

STAYING FOCUSED ACHIEVING SUSTAINABILITY

ANNUAL REPORT 2022



We have a VISION to lead the way in building SMART solutions.

To create SMARTER businesses, SMARTER cities.



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A-SMART HOLDINGS LTD.



CORPORATE PROFILE

Headquartered in Singapore, A-Smart Holdings Ltd. (“**A-Smart**” or the “**Group**”) is a multifaceted solution provider operating mainly in the areas of print manufacturing, smart technologies, real estate, and investment.

Listed on the SGX Mainboard since 28 June 1999, the Group was rebranded in 2016 under A-Smart following a restructuring of its management team and expansion of core businesses, to better reflect the change in corporate profile and business strategies.

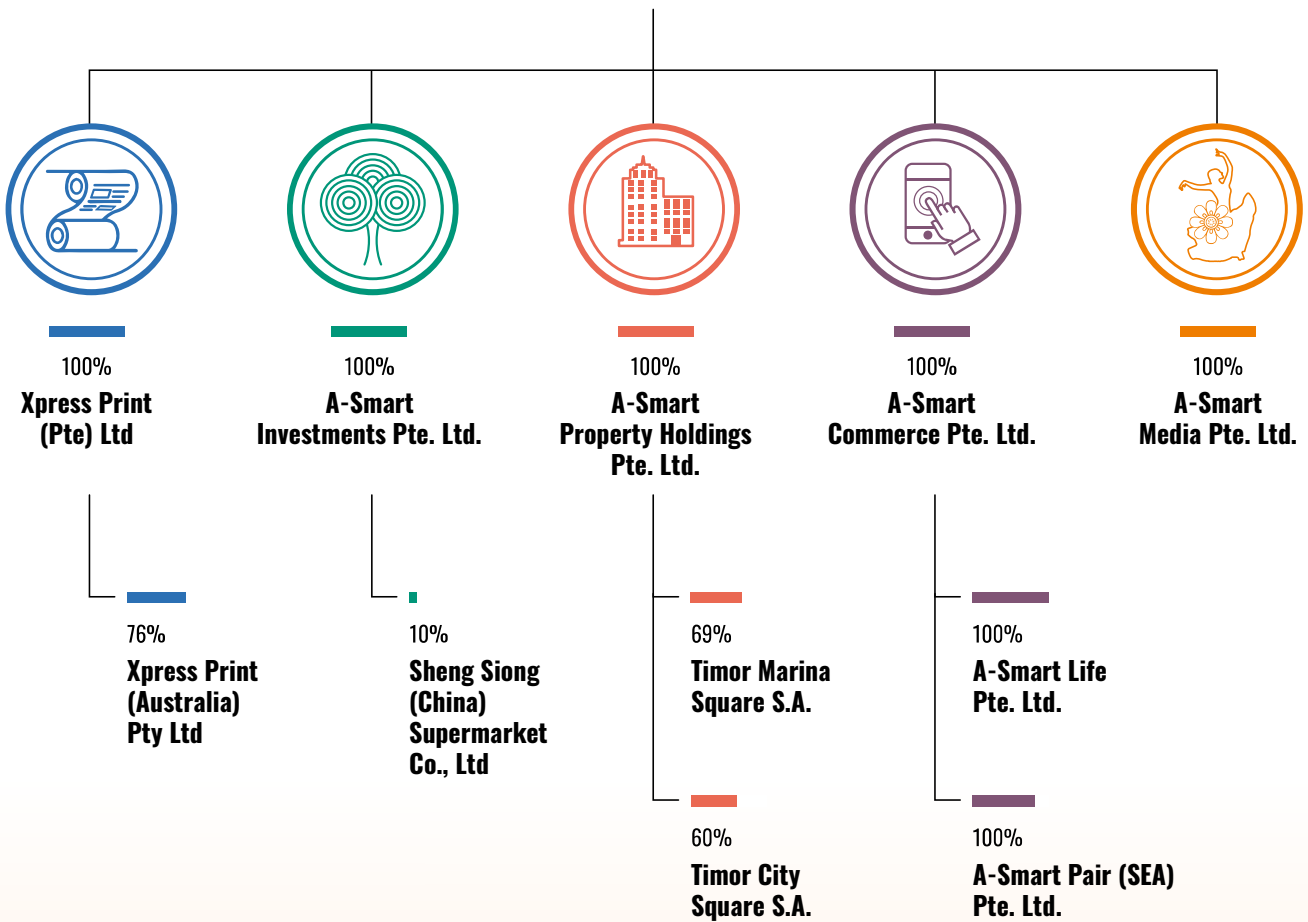
Today, the Group’s printing arm continues to operate under the Singapore subsidiary Xpress Print Pte Ltd (“**Xpress Print**”), offering a complete spectrum of integrated print solutions from pre-press processes to production systems as well as global distribution and delivery.

The Group expanded its core businesses to include Property Development and Property Investment in 2018 and has since acquired two parcels of land for property development in Timor-Leste, a potential emerging market that is situated close to Australia and Indonesia. Its maiden property development project, Timor Marina Square, a landmark mixed property development of two buildings comprising retail, residential, office and serviced apartments, is currently in progress in Dili, the capital city of Timor-Leste.

Other business segments include that of Smart Technologies and Investments. Smart Technologies segment include the subsidiary, A-Smart Life Pte. Ltd., which develops its own food waste digester systems, is listed as one of the few authorised agents (endorsed by the Singapore Government) for waste recycling.

The Group’s Investments segment holds a 10% stake in Sheng Siong (China) Supermarket Co Ltd, a supermarket chain stores start-up in 2018 and which now operates four stores in Kunming, Yunnan, China.

CORPORATE STRUCTURE



-  **Printing**
-  **Investment Holding**
-  **Smart Technologies**
-  **Publication and Event Management**
-  **Property**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ma Weidong

Non-Executive Chairman

Mr. Lim Huan Chiang JP

Executive Director and Chief Executive Officer

Mr. Darlington Tseng Te-Lin

Non-Executive Director

Mr. Sam Chong Keen

Lead Independent Non-Executive Director

Ms. Chu Hongtao

Independent Non-Executive Director

Mr. Kenneth Loo

Non-Executive Director

AUDIT COMMITTEE

Ms. Chu Hongtao (*Chairman*)

Mr. Sam Chong Keen

Mr. Darlington Tseng Te-Lin

NOMINATING COMMITTEE

Ms. Chu Hongtao (*Chairman*)

Mr. Sam Chong Keen

Mr. Ma Weidong

REMUNERATION COMMITTEE

Ms. Chu Hongtao (*Chairman*)

Mr Sam Chong Keen

Mr. Ma Weidong

COMPANY SECRETARY

Ms. Shirley Tan Sey Liy (FCS, FCG)

REGISTERED OFFICE

61 Tai Seng Avenue #03-03
Print Media Hub @ Paya Lebar iPark
Singapore 534167
Tel: (65) 6880 2828
Fax: (65) 6880 2998
Website: www.a-smart.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS

CLA Global TS Public Accounting Corporation
(Formerly Nexia TS Public Accounting Corporation)
80 Robinson Road, #25-00,
Singapore 068898

AUDIT PARTNER-IN-CHARGE

Ms. Loh Hui Nee
(Appointment since financial year ended
31 July 2021)

Principal Bankers

The Development Bank of Singapore Limited
Malayan Banking Berhad

Company Registration No.: 199902058Z

PORTFOLIO REVIEW

The Group operates 3 key business segments, namely Property Development and Real Estate Investment, Print and Media and Other Investments.



PROPERTY DEVELOPMENT AND REAL ESTATE INVESTMENT

ABOUT TIMOR-LESTE

The Group has identified Timor-Leste as the next promising emerging market especially since it will soon become a member of ASEAN. The country, rich in oil and gas and highly reliant on oil as its export, has started looking into the development of its tourism industry to diversify the country's growth engine. Therein, thus, lies numerous untapped opportunities due to the country's shortage of quality residential and commercial properties. The Group intends to ride on the government's large scale development plans for Dili, which will allow home buyers and investors to enjoy a growth in valuation of the Group's upcoming developments, namely a mixed development project, hotel and conference centre, and a seafront resort. The Group believes by leveraging on its first-mover advantage, A-Smart will become a prominent investor in Timor-Leste's real estate sector.



Actual aerial view of vicinity of Timor Marina Square



Office Tower – Offices | Retail | Commercial | Serviced Residences | Rooftop amenities

PROPERTY UNDER DEVELOPMENT

TIMOR MARINA SQUARE

Dili, Timor-Leste

In March 2019, Timor Marina Square S.A. ("TMS"), in which the Group owns 69% as at 31 July 2022, entered into an agreement to develop two blocks of mixed development properties (23-storey and 19-storey respectively), comprising retail, office, serviced apartments and luxurious residential apartments, in Timor-Leste.

The project site, comprising an area of 3,204 square meters freehold land, is situated along the seafront coastline of Lecidere in Dili. Directly facing the Port of Dili, the project site lies in close proximity to prominent institutions such as the headquarters of the World Bank, foreign embassies and the Timor government offices, which are also situated along the same stretch of coastline. Upon completion of the development, it will be an awed landmark primed to target investors from China, Taiwan and Singapore.

The symbolic groundbreaking ceremony held in May 2022 marked the official commencement of the development phase for the project. The contractors are currently making preparation and construction works are expected to commence in December 2022.

PORTFOLIO REVIEW



Mr. Lim Huan Chiang, Group CEO of A-Smart, meets with the Guest-of-Honour, Prime Minister of Timor-Leste, H.E. General Taur Matan Ruak.



Groundbreaking Ceremony performed by the Management and Ministerial delegates led by the Prime Minister of Timor-Leste.

The development will yield more than 25,000 square meters of saleable floor area and an estimated gross sales value of between US\$80 million to US\$85 million. With over 8,000 expatriates and 25,000 Chinese businessmen permanently based in Dili, the demand for rental in premium quality properties is expected to be high and the project is expected to bear attractive returns on investment for investors. The attractiveness of the development is evident, from the barrage of inquiries received by the Group ever since the local media coverage of the groundbreaking ceremony. The Group will keep shareholders informed when presales booking opens.

LAND HELD FOR FUTURE DEVELOPMENT AND/ OR FOR SALE

TIMOR CITY SQUARE

Dili, Timor-Leste

Strategically located adjacent to the bustling Central Business District and next to the automobile centre in Dili's city centre, the project site has a total area of 5,310 sqm.

Timor City Square S.A. ("TCSS"), in which the Group currently owns a 60% stake, has acquired a 99-year leasehold Surface Rights over the project

site. Under Timor-Leste laws, the Surface Rights allow companies holding such rights to establish a horizontal property regime for the land which in turn, allow for properties built on the land to be sold and owned by third party buyers.

TCSS is contractually committed to the landowner to develop a high-rise mixed property within nine years from 2019, giving it ample grace period to time such development plans to favourable market conditions. In the interim, the Group will build temporary structures to lease to the builders of Timor Marina Square, for warehousing and construction site office, and generate rental income from it.

OTHER REAL ESTATE RELATED ACTIVITIES

URBAN PLANNING AND INFRASTRUCTURE PROJECTS

Dili, Timor-Leste

The Group has a 15% stake in Vico Construction S.A. ("VCSA"), a company incorporated in Timor-Leste, and managed by an experienced Singapore building and construction company, Vico Construction Pte Ltd. VCSA will be actively seeking to participate in urban planning and infrastructure construction projects in Timor-Leste.

SEAFRONT RESORT

Dili, Timor-Leste

In July 2019, the Group signed a Memorandum of Understanding ("MOU") with Dili Development Co. LDA. with the intention to jointly develop a plot of coastal land into a seafront resort.

Located at Fatumanu in Dili, five kilometres from the city centre, the land boasts an array of pristine beaches with crystal clear water home to an abundance of seas corals and marine life, making it one of the most scenic coastal views of Timor-Leste. First of its kind in the country, the resort seeks to be a luxurious destination for tourists, in particular, Australians and Chinese.

The feasibility study to determine the economic viability of the proposed venture, which includes ensuring firm commitments from various airlines,

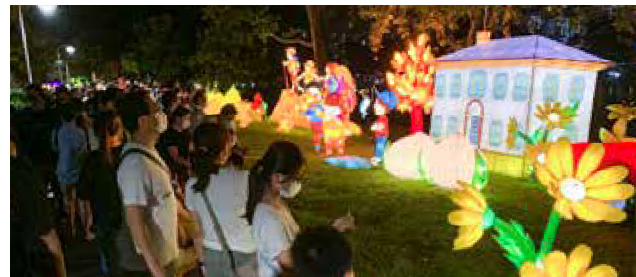
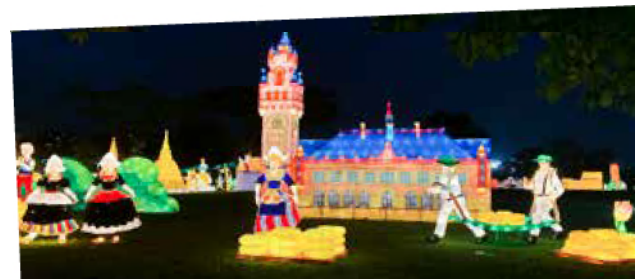
PORTFOLIO REVIEW

Chinese especially, to operate or increase the frequency of direct flights to Dili; securing MOU partnerships with overseas travel agencies to offer and market direct tour packages; as well as garnering support from environment officials to endorse and approve the local project, was underway but is currently put on hold due to the ongoing Covid-19 restrictions in China.

