the Group's Property Development Business.

- (c) Financial investments services

The third category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates financial investments services in the normal course of the Group's Financial Investments Services Business.

## APPENDIX

- (d) Sales and marketing services for projects of the Group pursuant to its Property Business and Financial Investments Services Business

The fourth category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates sales, purchase and marketing services for the Group's projects pursuant to its Property Business and Financial Investments Services Business.

### 4.6 Rationale for and Benefits of the Proposed Renewal of the IPT General Mandate

As mentioned in paragraph 4.1 above, the Group has no prior experience in the Property Business. Hence, it is anticipated that the Group would, in the normal course of business, engage various Contemplated Associates to provide various services in connection with the Group's Property Business. The Contemplated Associates from whom the Group chooses to obtain relevant services, as described in paragraph 4.5 above, will be persons who have significant experience in the Singapore property industry.

The Group may over time develop business know-how and expertise to be able to provide services to Contemplated Associates and may choose to do so where profitable opportunities arise.

Additionally, the Group intends to leverage on its familiarity with Contemplated Associates to provide relevant financial investments services for an extra source of revenue.

In view of the time-sensitive and recurrent nature of commercial transactions, and the need for smooth and efficient conduct of business, it would be advantageous for the Group to obtain the IPT General Mandate to enter into the categories of interested person transactions as specified in paragraph 4.5 above with Contemplated Associates, provided that all such transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. This will substantially reduce the time and expenses associated with convening general meetings, improve administrative efficacy, and allow resources and time to be focused towards other corporate and business opportunities.

### 4.7 Guidelines and Review Procedures for Interested Person Transactions

Any proposed Transaction between the Company and Contemplated Associates shall be subject to the guidelines and review procedures as set out in this paragraph 4.7 ("**IPT Guidelines and Review Procedures**").

#### 4.7.1 IPT Review Procedures

To ensure that all future interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, subject to the IPT Review Procedure Thresholds as set out in paragraph 4.7.2 below, the following procedures will be implemented by the Group for any Transaction with any Contemplated Associate ("**IPT Review Procedures**"):

#### **Obtaining of Services**

- (a) When obtaining services from any Contemplated Associate, the management of the Company shall obtain at least two (2) other quotations from unrelated third parties for the same or substantially similar type of services, contemporaneously in time, for comparison.
- (b) The management shall, prior to the obtaining of services from any Contemplated Associate, ensure that the fees and terms of the services offered to the Company are not less favourable as compared to the quotations obtained from unrelated third parties, after taking into account relevant factors including, but not limited to:
- (i) (in relation to the Property Business) track record, reputation, preferential access to projects and buyers, cost savings, preferential rates or discounts, credit terms, project schedule, speed of mobilisation, complexity and availability of resources for the implementation of projects under the Property Business, where relevant; and



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- (ii) (in relation to the Financial Investments Services Business) track record and reputation of the investment manager, relevant risk-reward profile of the investments, prevailing fees payable for similar investments, size and composition of the investments, tenure of investments, historical performance of the investments and preferential rates, where relevant.
- (c) In circumstances where it is impractical or impossible to obtain comparable quotations of contemporaneous transactions of similar or substantially similar type of services due to the nature of the services to be obtained from the Contemplated Associates, any two (2) of the Chief Financial Officer or the Directors with no interest, direct or indirect, in the proposed interested person transactions will take such necessary steps which would include but not be limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided by the Contemplated Associates are fair and reasonable and in accordance with general industry practice, and (2) evaluate and weigh the benefits of and rationale for transacting with the Contemplated Associates, taking into account relevant factors including, but not limited to:
  - (i) (in relation to the Property Business) track record, reputation, preferential access to projects and buyers, cost savings, preferential rates or discounts, credit terms, project schedule, speed of mobilisation, complexity and availability of resources for the implementation of projects under the Property Business, where relevant; and
  - (ii) (in relation to the Financial Investments Services Business) track record and reputation of the investment manager, relevant risk-reward profile of the investments, prevailing fees payable for similar investments, size and composition of the investments, tenure of investments, historical performance of the investments and preferential rates, where relevant.