PRINT AND MEDIA



Xpress Print, the Group's wholly-owned Singapore subsidiary, is a mid-sized printing company supported by a comprehensive network of printing partners in the region. With over 30 years of track record, Xpress Print offers a full range of print management services, including time-sensitive financial printing, conceptualisation, design, copywriting, translation, typesetting, colour proofing, printing, post-press packaging, global distribution and delivery. It also produces corporate brochures, year books, magazines and other commercial publications, collaterals and corporate gifts/premium for its wide global base of local and MNC financial and corporate organisations.



A-Smart Media Pte Ltd, the Group's wholly-owned subsidiary, continues to front efforts in Corporate Social Responsibility. Since organizing its maiden event in January 2017 for the President's Challenge Charity Fund, A-Smart Media has since gone on to organize multiple events and functions, ranging from concerts to business and marketing conferences to even large-scale outdoor events, in Singapore.

The Group has seen an uptick in the number of queries for Event Management following the success of some high-profile large-scale public events such as the Lantern Festival at Jurong Lake Gardens. These events have all received rave reviews from the public and this has propelled demand for more of such events. With the relaxation of Covid-19 measures, more large-scale public events are being planned in the following months and A-Smart Media's event schedule is expected to intensify going forward.

PORTFOLIO REVIEW



SMART TECHNOLOGIES



As part of its vision to become a one-stop smart technology solutions provider for the F&B and retail industry in Singapore, the Group has developed a food waste digester system utilising advanced green technology for food waste composting and recycling. In line with Singapore's Zero Waste Masterplan, this system is designed to be deployed in locations that typically generate high amounts of food waste, to reduce the food waste significantly using environmentally friendly and sustainable methods.

As the deadline for legislative actions draws nearer, the affected industries are now fully focused on efforts to improve resource sustainability and climate conservation. Endorsed by the NEA as one of its few approved vendors, clients from a wide spectrum of industries have been reaching out to enquire about the Group's comprehensive food waste digester systems.

The Group is engaged in various discussions, specifically complicated contracts with larger values which require a longer time to conclude due to complexities at the planning and design stages. The Group is optimistic that more tender contracts will be awarded to us in due course.

Additionally, the Group had gained valuable insights and experience from its accumulated sales and deployment of its systems in multiple locations across the country. It is constantly devising strategies to enhance the existing system and streamline its processes. Equipped with the necessary



knowledge, the Group is exploring new markets to bring our products overseas and to scale internationally. The Group is also conducting its own R&D to develop other eco-friendly and sustainable products to introduce into the market, creating new business verticals.



Most recently, the Group clinched its first overseas contract to supply the food waste digester system to a resort group operator in Maldives and is also in discussion with various Maldivian resort operators. Concurrently, we are also actively marketing our food waste digester systems to customers in Indonesia and Malaysia.

OTHER INVESTMENTS



CHINA SUPERMARKET



The Group currently holds a 10% stake in an associated company, Sheng Siong (China) Supermarket Co., Ltd ("SSC").

SSC is managed and majority owned by Sheng Siong Group Ltd, a leading supermarket chain operator in Singapore and it currently has four stores that are operational in Kunming, with a fifth store preparing for opening. All four stores continue to record healthy revenue and are profitable. The associated company is maintaining the strategy of gradually expanding the chain of supermarket stores, while promoting the "Singapore brand", which is widely perceived to be superior, locally.

FINANCIAL HIGHLIGHTS

GROUP FINANCIALS AT 31 JULY	2021 \$'000	2020 \$'000
INCOME STATEMENT		
Revenue	6,144	5,889
Share of profit of an associated company	71	70
Operating EBITDA ¹ excluding share of associate's results	(453)	58
Loss before tax excluding share of associate's results	(1,198)	(748)
Loss net of taxation ²	(1,127)	(678)
BALANCE SHEET		
Total assets	19,801	21,111
Net tangible assets ³	15,019	16,026
Total liabilities	4,782	5,085
Cash and cash equivalents	6,003	7,511
PER SHARE DATA (SINGAPORE CENTS)⁴		
Loss per share – basic and diluted	(0.74)	(0.47)
Net tangible assets ³	10.07	10.75

1 EBITDA – earnings before interest, tax, depreciation, and amortisation.

2 The Group recorded a net loss after taxation of S\$1.13 million for the financial year ended 31 July 2022 ("FY2022") as revenue from printing has not recovered to pre-Covid19 levels and sales of food waste digesters were slow, due to the complexities of planning for large contracts. Certain government COVID-19 assistance grants to local companies were absent in FY2022 resulting in lower other income. The Group also incurred significant amounts of promotional and marketing expenditure for its property development project in Timor-Leste, which has yet to record any sales revenue.

3 The decrease in net tangible assets ("NTA") was mainly due to the loss suffered by the Group in FY2022.

4 Per Share Data is calculated based on the existing issued share capital of 149,062,362 ordinary shares outstanding as at 31 July 2022 (31 July 2021: 149,062,362).

CHAIRMAN'S MESSAGE



Dear Shareholders,

On behalf of the Board of A-Smart Holdings Ltd (“A-Smart” or the “Group”), it is my pleasure to present our Annual Report for the financial year ended 31 July 2022 (“FY2022”).

The Group’s revenue improved by 4.3% to S\$6.1 million in FY2022 from S\$5.9 million in FY2021 mainly due to higher revenue contribution from printing and media arising from an increase in media events organized by the Group, which was partially offset by a decline in sales of food waste digester machines. As a result, the Group registered a net loss of S\$1.1 million in FY2022 compared to a net loss of S\$0.7 million in FY2021, largely due to higher advertising and marketing promotion expenses incurred by the Group’s property development project, Timor Marina Square, in Timor-Leste. The project is slated to commence in December 2022 and the Group will kick start the presales bookings shortly. We are also negotiating with clients on some complex and high-value contracts for our food waste digester machines. As these contracts involved greater complexities at the planning and design stages, the discussions would take a longer time to conclude. Thus, the revenue contribution from these two business segments is expected to only come in the following years.

“Our determination and hard work are paying off and we are confident that we are able to reap the harvest from the seeds that we have planted early. We will build our business patiently and strive to create a sustainable revenue stream for the Group going forward.”

Singapore is gradually returning to normal life after a two-year long battle against the COVID-19 pandemic. We are seeing light at the end of the tunnel as business and activities have gradually increased over the past one year due to the progressive relaxation of COVID-19 measures. Our determination and hard work are paying off and we are confident that we are able to reap the harvest from the seeds that we have planted early. We will build our business patiently and strive to create a sustainable revenue stream for the Group going forward.

Print and Media

With the easing of social distancing measures and travel restrictions in Singapore, the travelling spirits have been revived and more people are seen travelling to Singapore for Meetings, Incentives, Conventions and Exhibitions (MICE). In line with increased business activities in the MICE sector, our printing business has improved as the demand for printing materials is growing. Meanwhile, the Group has continued to mitigate the effect of idle factory capacity by manufacturing lower margin but higher volume commercial products such as packaging and publications.

The Group has witnessed an increase in the number of queries for Event Management following the success of some high-profile large-scale public events organised by the Group such as the Lantern Festival at Jurong Lake Gardens. Remarkably, the Lantern Festival event drew a crowd of over 600,000 attendees and the Group managed to raise proceeds of about S\$300,000 within a short span of 18 days. The funds raised were donated to the President’s Challenge 2022. These well-planned

CHAIRMAN'S MESSAGE

events have received positive reviews from the public and this has propelled demand for the Group's event management business. With each successful event organised seamlessly, A-Smart Media is gathering increasing brand awareness in the industry. With the relaxation of COVID-19 measures, we have seen a pipeline of large-scale public events being planned in the following months and the Group will actively bid for these tender awards and seek for more projects in both private and public sectors. This business segment has been profitable third year in a row and we are hopeful that it will be a revenue driver as this business continues to grow. We will continue to work on integrating technology into our daily operations to further enhance efficiency and boost profitability.

Smart Eco-Technologies

Singapore is grappling with food waste issues where an eye-watering amount of food is wasted every year in Singapore. The volume of food waste generated has grown by around 20% over the last 10 years and its growth rate is also increasing year after year.

In line with Singapore's Zero Waste Masterplan, the Group developed a food waste digester system for food waste composting and recycling using sustainable methods following years of R&D. With the legislation of requiring large commercial and industrial food establishments to segregate food waste from other waste that comes into force in 2024, many clients from a wide spectrum of industries have shown huge interests in our food waste digester system. Coupled with growing awareness of the community, we believe that this would further drive the demand for our food waste digester system. We are also currently engaged in various discussions, specifically complicated contracts with larger values which require more time for project finalisation. We are optimistic that more tender contracts will be awarded to us in due course.

We are also glad that the Group's efforts in expanding into overseas have come to fruition where we successfully clinched our maiden overseas contract to supply the food waste digester system to a resort group operator in Maldives and we are also in active discussions with various other Maldivian resort operators. The operators in Maldives are under

pressure to adopt environmentally friendly waste management as this is one of the main causes of pollution to the surrounding seawater, which is the country's most highly valued natural asset. Concurrently, we are also actively marketing our food waste digester systems to customers in Indonesia and Malaysia and continue to penetrate into other overseas markets to capture greater business opportunities.

Leveraging on our first mover's advantage in this industry and being one of the few NEA-approved vendors for comprehensive food waste digester systems, we are well-positioned to tap on the favourable trend and further grow the revenue contribution from this business segment. The Group envisions to become a one-stop smart technology solutions provider for the F&B and retail industry in Singapore.

Property Development and Real Estate

In November 2021, Timor Marina Square S.A ("TMS"), which is 69% owned by the Group, was awarded a certificate of Declaration of Benefits from the government of Timor-Leste. With the certification, the Group is exempt from income tax and custom duties on capital goods and equipment for 5 years, with such exemption extendable by a further 5 years. These incentives given by the government of Timor-Leste are expected to boost the investment returns of TMS to the Group.

Significantly, the Group held a symbolic groundbreaking ceremony for TMS in May 2022 which was officiated by the Prime Minister of Timor-Leste, marking the official commencement of the development phase for the Group's maiden mixed property development project. TMS is an eye-catching development located in the heart of the city centre along a prime coastal area of Lecidere in Dili, Timor-Leste. The groundbreaking ceremony formally kicked off the construction work of TMS which has been delayed since 2019 due to COVID-19 travel restrictions. The Group has awarded the project to a main contractor which is now in the mist of preparation for the construction work set to commence in December 2022. Upon completion, TMS will yield more than 25,000 square meters of saleable floor area with an estimated sales value of between US\$80 million to US\$85 million.

CHAIRMAN'S MESSAGE

We have already received positive responses and interests from many prospective investors, including those seeking to make block purchases. Return on investment for TMS which is estimated at an average of 12% based on the existing rental yields in Timor-Leste's rental market. Investors in Southeast Asia and China are actively seeking green field opportunities and Timor-Leste fits the glove perfectly for an investment destination that offers a stable, high returns and high growth environment.

We believe that once TMS project takes off, it will be a driver of new employment and business opportunities, generating hundreds of jobs in support services, transport, commerce, logistics and technical-financial services as large manpower is needed for the construction and operation of the building.

Furthermore, the sales contribution from TMS will further expand our earnings base whilst generating new and sustainable streams of revenue to the Group. We will be working closely with the government to ensure that the construction of TMS will progress smoothly and complete on time. TMS marks as a stepping stone for the Group to expand our market presence in Timor-Leste. We have several projects in the pipeline which we are working on. Timor-Leste has demonstrated strong commitment to its nation building and they are most likely to join the Association of South-East Asian Nations (ASEAN) in the coming months. Being one of the forerunners in Timor-Leste market, we are confident to ride on the wave and secure more projects going forward by tapping on the huge business opportunities in this new emerging market.

Supermarket Investment

The Group's associated company, Sheng Siong China Co. Ltd ("SSC"), now has four operational Sheng Siong supermarket stores and planning to open its 5th store in Kunming. The supermarket business remained resilient during the pandemic.

SSC's efforts in building brand awareness in China has been showing desirable results. The "Sheng

Siong" brand is now very well-received by the locals as the Singapore brand is positively perceived by the consumers. This is also clearly reflected in the healthy revenue generated by the stores in China. Furthermore, SSC will continue to promote its "Sheng Siong" brand across the entire Chinese market. The associated company will further broaden its foothold by continue adopting their strategy of gradually expanding the chain of supermarket stores in China while nurturing the growth of their supermarket operations.

Appreciation

We are heartened that our restructuring efforts and our venture into new business segments are finally progressing after the long delay caused by COVID-19. With continued perseverance and hard work, we look forward to a bright and exciting future. Thus, we would like to express our sincere gratitude to our staff and management team for their commitment, dedication and determination who have made this restructuring possible. We would also like to thank the Board for their invaluable insights and guidance, which had steered the Group forward during this exceptional period.

Besides that, I would also like to express my utmost appreciation to our beloved shareholders, business partners, associates, customers and suppliers for their unwavering support and confidence in us.

Though we are still in the early stage of restructuring, we believe that we are well-positioned to seize business opportunities in Timor-Leste given the trust and relationship we have forged with the local government and also in the smart technologies industry by leveraging on our competitive edge and advantage of being one of the early movers in this industry. We are committed to diversify our revenue base and create additional revenue streams to further enhance our profitability. We look forward to your continued trust and support as we continue to build and scale our business.

MA WEIDONG

Non-Executive Chairman

BOARD OF DIRECTORS



MA WEIDONG
*Non-Executive Chairman
and Non-Independent Director*

Mr. Ma Weidong was appointed the Executive Chairman of the Group on 9 July 2015 and redesignated as Non-Executive Chairman on 30 November 2016. Mr. Ma is also the Company's single largest shareholder of approximately 50.6% shareholdings in the Company's shares.

Mr. Ma is an experienced company director in the People's Republic of China ("PRC") having served as the Board Director and Chairman of several PRC companies. Currently, he is the Chairman of Kunming Luchen Group Co. Ltd and Kunming Tianlongrun Sugar, Tobacco and Wine Co., Ltd.

Mr. Ma began his entrepreneurial career in 1998 and is currently the Executive Vice President of the Kunming Entrepreneurs Association in the PRC, as well as being recognised as the Kunming Outstanding Entrepreneur. He has led the takeover, and restructuring of several companies in China, with a clear emphasis on his principles and values of integrity, trust and social responsibility. With his strong and creative business acumen, he has expanded the scale and diversity of his businesses, including the logistics, food manufacturing, financial and real estate sectors.

With foresight, great business acumen and resourcefulness, Mr. Ma employs his sharp analytical skills in highly challenging economic situations to seek out and develop business opportunities. Under his strong leadership, both local and international enterprises were able to accurately ride on trends and make timely strategic adaptations to the ever-changing economic landscape. His acute business sense guides enterprises to build a strong foundation, grow exponentially and fully reach their potential.

He has completed a course in Excellence and Innovation Management for CEO at the Tsinghua University in Beijing in 2012, and was part of a China delegation, alongside President Xi Jinping, at the 2013 APEC Summit in Bali, Indonesia.



LIM HUAN CHIANG JP
*Chief Executive Officer
and Non-Independent Director*

Mr. Lim Huan Chiang joined as the Chief Executive Officer and Non-Independent Director on 26 October 2015. Prior to joining the A-Smart Group, he was with the Singapore Press Holdings for more than two decades and last held the position of Vice-President of the Chinese Media Group. Resultantly, he has not only developed expertise in the publication and printing industry, but also established a wide range of social contact and rapport with local SMEs, as well as overseas entrepreneurs particularly within the China Circle.

Mr. Lim has a plethora of organization and management experiences, acquired from both his full-time profession and community involvement. He was once the Head of Community Relations and Public Affairs, as well as the Commandant of Volunteer Unit when serving in the Singapore Civil Defence Force as a senior officer. During his tenure, his most significant achievements were to launch the Blood Grouping Test for the entire population, and also introduce various public education initiatives on emergency preparedness including schools, community groups and workplaces.

In the area of social involvement, he currently holds appointments in a number of government boards and associations such as the National Community Leadership Institute Board, IMDA Film Appeal Panel, Chinese Publishers Association, Singapore Government Staff Credit Co-operative, China Merchants Association and

BOARD OF DIRECTORS

Business China. He has also been holding the posts of Honorary Chairman of Radin Mas Citizens' Consultative Committee and Honorary President of the Chinese Press Club for years.

Mr. Lim has been appointed as a Justice of the Peace by the President of Singapore since 2005. Due to his outstanding contributions to the community, he was conferred a number of national awards including the Public Service Star (Bar) in 2012.

Mr. Lim holds the Master degree in Public Policy Administration and Management from the NUS Lee Kuan Yew Policy School, Bachelor degree in Fire Engineering (UK) as well as various professional qualifications in fields such as Business Management, Public Relations, Publishing Works and China Law.

SAM CHONG KEEN

*Lead Independent and
Non-Executive Director*



Mr. Sam Chong Keen was first appointed Independent Non-Executive Director on 5 December 2001. Since then, he has served the Group as Chief Executive Officer from 2006 to 2008 and as Non-Executive Chairman from 2014 to 2015. Mr. Sam was appointed the Lead Independent Director on 9 July 2015.

Mr. Sam has a wealth of management experience, having held senior/CEO positions in the Singapore Government Administrative Service, National Trades Union Congress, Intraco Ltd, Comfort Group Ltd, VICOM Ltd, Lion Asiapac Ltd, Lion Teck Chiang Ltd, Jade Technologies Holdings Ltd and Sino-Environment Technology Group Limited.

Mr. Sam was the Political Secretary to the Minister for Education from 1988 to 1991. He has served on various government boards and committees, including the Central Provident Fund Board and the National Cooperative Federation.

Mr. Sam holds a Bachelor of Arts (Honours) in Engineering Science & Economics and a Master of Arts from University of Oxford, as well as a Diploma from the Institute of Marketing, United Kingdom.

DARLINGTON TSENG TE-LIN

Non-Executive Director



Mr. Darlington Tseng has been serving as Non-Independent and Non-Executive Director since 4 July 2014. Previously, he served as its Executive Director from 1 March 2008 to 1 June 2014. He joined the Company on 2 July 2007 as Director of Business Development for Greater China.

Before joining A-Smart, Mr. Tseng held a senior sales executive position at BASF Taiwan Ltd, from 2005 to 2007. He also gained extensive knowledge of the region's business climate during his tenure with BASF's regional New Business Development Team. Between 1998 and 2002, Mr. Tseng worked in the chemical industry for AGI Corporation based in Taiwan where he was responsible for the company's overseas markets and successfully set up the company's Mexico manufacturing plant producing specialty varnish for the printing/ coating industry. Mr. Tseng is currently the Operation Director of a Taiwan-based company that specializes in repair solutions and services to computer, communication and consumer electronic products.

Mr. Tseng graduated from Peking University, with a Masters of Business Administration.

BOARD OF DIRECTORS

CHU HONGTAO

Independent Non-Executive Director



Ms. Chu Hongtao was appointed Independent Non- Executive Director on 9 July 2015. She chairs the Audit Committee, the Nominating and the Remuneration Committees.

Ms. Chu has more than 20 years of accounting, investment and financial management experience

– having previously served as the Financial Controller of Yunnan Province Kunming Bao Shan Hotel and currently the Chief Financial Officer of Yunnan De Yi Hao Equity

Management Co., Ltd.

Ms. Chu possesses strong knowledge in finance, taxation and investment management and she is also well-versed in financial laws. She graduated from Dongbei University with a degree in Accountancy, and subsequently obtained an MBA from the Business and Tourism School of the Yunnan University in 2013.

KENNETH LOO

Non-Executive Director



Mr. Kenneth Loo was appointed Non- Executive Director on 2 August 2017.

Mr. Loo has more than 28 years of experience in the property development and construction industry. He is currently the Executive Director and Chief Operating Officer of Straits Construction Group Pte Ltd (“SC”) and holds several directorships under the SC group of companies.

Mr. Loo is the Immediate Past President of The Singapore Contractors Association Ltd (SCAL). As an effective voice of contractors, SCAL has been instrumental in advocating business-friendly practices, promoting industry development, and fostering a safe and productive work environment.

He also sits as Member of the Singapore Business Federation, Small and Medium Enterprises Committee, Civil & Environmental Engineering Departmental Consultative Committee of NUS and serves as a council member of the National Crime Prevention Council.

Mr. Loo graduated with a Bachelor of Engineering (Civil) from the University of New South Wales in 1990 and has an MBA in Technology Management from Deakin University Australia/APESMA.

KEY MANAGEMENT

RONNIE YO

Group Financial Controller, A-Smart Holdings Ltd

Mr. Yo has been Group Financial Controller of the A-Smart Group since April 2015, a position he previously held from 2008 to 2010. He has overall responsibility for the finance, accounting, treasury, taxation and other compliance matters of the group.

Mr. Yo has worked in the group finance functions of companies listed on the mainboard of the SGX-ST since 2003, after he left the public accounting profession.

He holds a professional qualification from the Association of Chartered Certified Accountants as well as bachelor and post-graduate degrees from UK Universities. Mr. Yo is a fellow member of the Institute of Singapore Chartered Accountants.

FOONG SOW PENG

Operations Director, Xpress Print Pte Ltd

Ms. Foong joined the Group in April 1995 and was appointed Operations Director of Xpress Print Pte Ltd. She is trained in factory management and holds a Diploma in Production Engineering from the Singapore Polytechnic. With over 30 years of experience in multinational corporations, Ms. Foong is responsible for the Group's printing operations and publishing activities.

RIDUWAN ZHANG

General Manager, Financial Research, Xpress Print Pte Ltd

Mr. Zhang is the General Manager (Financial Research), responsible for the sales and management of timesensitive financial research reports as well as promoting them in emerging, fast-growing markets such as the PRC, India and Vietnam. He joined the Group on 15 September 1997.

Riduwan is well-versed in the business of financial printing in the PRC, having been seconded to the Group's Hong Kong operations in 2004 to explore new markets and understand the financial services business. He has established strong professional relationships with PRC printers.

Riduwan holds a Masters of Science (Information Studies) degree from the Nanyang Technological University and a Bachelor of Business Systems (Honours) from Monash University.

BRANDON NG

Senior Manager, IT Infrastructure & Human Resource, Xpress Print Pte Ltd

Mr. Ng joined the Group in July 2000 and is responsible for the development and maintenance of the Group's IT infrastructure and systems security. In addition, he was further tasked to oversee the Group's HR function in 2016, and he went on to successfully digitalize the Group's HR processes.

Brandon is certified as Information Security Management Systems (ISMS) Lead Auditor with more than 20 years of experience in the IT industry.

CORPORATE GOVERNANCE REPORT

A-Smart Holdings Ltd. (“**Company**”) and its subsidiaries (collectively “**Group**”) are committed to setting in place corporate governance practices to provide the structure through which the objectives of protection of shareholders’ interests and enhancement of long-term shareholders’ value are met.

This report outlines the Group’s main corporate governance practices with specific reference made to the Code of Corporate Governance 2018 (“**Code**”) that were in place throughout the financial year or which will be implemented and where appropriate, we have provided explanations for deviation from the Code.

BOARD MATTERS

The Board’s Conduct of its Affairs

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

The Board of Directors (“**Board**”) comprises six Directors of whom one is an Executive Director, three are Non-Executive Directors and two are Independent Directors. Their combined wealth and diversity of experience enable them to contribute effectively to the strategic growth and governance of the Group.

The principal functions of the Board, apart from its statutory responsibilities, include:

- Provides entrepreneurial leadership and sets the overall strategy and direction of the Group;
- Reviewing and overseeing the management of the Group’s business affairs, financial controls, performance and resource allocation;
- Approving the Group’s strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies;
- Oversee the processes of risk management, financial reporting and compliance and evaluate the adequacy of internal controls;
- Approving the release of the Group’s interim and full-year financial results, related party transactions of material nature and the submission of the relevant checklists to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”);
- Appointing Directors and key management staff, including the review of performance and remuneration packages; and
- Assumes the responsibilities for corporate governance.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries and take objective decisions in the interests of the Company. To ensure that specific issues are subject to considerations and review before the Board makes its decisions, the Board has established three Board Committees, namely, the Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively “**Board Committees**”), which would make recommendations to the Board. The Board holds the Management of the Company (“**Management**”) accountable for performance. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict. The Directors would abstain from voting and decision involving the issues of conflict.

CORPORATE GOVERNANCE REPORT

The Company's Constitution ("**Constitution**") provides for meetings of the Directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or telegraphic means. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction.