### **Provision of Services**

- (d) When providing services to any Contemplated Associate, all interested person transactions will be carried out at the prevailing market rates or fees charged by the Group for the same or substantially similar type of services and on terms which shall be no more favourable than the usual commercial terms extended to other unrelated third party customers. The management of the Company shall ensure that any such provision of services shall be conducted in accordance with the Group's usual business practices and pricing policies, consistent with the usual margins or fees extended by the Group to unrelated third parties for the same or substantially similar type of transactions, after taking into account relevant factors including, but not limited to:
  - (i) (in relation to the Property Business) customer requirements, complexity and availability of resources required for the provision of services, creditworthiness, project schedule, duration of contract and preferential rates or discounts, where relevant; and
  - (ii) (in relation to the Financial Investments Services Business) size and composition of the investments, tenure of investments and preferential rates, where relevant.
- (e) In circumstances where the prevailing market rates or fees are not available, any two (2) of the Chief Financial Officer or the Directors with no interest, direct or indirect, in the proposed interested person transactions will take such necessary steps which would include but not be limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to the Contemplated Associates are fair and reasonable and in accordance with general industry practice, and (2) evaluate and weigh the benefits of and rationale for transacting with the Contemplated Associates, taking into account relevant factors including, but not limited to:
  - (i) (in relation to the Property Business) customer requirements, complexity and availability of resources required for the provision of services, creditworthiness, project schedule, duration of contract and preferential rates or discounts, where relevant; and
  - (ii) (in relation to the Financial Investments Services Business) size and composition of the investments, tenure of investments and preferential rates, where relevant.

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### 4.7.2 IPT Review Procedure Thresholds

The following thresholds shall apply to any Transaction between the Company and Contemplated Associates ("**IPT Review Procedure Thresholds**"):

- (a) where the value of each interested person transaction is less than three per cent. (3%) of the Group's latest audited NTA, the interested person transaction shall require the prior approval of the Chief Financial Officer or a Director (or equivalent persons), who does not have any interest, direct or indirect, in the transaction;
- (b) where the individual or the aggregate value of the interested person transaction(s) is equal to or more than three per cent. (3%) but less than five per cent. (5%) of the Group's latest audited NTA, the interested person transaction(s) shall require the prior approval of any two (2) of the Chief Financial Officer or the Directors (or equivalent persons), who do not have any interest, direct or indirect, in the transaction(s); and
- (c) where the individual or the aggregate value of the interested person transaction(s) is equal to or more than five (5%) of the Group's latest audited NTA, the interested person transaction(s) shall require the prior approval of the Audit Committee. For the avoidance of doubt, the Audit Committee shall review and approve the latest and all such subsequent interested person transaction in that particular financial year.

The IPT Review Procedure Thresholds balance the need for efficiency in the conduct of business on the one hand and the need to safeguard minority Shareholders' interests on the other. The Audit Committee will consider the revision of the IPT Review Procedure Thresholds as and when necessary and appropriate.

### 4.7.3 External and internal audit safeguards for Transactions with Contemplated Associates

The annual external audit plan of the Company shall incorporate a review of interested person transactions entered into in the relevant financial year pursuant to the IPT General Mandate.

The Group's annual or periodic (such period as may be decided by the Audit Committee) internal audit plan shall incorporate a half yearly review of all interested person transactions (including the interested person transactions under the IPT General Mandate) and the IPT Guidelines and Review Procedures for the monitoring of the interested person transactions entered into during the period under review. The internal auditors will report directly to the Audit Committee.

The findings by the external and internal auditors will be submitted to the Audit Committee to ensure, *inter alia*, that the interested person transactions have been carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders, and that the relevant approvals have been obtained.

### 4.7.4 List and register of Interested Person Transactions

In addition, the Company will maintain a list of interested persons (which will be updated immediately if there are any changes) and will disseminate the list to the relevant staff of the companies within the Group to enable the identification of the interested persons. The list of interested persons which is maintained by the Chief Financial Officer shall be reviewed by the Audit Committee on a quarterly basis.

A register will also be maintained by the Company to record all interested person transactions, including interested person transactions below S\$100,000 ("**IPT Register**"). The IPT Register shall contain the information pertinent to the evaluation of the interested person transactions including, but not limited to, details on the identity of the Contemplated Associates, the amount of the interested person transactions, and the basis (including the comparative quotations and other supporting evidence obtained to support such basis) on which the transactions are entered into. The IPT Register shall be prepared, maintained and monitored by the Chief Financial Officer (who does not have an interest in any of the interested person transactions) and who is duly delegated to do so by the Audit Committee. The Chief Financial Officer will also highlight any discrepancies or significant variances from the Group's usual business practices and pricing policies to the Audit Committee.