The frequency of meetings and the attendance of each Director at every Board and Board Committees meetings for FY2022 are disclosed in the table reflected below:

Name of Director	Board		AC		RC		NC		AGM	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ma Weidong	2	2	2	2*	1	1	1	1	1	1
Lim Huan Chiang	2	2	2	2*	1	1*	1	1*	1	1
Darlington Tseng Te-Lin	2	2	2	2	1	1*	1	1*	1	1
Sam Chong Keen	2	2	2	2	1	1	1	1	1	1
Chu Hongtao	2	2	2	2	1	1	1	1	1	1
Loo Kenneth	2	2	2	2*	1	1*	1	1*	1	1

*By invitation

The Board has adopted a set of internal guidelines setting forth matters that requires the Board's approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisition, disposals and financing proposals, reviewing and approving the Group's corporate policies, monitoring the performance of the Group and transactions relating to investment, financing and legal and corporate secretarial. The Management understands that these matters require approval from the Board. The Board will review these internal guidelines on a periodic basis to ensure their relevance to the operations of the Company. Directors are required to always discharge their fiduciary duties and responsibilities in the interest of the Company and act in good faith.

The Directors are also updated regularly with changes to the SGX-ST listing rules, risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors are circulated to the Board. The Company Secretary would inform the Directors of upcoming conferences and seminars that are relevant to their roles as Directors of the Company. Annually, the external auditors ("**EA**") update the AC and the Board on the new and revised financial reporting standards that are applicable to the Company or the Group.

The Company conducts comprehensive orientation programs for new Directors to familiarise themselves with the Company's structure and organisation, businesses, and governance policies. The aim of the orientation program is to give Directors a better understanding of the Company's businesses and allow them to assimilate into their new roles. All Directors who have no prior experience as Director of a listed company will undergo intensive training and briefing on the roles and responsibilities as Director of a listed company.

CORPORATE GOVERNANCE REPORT

New Directors are also informed about matters such as the Code of Dealing in the Company's shares. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from SGX-ST that affect the Company and/or the Directors in discharging their duties.

Directors always have access to visit the Group's operational facilities and meet with the Management to gain a better understanding of the business operations.

A formal letter of appointment would be furnished to every newly appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as member of the Board.

To enable the Board to fulfil its responsibility, the Management strives to provide Board members with adequate and timely information for Board and Board Committees meetings on an on-going basis. The Board and Board Committees papers include financial, business, and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings and enabled to make informed decisions.

Directors are given separate and independent access to the Management and Company Secretary to address any enquiries. Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

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

As of the date of this report, the Board comprises one (1) Executive Director, three (3) Non-Executive Directors and two (2) Independent Directors as follows:

Name of Director	Position held on the Board	AC	NC	RC
Ma Weidong	Non-Executive Chairman	-	Member	Member
Lim Huan Chiang	Executive Director and Chief Executive Officer ("CEO")	-	-	-
Loo Kenneth	Non-Executive Director	-	-	-
Darlington Tseng Te-Lin	Non-Executive Director	Member	-	-
Sam Chong Keen	Lead Independent Director	Member	Member	Member
Chu Hongtao	Independent Director	Chairman	Chairman	Chairman

The NC and the Board has adopted the Code's criteria of an Independent Director in their review and are of the view that all Independent Directors have satisfied the criteria of independence. There is a strong and independent element as the Independent Directors make up one-third of the Board. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board. The decisions are based on collective decision without any individual influencing or dominate the decision-making process.

CORPORATE GOVERNANCE REPORT

Although the Company does not comply with Provision 2.2, nevertheless, the board is made up of majority of Non-Executive Directors which is in compliance with Provision 2.3. Therefore, the Board and the NC are satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs as matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively.

The NC has conducted a rigorous review on the independence of the Lead Independent Director, Mr. Sam Chong Keen and has considered that Mr. Sam Chong Keen is independent even though he has served on the Board beyond 9 years. The relevant factors that were taken into consideration in determining the independence of Mr. Sam Chong Keen are set out in Principle 4 of this report. Having considered the relevant factors, the NC had determined that Mr. Sam Chong Keen has demonstrated strong independence in character and judgement over the years in discharging his duties and responsibilities as an Independent Director. His continued presence as a Lead Independent Board member will ensure best practices being followed and provide effective oversight and compliance to good corporate governance.

Mr. Sam Chong Keen, who has served on the Board more than nine (9) years, has obtained shareholders' approval for Two-Tier Voting resolutions for his continued appointment at the Company's Annual General Meeting ("AGM") held on 29 November 2021. Accordingly, Mr. Sam Chong Keen continue to act as the Independent Director of the Company until the conclusion of the third annual general meeting which shall be held in year 2024 or upon his retirement or resignation, whichever the earlier.

The Board regularly examines its size and, with a view to determining the impact of its number upon effectiveness, decides on what it considers an appropriate size for itself taking into account the scope and nature of the Company's operations. The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience and considering the balance and diversity of skills, experience, and gender to enable Management to benefit from a diverse perspective of issues that are brought before the Board. Together, the Directors as a group provide core competencies in business, investment, legal, audit, accounting, and tax matters.

It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined, taking into consideration the long-term interests of the Group and its shareholders. No individual or small group of individuals dominates the Board's decision making.

Nevertheless, the Board may, from time to time, seek to improve the aspects of its diversity and measure progress accordingly and the "size and composition of the Board are reviewed from time to time by the NC which strives to ensure that the size of the Board is conducive to effective discussions and decision making and that the Board has an appropriate balance of Independent Directors.

With the introduction of Rule 710(A) of the Listing Manual effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity within year 2022 and describe such policy in its Annual Report for the financial year ending 31 July 2023.

The profiles of the Board are set out in pages 13 to 15.

The Non-Executive Directors and Independent Directors participate actively during Board meetings. In addition to providing constructive advice to the Management on pertinent issues affecting the affairs and business of the Group, they also review the Management's performance in meeting goals and objectives of the Group's business segments. The Company has benefited from the Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Non-Executive Directors and Independent Directors communicate amongst themselves and with the Company's auditors and senior management. Where necessary, the Company co-ordinates informal meetings for Non-Executive Directors and Independent Directors to meet without the presence of the Management.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Non-Executive Chairman and CEO are not related to each other nor are they immediate family member.

The Company practices a clear division of responsibilities between the Chairman and CEO.

Mr. Ma Weidong is the Non-Executive Chairman while Mr. Lim Huan Chiang is the CEO. The CEO is responsible for the overall implementation and management of the Group's day-to-day operations, business strategies and direction and corporate plans and policies.

The Chairman ensures that Board members are provided with complete, adequate and timely information. The Chairman ensures that procedures are introduced to comply with the Code and ensures effective communications within the Board and with the shareholders.

The responsibilities of the Chairman include:

- Scheduling of meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Group's operations;
- Ensuring that Directors receive accurate, timely and clear information, and ensuring effective communication with shareholders;
- Ensuring the Group's compliance with the Code; and
- Acting in the best interest of the Group and of the shareholders.

The Company Secretary may be called to assist the Chairman in any of the above.

All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

The Board had appointed Mr. Sam Chong Keen as the Lead Independent Director with effect from 29 November 2013 to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on Board issues. He is available to shareholders when they have concerns which contact through the normal channels of the Non-Executive Chairman, CEO or the Group Financial Controller ("**GFC**") are inappropriate or inadequate.

The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary and feedback would be provided after such meetings.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

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

The NC comprises the following members:

Nominating Committee

Ms. Chu Hongtao (Chairman)
Mr. Sam Chong Keen
Mr. Ma Weidong

The NC has adopted written terms of reference defining its membership, administration and duties. Some of the duties and responsibilities of the NC include:

- to make recommendations to the Board on all Board appointments having regard to the Director's contribution and performance;
- determining annually whether or not a Director is independent; and
- deciding whether a Director is able to and has adequately carried out his duties as a Director of the Company in particular where the Director concerned has multiple board representations.

The NC makes recommendations to the Board on the matters relating to:

- Appointment and re-appointment of Directors;
- Appointment of Chairman and CEO;
- The effectiveness of the Board as a whole; and
- The NC shall have the right to appoint such consultants as it deems necessary during a search for new Directors.

The NC meets at least once a year. Pursuant to the Company's Constitution, one-third of the Board is required to retire by rotation at every AGM. Directors who retire are eligible to offer themselves for re- election.

All Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. The Company's regulation requires one-third of the Board to retire and submit themselves for re-election by shareholders at each AGM. In addition, the Company's Constitution provides that every new Director must retire and submit themselves for re- election at the next AGM of the Company following his appointment during the year.

CORPORATE GOVERNANCE REPORT

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position held on the Board	Date of first to the Board appointment	Date of last re-election as Director
Ma Weidong	Non-Executive Chairman	9 July 2015	30 November 2019
Lim Huan Chiang	Executive Director and CEO	26 October 2015	29 November 2021
Kenneth Loo	Non-Executive Director	2 August 2017	27 November 2020
Darlington Tseng Te-Lin	Non-Executive Director	1 March 2008	30 November 2019
Sam Chong Keen(1)	Lead Independent Director	5 December 2001	29 November 2021
Chu Hongtao	Independent Director	9 July 2015	27 November 2020

Notes:

- (1) Mr. Sam Chong Keen was first appointed as an Independent and Non-Executive Director on 5 December 2001 and re-designated as Executive Director and CEO on 16 February 2006. Mr. Sam Chong Keen was re-appointed as Non-Executive and Non-Independent Director on 2008 and re-designated as Independent and Non-Executive Director on 30 November 2012. He was appointed as the Lead Independent Director and Non-Executive Chairman on 29 November 2013 and 19 September 2014 respectively and relinquished his position as Non-Executive Chairman on 9 July 2015.

Mr. Sam Chong Keen, who has served on the Board more than nine (9) years, has obtained shareholders' approval for Two-Tier Voting resolutions for his continued appointment at the Company's Annual General Meeting ("AGM") held on 29 November 2021.

In considering whether an Independent Director who has served on the Board beyond 9 years is still independent, the Board has taken into consideration the following factors:

- The amount of experience and wealth of knowledge that the Independent Director brings to the Company;
- The attendance, active participation and ability to express his views independently at all times and present constructive challenges on issues, in the proceedings and decision-making process of the Board and Board Committee meetings;
- Provision of continuity and stability to the Management at the Board level as the independent Director has developed deep insight into the business of the Company and possesses experience and knowledge of the business;
- The qualifications of the Independent Director and his expertise provide reasonable checks and balances for the Management;
- The Independent Director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. He is adequately prepared, responsive, and heavily involved in the discussions at the meeting; and
- The Independent Director provides overall guidance to Management and acts as a safeguard for the protection of Company's assets and shareholders' interests.

CORPORATE GOVERNANCE REPORT

Under Rule 210(5)(d)(iii) of the Listing Manual of the SGX-ST coming into effect on 1 January 2022, the appointment of independent directors who have served an aggregate period of more than nine years will be subject to a two-tier voting process to be approved by the majority of (i) all shareholders and (ii) all shareholders, excluding shareholders who also serve as directors or the CEO (and their associates). The two-tier voting process will be valid for a term of the independent director appointment (up to three years).

In this regard, the NC has conducted a rigorous review of the suitability of Mr. Sam Chong Keen being the Lead Independent Director who has served on the Board beyond 9 years and has determined that Mr. Sam Chong Keen remains independent. Mr. Sam Chong Keen had abstained from voting on any resolution in respect of his own appointment. In addition, the NC is of the view that Ms. Chu Hongtao is independent (as defined in the Code) and can exercise judgement on the corporate affairs of the Group independent of the Management.

Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deemed fits.

The Company has in place, policies and procedures for the appointment of new Directors, including the description on the search and nomination procedures. Each member of the NC shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the NC in respect of his re-nomination as a Director.

The NC has recommended to the Board that Mr. Ma Weidong, and Mr. Darlington Tseng Te-Lin, who are retiring at the forthcoming AGM be nominated for re-election at the forthcoming AGM. The Board had accepted the recommendation and the retiring Directors will be offering themselves for re-election.

There is no alternate director being appointed to the Board during the financial year under review.

For the financial year under review, the NC is of the view that the Independent Directors of the Company are independent (as defined in the Code) and are able to exercise judgement on the corporate affairs of the Group and independent of the Management.

The key information regarding Directors, such as academic and professional qualifications, Board Committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive are set out in pages 13 to 15 and 37 of the Annual Report.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

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

The NC has established a review process to assess the performance and effectiveness of the Board as a whole and the Board Committees to assess each Director's contribution to the Board's effectiveness. During FY2022, all Directors are requested to complete the individual Director, Board and Board Committees evaluation questionnaires designed to seek their view on the various aspects of the Board's performance so as to assess the overall effectiveness of the Board. No external facilitator was used during the evaluation process in FY2022.

The responses are collated and reviewed by the NC which then makes recommendations to the Board aimed at helping the Board to discharge its duties more effectively. The appraisal process focuses on a set of performance criteria which include the evaluation of the size and composition of the Board, the Board's access to information, Board process and accountability, Board performance in relation to discharging its principal responsibilities and the Directors' standards of conduct. Following the review, the NC is of the view that the Board and Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board for FY2022.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate Directors and key management executives.

The RC comprises the following members:

Remuneration Committee

Ms. Chu Hongtao (Chairman)
Mr. Sam Chong Keen
Mr. Ma Weidong

A majority of the RC comprised of independent directors. In discharging their duties, the members have access to advice from the internal human resources personnel, and if required, advice from external experts.

The RC recommends to the Board a framework for the remuneration for the Board and key executives and to determine specific remuneration packages for each Executive Director which is based on transparency and accountability.

CORPORATE GOVERNANCE REPORT

The RC has adopted written terms of reference defining its membership, administration and duties. The duties and responsibilities of the RC include:

- recommending to the Board of Directors, in consultation with the Chairman of the Board, for endorsement, a comprehensive framework of remuneration for the Board and key executives of the Group;
- recommending specific remuneration packages for each of the Directors and key executives which should cover all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;
- reviewing and recommending to the Board the terms of renewal of service contracts of Directors;
- administering the share incentive plans of the Company, if any;
- appointing or retaining such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties hereunder satisfactory; and
- considering the various disclosure requirements for Directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties.

The RC recommends, in consultation with the Chairman of the Board, a framework of remuneration policies for key executives and Directors serving on the Board and Board Committees and determines specifically the remuneration package for each Executive Director of the Company. The RC covers all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses and incentives.

The RC's recommendations are submitted to the entire Board. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package. No Director is involved in deciding his own remuneration.

The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company.

In reviewing the service agreements of the Executive Directors and key executives of the Company, the RC will review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance.

CORPORATE GOVERNANCE REPORT

Level and Mix of Remuneration

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

In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry as well the Group's relative performance and the performance of its individual Directors.

The Independent Directors and Non-Executive Directors are paid Directors' fees taking into account factors such as the effort and time spent and the scope of responsibilities of the Directors. The Independent Directors and Non-Executive Directors shall not be over-compensated to the extent that their independence may be compromised. Directors' fees are endorsed by the RC and recommended by the Board for approval at the Company's AGM.

The Executive Directors do not receive Directors' fees. The remuneration packages of the Executive Directors and the key management personnel comprises primarily a basic salary component and a variable component which is the bonuses and other benefits.

The Company has adopted the A-Smart Employee Share Option Scheme 2018 ("**A-Smart ESOS**") to enable an opportunity for employees and Directors of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group. The employees of the Group (including Executive Directors), the Non-Executive Directors (including Independent Directors) of the Group and key management personnel are eligible to participate in the A-Smart ESOS. The performance conditions used to determine entitlements under the A-Smart ESOS taking into account criteria such as grantee's rank, responsibilities, performance, years of service and potential for future development, and the performance of the Group. The cumulative share options that were granted since the commencement of the A-Smart ESOS are shown in pages F-03, F-04 and F-52 to F-54.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

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

Breakdown of Directors' remuneration for FY2022:

Names	Salary	Bonus	Directors' Fees	Total
	(%)	(%)	(%)	(%)
<u>S\$250,000 to S\$500,000</u>				
Lim Huan Chiang	94	6%	-	100
<u>Below S\$250,000</u>				
Ma Weidong	-	-	-	-
Chu Hongtao	-	-	100	100
Sam Chong Keen	-	-	100	100
Darlington Tseng Te-Lin	-	-	100	100
Kenneth Loo	-	-	100	100

During FY2022, the Company has identified four key management personnel. Remuneration of top four key management personnel (who are not Directors or the CEO) identified by the Company for FY2022:

	Salary	Bonus	Allowances and Other Benefits	Total
	(%)	(%)	(%)	(%)
<u>Below S\$250,000</u>				
Yo Ngan Kia	100	-	-	100
Foong Sow Peng	94	6	-	100
Riduwan Zhang	95	5	-	100
Brandon Ng	92	8	-	100

The aggregate total remuneration of the top four Key Management Personnel (who are not Directors or the CEO) amounted to S\$589,237. In FY2022, there were no terminations, retirement or post-employment benefits granted to Directors and Relevant Key Management Personnel.

The Company believes that it is not in the Group's interest to disclose the remuneration of the KMPs to the full extent recommended, due to continuing confidentiality and sensitivity of executives' remuneration and, moreover, such disclosure may hamper its ability to retain the Group's talent pool in a competitive environment.

CORPORATE GOVERNANCE REPORT

Given the highly competitive industry conditions the Group operates in and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the remuneration of the Directors and top four key management personnel (who are not Directors or the CEO) of the Group is only set out in bands of S\$250,000 and above. The profiles of the top four key management personnel are found on page 16.

Immediate Family Member of Directors or Substantial Shareholders

There were no employees who are immediate family members of directors or substantial shareholders whose remuneration exceeds S\$100,000 in the Company's employment during FY2022.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board is responsible for the overall internal control framework but acknowledges that no cost effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The controls in place provide that the assets are safe, regardless of operational, information technology risks and business risks are suitably addressed and proper accounting records are maintained. The AC has reviewed the effectiveness of the internal control system put in place by the management and is satisfied that there are adequate internal controls in the Company.

As the Group does not have a risk management committee, the Board and Management assume the responsibility of the risk management function. The Management is responsible for designing, implementing and monitoring the risk management and internal control systems. Management reviews regularly the Group's business and operational activities to identify areas of significant policies and procedures and highlights significant matters to the Board and the AC.

In evaluating a new investment proposal or business opportunity, the Management and Board takes into consideration various factors before making a decision. These factors, which are essentially designed to ensure that the rate of returns commensurate with the risk exposure taken, including evaluating (i) return on investment; (ii) the pay-back period; (iii) cash flow generated from the operation; (iv) potential for growth; (v) investment climate; and (vi) political stability.

The Board has received the assurance from the CEO and Group Financial Controller and the Management of the business units in relation to the financial information for the year. Material associates and joint ventures which the Company does not control are not dealt with for the purposes of this statement. The Board has also obtained a written confirmation from the CEO and Group Financial Controller that:

- (a) The financial records have been properly maintained and the financial statements for the FY2022 give a true and fair view in all material respects, of the Company's operations and finances; and
- (b) The Group's internal control and risk management systems are adequate and operating effectively in all material aspects given its current business environment.

CORPORATE GOVERNANCE REPORT

Based on the internal controls established and maintained by the Group, work performed by the internal auditors, and the statutory audit conducted by the external auditors, and reviews performed by the Management, the Board with the concurrence of the AC, is of the opinion that there were no material weaknesses being identified and the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 July 2022.

Audit Committee

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

The AC comprises the following members:

Audit Committee

Ms. Chu Hongtao (Chairman)
Mr. Sam Chong Keen
Mr. Darlington Tseng Te-Lin

The Board is of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experiences to discharge the AC's function.

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

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal control.

The AC has adopted written terms of reference defining its membership, administration and duties. Duties and responsibilities of the AC include:

- review with external auditors the audit plan, their evaluation of the Group's system of internal accounting controls, their letter to Management and Management's responses;
- review the interim and annual financial statements and statement of Financial Position and income statements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;
- review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the auditors also provide a substantial volume of non-audit services to the Company, the AC would keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- review the internal control procedures and ensure co-ordination between the external auditors and Management, and review the assistance given by our Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss in the absence of our Management at least annually;

CORPORATE GOVERNANCE REPORT

- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our Management's response;
- consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
- review potential conflicts of interest, if any;
- undertake such other reviews and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- Generally undertake such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST, or by such amendments as may be made thereto from time to time.

The AC has the explicit authority to investigate any matter within its terms of reference and full access to and cooperation by the Group's Management. It has the discretion to invite any Director or member of the Group's Management to its meetings. The AC has been given reasonable resources to enable it to discharge its functions properly.

Where, by virtue of any vacancy in the membership of the AC for any reason, the number of members is reduced to less than 3, the Board shall, within 3 months thereafter, appoint such number of new members to the AC.

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

The AC meets with the external auditors, CLA Global TS Public Accounting Corporation ("CLA", formerly Nexia TS Public Accounting Corporation), separately without the presence of the Management and has reviewed all non-audit services provided by the external auditors to the Group. For the financial year under review, there were no fees paid/payable to the external auditors for non-audit services. Audit fees paid/ payable to the external auditors of the Company amounted to S\$97,000 for FY2022 (2021: S\$82,000).

In October 2015, the ACRA introduced the Audit Quality Indicators ("**AQIs**") Disclosure Framework ("**Framework**"), which aims, to equip AC with information that allows AC to exercise their professional judgements on elements that contribute to or are indicative of audit quality. The AQIs were further enhanced in August 2016 which ACRA introduced six targets on selected AQIs to provide AC with a common yardstick for comparison and to facilitate meaningful audit quality conversations with the auditors. As part of ongoing efforts to raise audit quality, ACRA has on 7 February 2020 introduced the AQIs Disclosure Framework that was revised in January 2020 ("**Revised AQIs Framework**"). The Revised AQIs Framework comprises audit quality indicators to provide relevant and useful information to help AC in their evaluation of statutory auditors. Accordingly, the AC had evaluated the performance of the external auditors as well as the resolution for reappointment of the external auditors based on the AQIs set out in the Revised AQIs Framework.

CORPORATE GOVERNANCE REPORT

The AC has also reviewed the independence of the external auditors annually. The AC confirmed that CLA is a suitable firm to meet the Company's audit obligations having regard to the adequacy of resources and experience of the firm and the assigned audit engagement partner, Nexia's other audit engagements, size and complexity of the A-Smart Group, member and experience of supervisory and professional staff assigned to the audit. Accordingly, the AC has recommended to the Board the re-appointment of CLA, as external auditors for the financial year ending 31 July 2023 at the forthcoming AGM of the Company. Therefore, the Company has complied with Rule 712 of the SGX-ST Listing Manual.

The Group has complied with Rule 715 of the Listing Manual of the SGX-ST in relation to its auditing firms. CLA has been engaged to audit the accounts of the Company and all its Singapore incorporated subsidiaries. The Group does not currently have any foreign-incorporated subsidiary that were active and significant to the Group for the financial year ended 31 July 2022.

Whistle blowing policy

In accordance with the Code, the AC has in place a whistle-blowing policy to provide arrangements whereby concerns on financial improprieties or other matters raised by whistle-blowers may be investigated and appropriate follow up action taken. The whistle-blowing procedures are clearly communicated to employees. Under such whistle-blowing procedures, employees are free to submit complaints confidentially or anonymously to the Chairman of the AC who is well known to many employees and easily accessible. All complaints are to be treated as confidential and are to be brought to the attention of the AC. The AC is responsible for oversight and monitoring of whistleblowing. Assessment, investigation and evaluation of complaints are conducted by or at the direction of the AC. If it deems appropriate, independent advisors are engaged at the Group's expense. Following investigation and evaluation of a complaint, the AC will then decide on the recommended disciplinary or remedial action, if any. The action so determined by the AC to be appropriate shall then be brought to the Board or to the appropriate senior executive staff for authorisation or implementation respectively.

As of to-date, there were no reports received through the whistle-blowing mechanism.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors.

Internal Audit Function

The Company has outsourced the internal audit function of the Group to TRS Forensics Pte Ltd ("**Internal Auditors**"). The Internal Auditors are to conduct regular audit of internal control systems of the Group's companies, recommend necessary improvements and enhancements, and report independently to the AC.

The AC examines the effectiveness of the Group's internal control systems. The assurance mechanisms operating are supplemented by the Internal Auditors' reviews of the effectiveness of the Group's material internal controls, including financial, operational and compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC reviews the effectiveness of the actions taken by the Management on the recommendations made by the Internal Auditors in this respect.

The Internal Auditors perform the annual internal audit planning in consultation with, but independent of the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The AC also reviews and approves the hiring, removal and evaluates its outsourced Internal Auditors. They are provided with unfettered access to the Group's properties, information and records and perform their reviews in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

CORPORATE GOVERNANCE REPORT

The AC has reviewed the effectiveness of the Internal Auditors and is satisfied that the Internal Auditors are adequately resourced and independent of the activities that they audit and the firm has appropriate standing within the industry. The AC is also satisfied that the internal audit function is effective and staffed by suitably qualified and experienced professionals with the relevant experience.

The AC also reviews, at least annually, the adequacy and effectiveness of the internal audit function.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Right and Conduct of General Meeting

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

The Company does not practise selective disclosure. In line with the continuous obligations of the Company under the SGX-ST Listing Manual and the Companies Act 1967, 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.

The Company's AGMs are the principal forums for dialogue with shareholders. Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay apprised of the Group's strategies and growth plans. Shareholders are informed of general meetings through the announcement released to the SGX-ST via SGXNet.

Due to the COVID-19 outbreak and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**COVID-19 Order**"), the notice of AGM was not published in the newspaper and sent to the Shareholders, but was instead disseminated to Shareholders with the Annual Report and circular (if any) through publication on SGXNet and the Company's corporate website at www.a-smart.sg, in accordance with the alternative arrangements for holding of the AGM pursuant to the COVID-19 Order.