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### 4.7.5 Audit Committee review

The Audit Committee shall, on a quarterly basis, review the interested person transactions in the IPT Register and the internal control procedures on interested person transactions (including the interested person transactions under the IPT General Mandate) to ensure that the interested person transactions were conducted on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders and that the IPT Guidelines and Review Procedures have been complied with.

The Audit Committee shall determine if the IPT Guidelines and Review Procedures are adequate and/or commercially practicable in ensuring that the interested person transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. It shall take into account all relevant factors (quantitative and non-quantitative). The relevant supporting documents or such other data as may be deemed necessary by the Audit Committee, shall be made available to the Audit Committee when so requested. In the event that a member of the Audit Committee is interested in any such transaction, he/she will abstain from participating in the review and approval process in relation to that particular transaction.

Pursuant to Rule 920(1)(b)(vii) of the Catalist Rules, if during any of its periodic reviews, the Audit Committee is of the opinion that the IPT Guidelines and Review Procedures are inappropriate or not sufficient to ensure that interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, it will, in consultation with the Board, take such actions as it deems proper in respect of such guidelines and review procedures and/or modify or implement such guidelines and review procedures. Accordingly, the Company will seek a fresh mandate from its Shareholders, where applicable, based on new guidelines and review procedures for interested person transactions. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with interested persons will be subject to prior review and approval by the Audit Committee.

The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers (such as an independent financial adviser) or valuers to provide additional information, advice or opinion pertaining to the transactions approved or under review or to be advised on whether the IPT Guidelines and Review Procedures are appropriate and sufficient to ensure that the interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and the outcome of such review, where applicable, shall be submitted to the Audit Committee and documented.

Any member of the Audit Committee who is not considered independent in respect of the interested person transactions under the IPT General Mandate shall abstain from voting on any respective resolution and/or abstain from participating in the Audit Committee's decision during its review of the IPT Guidelines and Review Procedures or during its review or approval of any interested person transactions.

The Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with.

### **4.8 Disclosure of Interested Person Transactions**

The Company will announce the aggregate value of interested person transactions conducted with each Contemplated Associate pursuant to the IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.

Disclosures will also be made in the annual report of the Company of the aggregate value of the interested person transactions conducted with Contemplated Associates pursuant to the IPT General Mandate during the financial year ending 30 September 2020, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.



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### 4.9 Audit Committee's Confirmation

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the IPT General Mandate was last approved by the Shareholders; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the interested person transactions carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### 4.10 Abstention from Voting

Pursuant to Rule 920(1)(b)(viii) of the Catalist Rules, Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos and Mr. Chiu Joon Sun (Zhao Junsheng) will abstain, and have undertaken to ensure that their associates will abstain, from voting on Ordinary Resolution 8 in relation to the proposed renewal of the IPT General Mandate. Consequently the following persons will abstain from voting on their Shares (if any) in respect of the proposed renewal of the IPT General Mandate: (i) Mr. Tan Pei Hong, Alex (Chen Peifeng); (ii) Mr. Tan Theng Hong, Amos; (iii) Goldhill Trust Pte. Ltd.; (iv) Mr. Tan Koo Chuan; (v) any other associate of Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos, or Goldhill Trust Pte. Ltd.; (vi) Mr. Chiu Joon Sun (Zhao Junsheng); (vii) OneApex Capital; and (viii) any other associate of Mr. Chiu Joon Sun (Zhao Junsheng).

In addition, the Company:

- (a) will procure that:
  - (1) Mr. Tan Pei Hong, Alex (Chen Peifeng);
  - (2) Mr. Tan Theng Hong, Amos;
  - (3) Goldhill Trust Pte. Ltd.;
  - (4) Mr. Tan Koo Chuan;
  - (5) any other associate of Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos, or Goldhill Trust Pte. Ltd.;
  - (6) Mr. Chiu Joon Sun (Zhao Junsheng);
  - (7) OneApex Capital; and
  - (8) any other associate of Mr. Chiu Joon Sun (Zhao Junsheng),

will also decline to accept appointment as proxy for any Shareholder to vote in respect of the proposed renewal of the IPT General Mandate, unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of the proposed renewal of the IPT General Mandate; and

- (b) will disregard votes cast by:
  - (1) Mr. Tan Pei Hong, Alex (Chen Peifeng);
  - (2) Mr. Tan Theng Hong, Amos;
  - (3) Goldhill Trust Pte. Ltd.;
  - (4) Mr. Tan Koo Chuan;



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- (5) any other associate of Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos, or Goldhill Trust Pte. Ltd.;
- (6) Mr. Chiu Joon Sun (Zhao Junsheng);
- (7) OneApex Capital; and
- (8) any other associate of Mr. Chiu Joon Sun (Zhao Junsheng),

in respect of their holdings of Shares (if any) in relation to the proposed renewal of the IPT General Mandate.