The shareholders are also informed on the procedures for the poll voting at general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's current Constitution does not include the nominee or custodial services to appoint more than two proxies. The instrument appointing a proxy must be deposited at the place specified in the notice of the general meetings not less than forty-eight (48) hours before the time appointed for holding the general meetings.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors.

Each item of special business included in the notice of the general meetings is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for each separate and distinct issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution together with the respective percentages.

CORPORATE GOVERNANCE REPORT

All Directors, including the Chairman of the Board and the respective Chairman of the AC, NC and RC, as well as the EA are intended to be present at the forthcoming AGM to address any relevant queries by Shareholders.

Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the Shareholder's identity is not compromised.

The Company will publish the minutes of general meetings of shareholders on the SGX website via SGXNet within one month from the date of AGM. The minutes record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management.

Engagement with Shareholders

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

The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected Group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is mainly made through:-

- Annual report that is prepared and made available at the Company's website and the SGXNet portal. The Board ensures that the annual report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the Singapore Companies Act and Singapore Financial Reporting Standards;
- Interim results announcements containing a summary of the financial information and affairs of the Group for that period;
- Notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("EGMs").

The Company's website at www.a-smart.sg at which our shareholders or investors can access financial information, corporate announcements, press releases, annual reports and profile of the Group.

Through providing reliable and timely information, the Company aims to strengthen the relationship with its shareholders based on trust and accessibility. The Company engages an external investor relations (IR) consultant to assist on facilitating the communications with all stakeholders – shareholders, analysts and media – attending to their queries or concerns, as well as keeping the investors and the public apprised of the Group's corporate developments and financial performance.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released through SGXNet, either before the Company meets with any investors or analysts. The annual report and notice of AGM will be uploaded on the Company's website and the SGXNet announcement portal within the mandatory period, ahead of the AGM which is held within four months after the close of the financial year.

The Group does not have a concrete dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Dividends were not declared for FY2022 as the Group suffered a loss for the financial year.

CORPORATE GOVERNANCE REPORT

MANAGING STAKEHOLDERS RELATIONSHIPS

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

The Company acknowledges the importance of establishing effective communication among its stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals. Ongoing communication with stakeholders is an integral part of the Company's day-to-day operations.

The Company has identified four stakeholders' groups, namely, investors and shareholders, employees, customers and guests and government and regulators, who are able to impact the Group's business and operations. The Company's approach to the engagement with key stakeholders and materiality assessment were disclosed in the Company's Sustainability Report for FY2022, where the Company would continue to monitor and improve to ensure the best interest of the Company.

The Company maintains their website at <http://www.a-smart.sg> to communicate and engage with stakeholders. On the website, stakeholders can find information about the Company Profile, key projects, career opportunities, Annual Reports and other information.

DEALINGS IN SECURITIES

In compliance with Rule 1207(19) of the SGX-ST Listing Manual, the Company had adopted a Code of Best Practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full year financial results and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price sensitive information and they are not to deal in the Company's securities on short-term considerations.

RISK MANAGEMENT

The Company is continually reviewing and improving the business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources, updating work flows, processes and procedures to meet the current and future market conditions.

MATERIAL CONTRACTS

There were no material contracts of the Company and its subsidiaries involving the interests of the CEO, the Director or controlling shareholder, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

The Company has adopted an interested person transaction policy which specifies that all interested person transactions (“IPT”) with an interested person, as defined in the policy, will be at arm’s length and on terms generally available to an unaffiliated third party under the same or similar circumstances.

There were no IPT between the Company and any of its interested persons (namely, Directors, executive officers or controlling shareholders of the Group or the associates of such Directors, executive officers or controlling shareholders) subsisting for FY2022.

USE OF PROCEEDS

- a) The Company raised total net proceeds of S\$8,201,000 from the issuance of i) 8,950,000 new shares pursuant to the exercise of 8,950,000 Share Warrants by the warrant holder on 15 February 2019; and ii) 20,336,000 new shares pursuant to the exercise of 20,336,000 Share Warrants by the warrant holder on 20 July 2020. To-date the net proceeds have been partially utilised as follows:

	Use of Proceeds from Share Placement (S\$'000)
Balance proceeds from the last announced	5,761
Less utilisation:	
● Working capital loan to subsidiary – manufacture of food waste machines	(150)
Total net proceeds balance from the Placement	5,611

CORPORATE GOVERNANCE REPORT

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in Other Listed Companies and Other Major Appointments	Past Directorships in Other Listed Companies and Other Major Appointments Over the Preceding 3 Years
Mr. Sam Chong Keen	Lead Independent Director	Board Member, Member of Audit Committee, Member of Nominating Committee and Member of Remuneration Committee	5 December 2001	29 November 2021	Stamford Tyres Corporation Ltd Lion Asiapac Ltd Parkson Retail Asia Limited	-
Mr. Darlington Tseng Te-Lin	Non-Executive Director	Board Member and Member of Audit Committee	1 March 2008	30 November 2019	-	-
Mr. Ma Weidong	Non-Executive Chairman	Board Member, Member of Nominating Committee and Member of Remuneration Committee	9 July 2015	30 November 2019	Kunming Tianlongrun Sugar, Tobacco and Wine Co., Ltd Kunming Luchen Group Co., Ltd	-
Ms. Chu Hongtao	Independent Director	Board Member, Chairman of Audit Committee, Chairman of Nominating Committee and Chairman of Remuneration Committee	9 July 2015	27 November 2020	-	-
Mr. Lim Huan Chiang	Executive Director and Chief Executive Officer	Board Member	26 October 2015	29 November 2021	-	-
Mr. Kenneth Loo	Non-Executive Director	Board Member	2 August 2017	27 November 2020	Straits Construction Pte Ltd	-

CORPORATE GOVERNANCE REPORT

Information for the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Listing Manual of the SGX-ST:

Details	Name of Director	
	Mr. Ma Weidong	Mr. Darlington Tseng Te-Lin
Date of Appointment	9 July 2015	1 March 2008
Date of last re-appointment (if applicable)	30 November 2019	30 November 2019
Age	47	49
Country of principal residence	China	Taiwan
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Mr. Ma Weidong was nominated for re-election as Director at the forthcoming AGM pursuant to the Company's Constitution.</p> <p>The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Ma Weidong is able to exercise judgement as the Non-Executive Chairman on the corporate affairs of the Group.</p>	<p>Mr. Darlington Tseng TeLin was nominated for reelection as Director at the forthcoming AGM pursuant to the Company's Constitution.</p> <p>The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Darlington Tseng Te-Lin is able to exercise judgement as the Non-Executive Director on the corporate affairs of the Group.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Chairman, Member of Nominating Committee and Member of Remuneration Committee	Non-Executive Director and Member of Audit Committee
Professional qualifications	Excellence and Innovation Management, Tsinghua University, Beijing.	Master of Business Administration, Peking University
Working experience and occupation(s) during the past 10 years	<p>June 2008 to present – Chairman and Director of Kuning Tainlongrun Sugar, Tobacco and Wine Co., Ltd</p> <p>July 2010 to present – Chairman and Director of Kunming Luchen Group Co., Ltd.</p>	<p>June 2008 to June 2014 – Executive Director of Xpress Holdings Ltd (now known as "A-Smart Holdings Ltd")</p> <p>June 2014 to present – Director of Run Service Pte. Ltd.</p>
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 75,000,000 shares Deemed interest: 353,000 shares	278,825 shares

CORPORATE GOVERNANCE REPORT

Details	Name of Director		
	Mr. Ma Weidong	Mr. Darlington Tseng Te-Lin	
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	Nil	Nil	
Conflict of interest (including any competing business)	Nil	Nil	
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	
Other Principal Commitments Including Directorships	<p><u>Past (for the last 5 years)</u></p> <p>Nil</p> <p><u>Present</u></p> <p>Director of:</p> <ul style="list-style-type: none"> • Kunming Tianlongrun Sugar, Tobacco and Wine Co., Ltd • Kunming Luchen Group Co., Ltd 	<p><u>Past (for the last 5 years)</u></p> <p>Nil</p> <p><u>Present</u></p> <p>Director of:</p> <p>Run Service Pte. Ltd.</p>	
The general statutory disclosures of the Directors are as follows:			
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

Details		Name of Director	
		Mr. Ma Weidong	Mr. Darlington Tseng Te-Lin
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

CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Mr. Ma Weidong	Mr. Darlington Tseng Te-Lin
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f.	Whether at any time during the last 10 years, 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

CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Mr. Ma Weidong	Mr. Darlington Tseng Te-Lin
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
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Mr. Ma Weidong	Mr. Darlington Tseng Te-Lin
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Information required			
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?		Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
If yes, please provide details of prior experience.		Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.

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Proxy Form

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

The directors present their statement to the members together with the audited financial statements of A-Smart Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 31 July 2022 and the statement of financial position of the Company as at 31 July 2022.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages F-13 to F-74 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 July 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Ma Weidong
 Lim Huan Chiang
 Chu Hongtao
 Sam Chong Keen
 Darlington Tseng Te-Lin
 Kenneth Loo

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Shareholdings registered in the name of the directors or their nominees		Shareholdings in which the directors are deemed to have an interest	
	At 31.7.2022	At 1.8.2021	At 31.7.2022	At 1.8.2021
The Company				
(No. of ordinary shares)				
Ma Weidong	75,000,000	75,000,000	353,000	353,000
Lim Huan Chiang	897,000	897,000	-	-
Darlington Tseng Te-Lin	278,825	278,825	-	-

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Directors' interests in shares or debentures (cont'd)

- (b) By virtue of Section 7 of the Singapore Companies Act 1967, Ma Weidong with the above shareholdings is deemed to have an interest in the shares of all the subsidiary corporations of the Group.
- (c) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the A-Smart Employee Share Option Scheme as set out below and under "Share Options" below.

	No. of unissued ordinary shares under option	
	At 31.7.2022	At 1.8.2021
Ma Weidong	350,000	350,000
Lim Huan Chiang	350,000	350,000
Chu Hongtao	100,000	100,000
Sam Chong Keen	90,000	90,000
Darlington Tseng Te-Lin	80,000	80,000
Kenneth Loo	80,000	80,000

- (d) The directors' interests in the ordinary shares of the Company as at 21 August 2022 were the same as those as at 31 July 2022.

Share options

(a) A-Smart Employee Share Option Scheme

Pursuant to the approval by the members of the Company at the Extraordinary General Meeting held on 30 November 2018, the Company adopted the A-Smart Employee Share Option Scheme 2018 (the "ESOS" or "Scheme"), which shall be administered by the Remuneration Committee comprising the following Board members:

- i) Chu Hongtao (Chairman)
- ii) Ma Weidong
- iii) Sam Chong Keen

Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to Directors, key management personnel and employees who are confirmed in his employment with the Group or an associated company of the Group, attained the age of 21 years on or before the date of grant and not be an undischarged bankrupt and must not have entered into a composition with his creditors. The Options may be granted at an exercise price equal to the market price of the Shares, determined by taking the average closing prices of the Company's ordinary shares as quoted on the Singapore Exchange Securities Trading Limited (the "SGX-ST") for five market days immediately preceding the date of the grant (a "Market Price Option") or at a discount to such Market Price of up to 20% (a "Discounted Option"). A Market Price Option shall only be exercisable after one year from the date of grant of such Option while a Discounted Option shall only be exercisable after two years from the date of grant of such Discounted Option. The date of expiry of the Options shall be determined by the Remuneration Committee in its sole discretion but shall in any case, not exceed the fifth anniversary of the date of grant of the relevant Option. Options not exercised prior to their expiry date shall immediately lapse and become null and void and the relevant Grantee shall have no claim against the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Share options (cont'd)

(a) A-Smart Employee Share Option Scheme (cont'd)

The number of options available under the ESOS shall not exceed 15% of the total issued shares of the Company on the day preceding the relevant date of grant.

The following table summarises the information on the options granted under the Scheme to Directors and Participants as required to be disclosed under the rules of the SGX-ST's Listing Manual:

Name of participants	Options granted/ (forfeited) during the financial year	Aggregate options granted since commencement of ESOS to the beginning of the financial year	Aggregate options granted since commencement of ESOS to the end of the financial year	Aggregate options cancelled/ forfeited/ lapsed since commencement of ESOS to the end of the financial year	Aggregate options exercised since commencement of ESOS to the end of the financial year	Aggregate options outstanding at the end of the financial year
Directors						
Ma Weidong (Controlling shareholder)	-	350,000	350,000	-	-	350,000
Lim Huan Chiang	-	350,000	350,000	-	-	350,000
Chu Hongtao	-	100,000	100,000	-	-	100,000
Sam Chong Keen	-	90,000	90,000	-	-	90,000
Darlington Tseng Te-Lin	-	80,000	80,000	-	-	80,000
Kenneth Loo	-	80,000	80,000	-	-	80,000
	-	1,050,000	1,050,000	-	-	1,050,000
Participants other than Directors						
Foong Sow Peng	-	80,000	80,000	-	-	80,000
Yo Ngan Kia	-	80,000	80,000	-	-	80,000
Other employees	(33,000)	448,000	448,000	(149,000)	-	299,000
	(33,000)	1,658,000	1,658,000	(149,000)	-	1,509,000

None of the Directors and/or other employees received 5% or more of the total number of shares under option available under the Scheme.