### 5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders in the Company before and after the purchase of Shares (assuming (i) the Company purchases 8,449,800 Shares being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date; and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders), based on the Register of Director's Shareholdings and the Register of Substantial Shareholders maintained pursuant to Section 164 and Section 88 of the Companies Act respectively, are as follows:

Name of Directors	Before Share Buy-Back (Number of Shares)		Before Share Buy-Back <sup>(4)</sup> %	After Share Buy-Back <sup>(5)</sup> %
	Direct Interest	Deemed Interest		
<b>Directors</b>				
Tan Pei Hong, Alex (Chen Peifeng) <sup>(1)</sup>	–	62,466,590	73.93	82.14
Zachary Tan Lian Chye	–	–	–	–
Chiu Joon Sun (Zhao Junsheng)	–	–	–	–
Chee Teck Kwong Patrick	–	–	–	–
Wan Tai Foong	–	–	–	–
Low Chin Parn Eric	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Goldhill Trust Pte. Ltd. <sup>(2)</sup>	62,466,590	–	73.93	82.14
Tan Theng Hong, Amos <sup>(3)</sup>	–	62,466,590	73.93	82.14
Ang De Yu	4,746,084	–	5.62	6.24

**Notes:**

- (1) Mr. Tan Pei Hong, Alex (Chen Peifeng), the Group's Executive Director and Chief Executive Officer, is deemed interested in the 62,466,590 Shares held by Goldhill Trust Pte. Ltd. ("**Goldhill Trust**"), by virtue of his 50% shareholding interest in Goldhill Trust as at the Latest Practicable Date.
- (2) Goldhill Trust is an investment holding company incorporated in Singapore on 10 May 2018. It is held by Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos, each of whom own 50% of the issued share capital of Goldhill Trust.
- (3) Mr. Tan Theng Hong, Amos, is deemed interested in the 62,466,590 Shares held by Goldhill Trust, by virtue of his 50% shareholding interest in Goldhill Trust as at the Latest Practicable Date.
- (4) The percentages in the table are calculated based on 84,498,000 Shares as at the Latest Practicable Date.
- (5) The percentages in the table are calculated based on 76,048,200 Shares, assuming the Company purchases the maximum number of ten per cent. (10%) of the Shares as at the Latest Practicable Date.

Saved as disclosed in this Appendix, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed Resolutions other than through their respective shareholdings in the Company.

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## 6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

### 6.1 Appointment of Proxies

Shareholders who are unable to attend the 2020 AGM and who wish to appoint a proxy or proxies to attend and vote at the 2020 AGM on their behalf should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624, not later than 72 hours before the time fixed for the 2020 AGM.

The completion and return of the proxy form by a Shareholder does not preclude him from attending and voting in person at the 2020 AGM in place of his proxy or proxies if he finds that he is able to do so. In such an event, the proxy form will be deemed to be revoked.

### 6.2 Depositors

A Depositor shall not be entitled to attend and vote at the 2020 AGM unless he is shown to have Shares entered against his name in the Depository Register at least 72 hours before the time fixed for holding the 2020 AGM.

### 6.3 Abstention from Voting

If a Shareholder is required to abstain from voting on a proposal at a general meeting by a listing rule or pursuant to any court order, any votes cast by the Shareholder on that resolution will be disregarded by the Company.

## 7. DIRECTORS' RECOMMENDATION

In giving the recommendations below, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders have different investment objectives and profiles, the Directors recommend that any Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

### 7.1 The Proposed Change of Auditors

Having considered and reviewed, among others, the adequacy of the resources and experience of Ernst & Young, the rationale for and benefits of the Proposed Change of Auditors, the recommendation of the Audit Committee and all other relevant information as set out in section 2 of this Appendix, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 5 pertaining to the Proposed Change of Auditors to be proposed at the 2020 AGM.

### 7.2 The Proposed Renewal of the Share Buy-Back Mandate

Having fully considered the rationale set out in paragraph 3.3 of this Appendix, the Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 7 pertaining to the proposed renewal of the Share Buy-Back Mandate to be proposed at the 2020 AGM.

### 7.3 The Proposed Renewal of the IPT General Mandate

Having fully considered the scope of the IPT General Mandate, the IPT Guidelines and Review Procedures, the Recommending Directors are of the opinion that the interested person transactions with the Contemplated Associates will be made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.