(b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the A-Smart Employee Share Option Scheme outstanding at the end of the financial year was as follows:

Date of grant	Beginning of the financial year	Granted during the financial year	Forfeited during the financial year	Exercised during the financial year	End of the financial year	Exercise price	Expiry date
17.02.2020	1,542,000	-	(33,000)	-	1,509,000	S\$0.356	16.02.2025

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Audit committee

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

Chu Hongtao (Chairman)
Sam Chong Keen
Darlington Tseng Te-Lin

All members of the Audit Committee were independent and non-executive directors.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual of the SGX-ST and the Code of Corporate Governance.

These members of the AC have had many years of experience in senior management positions in both the financial and industrial sectors. They have sufficient financial management expertise and experience to discharge the AC's functions.

The AC meets at least twice a year to perform the following key functions:

- Recommends to the Board of Directors the independent auditor to be nominated, approves the compensation of the independent auditor, and reviews the scope and results of the audit, and its cost-effectiveness;
- Reviews the terms and reference of other committees, the system of internal accounting and financial controls by management and the overall scope of independent auditor as well as the significant risk exposures that exist for the Group and assess the steps taken by management to minimise such risks to the Group;
- Reviews with management annually:
 - Significant internal audit observations during the financial year and management's responses;
 - The effectiveness of the Group's internal controls over management, business and technology systems practices; and
 - Any changes required in the planned scope of the audit plan and any difficulties encountered in the course of the audits;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, policies for the SGX-ST listing rules, and programmes and reports received from regulators; and
- Reports activities and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate.

The AC is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), be re-appointed as auditor at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Independent auditor

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

On behalf of the directors

.....
Ma Weidong
Director

.....
Lim Huan Chiang
Director

11 November 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of A-Smart Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 July 2022, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages F-13 to F-74.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 July 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 July 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

(Refer to Notes 2.3 and 19 to the financial statements)

Area of focus:

The Group generated total revenue of S\$6.14 million through the provision of print and media services and smart technologies products.

The core principle of SFRS(I) 15 *Revenue from Contracts with Customers* is that an entity recognises 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Key Audit Matters (cont'd)

Revenue recognition (cont'd)

Area of focus: (cont'd)

The Group recognises revenue when the Group satisfies its performance obligation at a point in time when the customer obtains control of a good or when services are rendered and accepted by customers and over time when the Group satisfies its performance obligation by rendering maintenance service to its customer.

Revenue recognition is a presumed fraud risk. Due to the magnitude and volume of transactions and the potential existence of management to override controls, increase the inherent risk of material misstatement in the amount of revenue reported.

How our audit addressed the area of focus:

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

- Evaluated management's assessment of the application of SFRS(I) 15.
- Assessed the appropriateness of the Group's revenue recognition accounting policies.
- Understood, evaluated and validated key controls over the sales and collection cycle.
- Performed test of details on samples of sales transactions to underlying invoices, acknowledged delivery documents, if applicable and cash receipts to validate their occurrence and *vice versa* to validate their completeness.
- Performed sales cut-off test on transactions occurring within proximity of the financial year end, including subsequent to the financial year end through obtaining evidence to support the appropriate timing of revenue recognition.
- Reviewed the journal vouchers for any indication of fraud which relates to the revenue recognition.

Recognition and measurement of cost of development properties

(Refer to Notes 2.8 and 10 to the financial statements)

Area of focus:

The Group's development properties comprised of land under development and land held for future development or for sales, located in Timor-Leste. These development properties continue to be classified as current assets as they are intended to be realised within the Group's normal operating cycle for development of real estate properties and are stated at the lower of cost and net realisable value ("NRV") in accordance with SFRS(I) 1-2 *Inventories*. NRV of development properties is the estimated selling price less estimated costs to complete and the estimated costs necessary to make the sale based on management's forecasts.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Key Audit Matters (cont'd)

Recognition and measurement of cost of development properties (cont'd)

The Group's development properties are stated at the lower of cost and NRV and the assessment is dependent on the following key judgements and estimates made by management:

- An assessment of eligibility of costs to be capitalised as part of development costs;
- An estimation of costs to complete;
- An assessment of management's on-going projection for the estimated selling prices based on prevailing market condition; and
- The outcome of the applicable applications by the Timor-Leste's regulatory authorities in relation to the construction progress of the development properties.

In view of the magnitude and significant judgements and estimates involved with regards to the recognition and measurement of development properties, changes to these assumptions and estimates could result in a material misstatement that warrants audit focus in this area.

How our audit addressed the area of focus:

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

- Understood the Group's processes and accounting policy over the recognition and accounting for the development properties in accordance with SFRS(I) 1-2;
- Performed test of details on samples of expenses to underlying invoices and cash payments to validate their occurrence and *vice versa* to validate the nature of expenses to ensure only eligible costs have been capitalised as development properties.
- Reviewed management's assumptions used in the estimation of costs to complete and compared with actual costs incurred and committed costs to ascertain no costs overruns;
- Reviewed management's on-going projection on the estimated selling prices based on prevailing market condition;
- Performed sensitivity analysis on key assumptions and estimates relating to expected selling price and costs to complete in conjunction with management's development plans and progress which is dependent on the approval outcome by the local regulators; and
- Reviewed the classification of development properties in the financial statements in accordance with SFRS(I) 1-1 *Presentation of Financial Statements*.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Other Information

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

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

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

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:

- 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A-SMART HOLDINGS LTD.

Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Loh Hui Nee.

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

**Singapore
11 November 2022**

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Non-current					
Property, plant and equipment	4	1,140	1,870	220	266
Long-term loans to subsidiary corporations	8	-	-	5,792	4,854
Investments in subsidiary corporations	6	-	-	6,228	6,228
Investment in an associated company	7	1,512	1,457	-	-
		2,652	3,327	12,240	11,348
Current					
Amounts due from subsidiary corporations	8	-	-	649	4,197
Inventories	9	265	329	-	-
Development properties	10	7,432	7,216	-	-
Trade receivables	11	1,231	748	-	-
Other receivables	11	2,173	1,939	597	616
Financial asset, at FVPL	13	45	41	45	41
Cash and cash equivalents	12	6,003	7,511	4,343	5,828
		17,149	17,784	5,634	10,682
Total assets		19,801	21,111	17,874	22,030
Equity					
Capital and reserves attributable to equity holders of the Company					
Share capital	14	147,360	147,360	147,360	147,360
Reserves	15	117	(13)	25	25
Accumulated losses		(132,610)	(131,512)	(133,773)	(143,559)
		14,867	15,835	13,612	3,826
Non-controlling interests	6	152	191	-	-
Total equity		15,019	16,026	13,612	3,826
Liabilities					
Non-current					
Lease liabilities	16	2,353	2,895	31	43
Provision for reinstatement costs	17	30	30	-	-
		2,383	2,925	31	43
Current					
Amounts due to subsidiary corporations	8	-	-	3,998	18,001
Lease liabilities	16	282	479	12	12
Trade and other payables	18	2,117	1,660	221	148
Current income tax liabilities		-	21	-	-
		2,399	2,160	4,231	18,161
Total liabilities		4,782	5,085	4,262	18,204
Total equity and liabilities		19,801	21,111	17,874	22,030

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

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Note	2022 S\$'000	2021 S\$'000
Revenue	19	6,144	5,889
Raw materials and consumables used		(3,035)	(2,659)
Depreciation of property, plant and equipment	4	(724)	(753)
Other income	19(a)	201	358
Staff costs	19(b)	(3,061)	(2,993)
Other expenses	19(c)	(774)	(584)
Foreign currency exchange loss – net		-*	(1)
Loss allowance on financial assets at amortised cost	25(b)	-	(23)
Interest income	20(a)	72	71
Finance costs	20(b)	(21)	(53)
Share of profit of an associated company	7	71	70
Loss before taxation		(1,127)	(678)
Income tax expense	21	-	-
Net loss		(1,127)	(678)
Net loss attributable to:			
Equity holders of the Company		(1,098)	(701)
Non-controlling interests	6	(29)	23
		(1,127)	(678)
Loss per share attributable to equity holders of the Company (cents)			
Basic loss per share	22	(0.74)	(0.47)
Diluted loss per share	22	(0.74)	(0.47)

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Note	2022 S\$'000	2021 S\$'000
Net loss		(1,127)	(678)
Other comprehensive income/(loss), net of tax:			
Items that may be reclassified subsequently to profit or loss:			
Translation differences arising from consolidation - gain/(loss)	15(i)	130	(24)
Items that will not be reclassified subsequently to profit or loss:			
Translation differences arising from consolidation – gain/(loss)	15(i)	-*	-*
Other comprehensive income/(loss)		130	(24)
Total comprehensive loss		(997)	(702)
Total comprehensive loss attributable to:			
Equity holders of the Company		(968)	(725)
Non-controlling interests		(29)	23
		(997)	(702)

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Attributable to equity holders of the Company						Total equity S\$'000
	Share capital S\$'000 Note 14	Currency translation reserve S\$'000 Note 15	Share option reserve S\$'000 Note 15	Accumulated losses (i) S\$'000	Total S\$'000	Non-controlling interests S\$'000 Note 6	
At 1 August 2021	147,360	(38)	25	(131,512)	15,835	191	16,026
Total comprehensive income/(loss) for the financial year							
Loss for the financial year	-	-	-	(1,098)	(1,098)	(29)	(1,127)
<i>Other comprehensive income/(loss)</i>							
Translation differences arising from consolidation – gain/(loss)	-	130	-	-	130	-*	130
Total other comprehensive income/(loss)	-	130	-	-	130	-*	130
Total comprehensive income/(loss) for the financial year	-	130	-	(1,098)	(968)	(29)	(997)
Transactions with owners of the Company, recognised directly in equity							
Acquisition of additional interest in a subsidiary corporation (Note 6)	-	-	-	-	-	(10)	(10)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	(10)	(10)
At 31 July 2022	147,360	92	25	(132,610)	14,867	152	15,019

(i) Included in the accumulated losses is retained profits of an associated company amounting to S\$146,300 (2021: S\$75,300) which is non-distributable.

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Attributable to equity holders of the Company					Non-controlling interests S\$'000 Note 6	Total equity S\$'000
	Share capital S\$'000 Note 14	Currency translation reserve S\$'000 Note 15	Share option reserve S\$'000 Note 15	Accumulated losses (i) S\$'000	Total S\$'000		
At 1 August 2020	147,360	(14)	15	(130,811)	16,550	168	16,718
Total comprehensive (loss)/income for the financial year	-	-	-	(701)	(701)	23	(678)
<i>(Loss)/profit for the financial year</i>							
<i>Other comprehensive loss</i>							
Translation differences arising from consolidation - loss	-	(24)	-	-	(24)	-*	(24)
Total other comprehensive loss	-	(24)	-	-	(24)	-*	(24)
Total comprehensive (loss)/income for the financial year	-	(24)	-	(701)	(725)	23	(702)
Transactions with owners of the Company, recognised directly in equity							
<i>Contributions by and distributions to owners</i>							
Employee share option scheme	-	-	10	-	10	-	10
- Value of employee services	-	-	10	-	10	-	10
Total contributions by owners	-	-	10	-	10	-	10
At 31 July 2021	147,360	(38)	25	(131,512)	15,835	191	16,026

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

	Note	2022 S\$'000	2021 S\$'000
Loss before taxation		(1,127)	(678)
Adjustments for:			
- Depreciation of property, plant and equipment	4	724	753
- Employee share option expense	19(b)	-	10
- Fair value gain on financial asset, at FVPL	19(a)	(4)	(19)
- Interest income	20(a)	(72)	(71)
- Dividend income	19(a)	-	(7)
- Interest expense	20(b)	21	53
- Loss allowance on financial assets at amortised cost	25(b)	-	23
- Property, plant and equipment written off	19(c)	48	-
- Gain on disposal of property, plant and equipment	19(a)	-	(75)
- Gain on liquidation of a subsidiary corporation	6, 19(a)	(154)	-
- Unrealised currency translation losses		176	-*
- Share of profit of an associated company	7	(71)	(70)
		(459)	(81)
Change in working capital:			
- Inventories		64	177
- Development properties		(216)	(188)
- Trade and other receivables		(667)	(329)
- Trade and other payables		590	(120)
Cash used in operations		(688)	(541)
Income tax paid		-	-
Net cash used in operating activities		(688)	(541)
Cash flows from investing activities			
Dividend received		-	7
Interest received		12	18
Purchase of property, plant and equipment	4	(42)	(196)
Proceeds from disposal of property, plant and equipment		-	75
Net cash used in investing activities		(30)	(96)
Cash flows from financing activities			
Interest paid		(21)	(53)
Principal payment of lease liabilities		(785)	(678)
Net cash used in financing activities		(806)	(731)
Net decrease in cash and cash equivalents		(1,524)	(1,368)
Cash and cash equivalents at beginning of financial year		7,511	8,884
Effects of currency translation on cash and cash equivalents		16	(5)
Cash and cash equivalents at end of financial year	12	6,003	7,511

* Less than S\$1,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Reconciliation of liabilities arising from financing activities

	1 August 2021 S\$'000	Principal and interest payments S\$'000	Non-cash changes			31 July 2022 S\$'000
			Addition S\$'000	Interest expense S\$'000	Foreign exchange movement S\$'000	
Lease liabilities	3,374	(806)	-	21	46	2,635

	1 August 2020 S\$'000	Principal and interest payments S\$'000	Non-cash changes			31 July 2021 S\$'000
			Addition S\$'000	Interest expense S\$'000	Foreign exchange movement S\$'000	
Lease liabilities	3,613	(731)	467	53	(28)	3,374

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

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

1 Corporate information

A-Smart Holdings Ltd. (the “Company”) is incorporated and domiciled in Singapore. The address of its registered office is No. 61 Tai Seng Avenue #03-03, Print Media Hub @ Paya Lebar iPark, Singapore 534167. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those relating to investment holding. The principal activities of its subsidiary corporations are set out in Note 6 to the financial statements.