## APPENDIX

Taking into account the rationale for and the benefits of the IPT General Mandate as set out in Section 4 of this Appendix, the Recommending Directors are of the opinion that the proposed renewal of the IPT General Mandate is in the best interests of the Company.

Accordingly, the Recommending Directors recommend that Shareholders vote in favour of Ordinary Resolution 8 pertaining to the proposed renewal of the IPT General Mandate.

### 8. CONSENTS

Deloitte and Ernst & Young have given and have not withdrawn their written consent to the issue of this Appendix with the inclusion of their name and all references thereto in the form and context in which they appear in this Appendix and to act in such capacity in relation to this Appendix.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

### 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624, during normal business hours from the date of this Appendix up to and including the date of the 2020 AGM:

- (a) the Constitution;
- (b) the 2019 Annual Report;
- (c) the Professional Clearance Letter; and
- (d) the letter of consent to act as auditors of the Company from Ernst & Young dated 8<sup>th</sup> January 2020.

Yours faithfully

For and on behalf of the Board of  
**ONEAPEX LIMITED**

Leong Chuo Ming  
Company Secretary

**14 January 2020**



# ONEAPEX ONEAPEX LIMITED

(Company Registration Number: 201020806C)  
(Incorporated in the Republic of Singapore)

## PROXY FORM ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

\*I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/ Co. Reg. No.)\*  
of \_\_\_\_\_ (Address)

being \*a member/members of ONEAPEX LIMITED (the "Company") hereby appoint:

Name	NRIC/Passport/ Co. Reg. No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport/ Co. Reg. No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her, the Chairman of the Annual General Meeting ("AGM") of the Company as \*my/our proxy/proxies to vote for \*me/ us on \*my/our behalf at the AGM to be held at 9 Kent Ridge Drive, Singapore 119241, Kent Ridge Guild House, Cluny Room, Level 2 on Wednesday, 29 January 2020 at 10.00 a.m., and at any adjournment thereof.

\*I/We direct \*my/our proxy/proxies to vote for or against the resolution proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies may vote or abstain from voting at \*his/her/their discretion, as \*he/her/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolution	No. of votes For**	No. of votes Against**
1.	To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2019 together with the Directors' Statement and the Auditors' Report thereon.		
2.	To re-elect Mr. Zachary Tan Lian Chye, a Director retiring pursuant to Regulation 100 of the Company's Constitution.		
3.	To re-elect Mr. Chee Teck Kwong Patrick, a Director retiring pursuant to Regulation 100 of the Company's Constitution.		
4.	To approve the payment of Directors' fees of S\$153,000 for the financial year ending 30 September 2020, payable half-yearly in arrears.		
5.	To appoint Messrs Ernst & Young LLP as auditors of the Company in place of the retiring auditors of the Company, Messrs Deloitte & Touche LLP.		
6.	To grant the Directors the authority to allot and issue shares in the capital of the Company.		
7.	To approve the proposed renewal of the Share Buy-Back Mandate.		
8.	To approve the proposed renewal of the IPT General Mandate.		

\* If you wish to exercise all your votes "For" or "Against" the resolution, please tick (✓) in the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

Total no. of shares in	No. of shares
(a) Depository Register	
(b) Register of Members	

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

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**NOTES**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
  2. A member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at a meeting of the Company ("**Meeting**") is entitled to appoint not more than two (2) proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
  3. Where a member of the Company (other than a Relevant Intermediary\*) appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
  4. A Relevant Intermediary may appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to different share or shares held by such member (which number or class of shares shall be specified).
  5. Subject to note 9, completion and return of this instrument appointing a proxy or proxies shall not preclude a member of the Company from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to admit any person or persons appointed under the instrument of proxy to the Meeting.
  6. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 80 Raffles Place, #25-01 UOB Plaza, Singapore 048624 not less than seventy-two (72) hours before the time appointed for holding the Meeting.
  7. The instrument appointing a proxy or proxies must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified copy thereof must be lodged with the instrument.
  8. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
  9. An investor who holds Shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
- A "Relevant intermediary" means:
- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**General:**

The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member of the Company whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14<sup>th</sup> January 2020.

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**ONEAPEX LIMITED**  
80 Raffles Place #25-01  
UOB Plaza 1  
Singapore 048624

2nd fold here

3rd fold here and seal



ONEAPEX

38 Jalan Pemimpin #06-06  
Singapore 577178