2 Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective for the financial year beginning on or after 1 August 2021

On 1 August 2021, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I)s (“INT SFRS(I)s”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and INT SFRS(I)s.

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

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments since year 2020 and has persisted in the current financial year. The Group’s significant operations in Singapore and planned projects in Timor-Leste were affected by the spread of COVID-19.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Impact of COVID-19 (cont'd)

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the financial year ended 31 July 2022:

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- (ii) The Group has considered the market conditions (including the impact of COVID-19) as at the reporting date, in making estimates and judgements on the recoverability of assets as at 31 July 2022. The significant estimates and judgement applied on impairment of assets are disclosed in Note 3 to the financial statements.

As the global COVID-19 evolves, many countries are gradually easing the Covid-19 measures implemented previously. However, there remains a level of uncertainty which may result in financial reporting implications for the Group. If the situation persists beyond management's current expectations, the Group's assets may be subject to write downs in the subsequent financial periods.

2.2 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(a) *Subsidiary corporations* (cont'd)

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) *Disposals*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(b) Transactions with non-controlling interests

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

(c) Associated company

Associated company is entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

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

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in the associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.2 Group accounting (cont'd)

(c) Associated company (cont'd)

(iii) Disposals

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

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

2.3 Revenue recognition

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from print and media services and smart technologies product is recognised at point in time when the Group has delivered its product to its customers and customers have obtained control of the product.

Maintenance service income is recognised over time when the Group satisfies its performance obligation by rendering maintenance service to its customer.

Events management income is recognised at point in time when the performances are completed. After the payment of taxes and other charges, the respective share of the net proceeds are remitted to the Group.

Interest income is recognised using the effective interest method.

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

Rental income from operating leases is recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.4 Government grants

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

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

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

2.5 Investments in subsidiary corporations and associated company

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

2.6 Currency translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar ("S\$"), which is the functional currency of the Company, and all values in the tables are rounded to the nearest thousand (S\$'000) as indicated.

Transactions and balances

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

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

All foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Foreign currency exchange loss - net".

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.6 Currency translation (cont'd)

Translation of Group entities' financial statements

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

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

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

2.7 Property, plant and equipment

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

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of either acquiring the asset or using the asset for purpose other than to produce inventories.

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

Useful lives

Leasehold premises	3 years
Machineries	10 years
Motor vehicles	6 to 10 years
Office equipment	3 to 10 years
Furniture and fittings	3 to 10 years

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

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

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

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

2.8 Development properties

Development properties comprise properties in the course of development and leasehold land held for future development or for sale in the ordinary course of business. Development properties are measured at lower of cost and net realisable value. Net realisable value of development properties is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project.

When it is probable that cost of development properties will exceed sale proceed of the development properties, the expected loss is recognised as an expense immediately.

The development properties in progress have operating cycle longer than one year.

2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the applicable variable selling expenses.

2.10 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.11 Impairment of non-financial assets

Property, plant and equipment

Right-of-use assets

Investments in subsidiary corporations and associated company

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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

2.12 Financial assets

(a) *Classification and measurement*

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

- Amortised cost; and
- Fair value through profit or loss (FVPL)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

At initial recognition

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

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of trade and other receivables (including amounts due from subsidiary corporations) and cash and cash equivalents.

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

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised costs and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which changes arise and presented in "Other income". Dividends from equity investments are recognised in profit or loss as "Dividend income".

(b) Impairment

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

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

For other financial assets at amortised cost, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

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

2.13 Offsetting of financial instruments

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

2.14 Borrowings

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

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

2.15 Trade and other payables

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.16 Leases

(a) *When the Group is the lessee:*

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

- Right-of-use assets

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

These right-of-use assets (other than those classified as development properties) are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment" and "Development properties" respectively.

- Lease liabilities

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

Lease payments include the following:

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.16 Leases (cont'd)

(a) When the Group is the lessee: (cont'd)

- Lease liabilities (cont'd)

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

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

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

- Short term and low value leases

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

- Variable lease payments

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

(b) When the Group is the lessor:

The Group leases warehouse facilities under operating leases to non-related parties.

- Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.16 Leases (cont'd)

(b) When the Group is the lessor: (cont'd)

- Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as an operating lease, the Group recognises lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.17 Employee benefits

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

(a) Defined contribution plans

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

(b) Employee leave entitlements

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

(c) Share-based compensation

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.17 Employee benefits (cont'd)

(c) Share-based compensation (cont'd)

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

2.18 Provision

(a) General

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

(b) Asset dismantlement, removal and restoration

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

2.19 Income taxes

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

2 Significant accounting policies (cont'd)

2.19 Income taxes (cont'd)

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

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

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

Deferred income tax is measured:

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

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

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board who makes strategic resources allocation decisions.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.22 Share capital

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

3 Critical accounting estimates, assumptions and judgements

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

Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units ("CGU"), have been determined based on higher of the fair value less costs to sell or value-in-use. If the carrying amounts exceed the recoverable amounts, an impairment loss is recognised in profit or loss for the differences.

In determining whether property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company are impaired requires an estimation of the value-in-use of these investments. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

No impairment losses were recognised for the financial years ended 31 July 2022 and 2021 respectively as management assessed that there was no indication that the carrying amount of property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company may not be recoverable.

The carrying amounts of property, plant and equipment and investment in subsidiary corporations and an associated company are disclosed in Notes 4, 6 and 7 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

3 Critical accounting estimates, assumptions and judgements (cont'd)

Impairment of trade and other receivables

Expected credit losses ("ECL") on trade and other receivables are probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group measured the loss allowance of trade receivables at an amount equal to lifetime ECL using a provision matrix. In determining the ECL for other receivables, loss allowance is generally measured at an amount equal to 12-month ECL. When the credit quality deteriorates and the resulting credit risk of other receivables increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

A considerable amount of judgement is required in assessing the ECL which are determined by referencing to the Group's historical observed default rate, customers' and other receivables' ability to pay and adjusted with forward-looking information. At every reporting date the historical observed default rate will be updated and changes in the forward-looking estimates will be analysed.

Notwithstanding the above, the Group evaluates the ECL on customers and other receivables in financial difficulties separately.

The carrying amounts of trade and other receivables are disclosed in Note 11 to the financial statements.

Uncertain tax positions

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has unabsorbed tax losses, unutilised capital allowances and unutilised investment allowances of approximately S\$4.1 million (2021: S\$4.2 million), S\$3.8 million (2021: S\$5.2 million) and S\$3,000 (2021: S\$3,000) (Note 21) respectively. The losses relate to subsidiary corporations that have a history of losses, with no expiry date and are unable to be offsetted with other taxable income elsewhere in the Group. The subsidiary corporations have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses as deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

4 Property, plant and equipment

Group	Leasehold premises S\$'000	Machineries S\$'000	Motor vehicles S\$'000	Office equipment S\$'000	Furniture and fittings S\$'000	Total S\$'000
Cost						
At 31 July 2020	1,310	4,477	570	2,306	159	8,822
Currency translation differences	-	-	-	-	-	-
Additions	-	-	161	35	-	196
Disposal	-	-	(255)	-	-	(255)
At 31 July 2021	1,310	4,477	476	2,341	159	8,763
Currency translation differences	-	-	-	(2)	-	(2)
Additions	-	36	-	6	-	42
Written off	-	(184)	-	(120)	-	(304)
At 31 July 2022	1,310	4,329	476	2,225	159	8,499
Accumulated depreciation						
At 31 July 2020	218	3,493	425	2,136	124	6,396
Currency translation differences	-	-	-	(1)	-	(1)
Depreciation	427	160	51	99	16	753
Disposal	-	-	(255)	-	-	(255)
At 31 July 2021	645	3,653	221	2,234	140	6,893
Currency translation differences	-	-	-	(2)	-	(2)
Depreciation	447	168	51	53	5	724
Written off	-	(136)	-	(120)	-	(256)
At 31 July 2022	1,092	3,685	272	2,165	145	7,359
Carrying amount						
At 31 July 2021	665	824	255	107	19	1,870
At 31 July 2022	218	644	204	60	14	1,140

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

4 Property, plant and equipment (cont'd)

Company	Machineries S\$'000	Motor vehicles S\$'000	Office equipment S\$'000	Total S\$'000
Cost				
At 31 July 2020	62	398	42	502
Additions	-	161	4	165
Disposal	-	(255)	-	(255)
At 31 July 2021 and 31 July 2022	62	304	46	412
Accumulated depreciation				
At 31 July 2020	22	293	42	357
Depreciation	6	38	-	44
Disposals	-	(255)	-	(255)
At 31 July 2021	28	76	42	146
Depreciation	6	38	2	46
At 31 July 2022	34	114	44	192
Carrying amount				
At 31 July 2021	34	228	4	266
At 31 July 2022	28	190	2	220

Right-of-use assets acquired under leasing agreement are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 5(i) to the financial statements.

5 Leases

(i) The Group as a lessee

Nature of the Group's leasing activities

Property

The Group leases office premises, factory and warehouse facilities for the purpose of back office operations and printing operations.

Leasehold land

The Group has made annual lease payments for a leasehold land parcel. The right-of-use of the land is classified as development properties – land held for future development (Note 10).

There are no externally imposed covenants on these lease agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

5 Leases (cont'd)

(i) The Group as a lessee (cont'd)

Nature of the Group's leasing activities (cont'd)

Office equipment, machineries and motor vehicles

The Group leases motor vehicles to render logistic services, leases office equipment for general office printing use and leases machineries for the printing division to manufacture and produce printing products.

(a) *Carrying amount*

Right- of-use assets ("ROU assets") classified within Property, plant and equipment

	2022	2021
	S\$'000	S\$'000
Leasehold premises	218	665
Motor vehicles	70	107
Machineries	-	702
Office equipment	16	26
	304	1,500

*During the financial year, the legal title of the machinery previously retained by the lessor has been transferred to the Group. Hence, the carrying amount of the machinery will not be included in the above carrying amount of ROU assets as at 31 July 2022.

(b) *Depreciation charge during the financial year*

	2022	2021
	S\$'000	S\$'000
Leasehold premises	447	427
Motor vehicles	37	37
Machineries	-	140
Office equipment	10	34
	494	638

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

5 Leases (cont'd)

(i) The Group as a lessee (cont'd)

(c) *Interest expense*

	2022	2021
	S\$'000	S\$'000
Interest expense on lease liabilities (Note 20(b))	21	53

(d) *Lease liabilities not capitalised in lease liabilities*

	2022	2021
	S\$'000	S\$'000
Lease expense – short-term leases (Note 19(c))	1	11

(e) Total cash outflow for all the leases was S\$807,000 (2021: S\$742,000).

(f) There was no addition of ROU assets during the financial year (2021: addition of ROU assets of S\$467,000, were classified within development properties).

(ii) The Group as a lessor

Nature of the Group's leasing activities – Group as an intermediate lessor

Subleases – classified as operating leases

The Group acts as intermediate lessor under arrangement in which it sub-leases out warehouse facilities to third parties for monthly lease payments. The sub-lease periods do not form a major part of the remaining lease terms under the head leases and accordingly, the sub-leases are classified as operating leases.

Income from subleasing the warehouse facilities recognised during the financial year was S\$31,000 (2021: S\$25,000) (Note 19(a)).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

6 Investments in subsidiary corporations

	<u>Company</u>	
	2022	2021
	S\$'000	S\$'000
<i>Unquoted equity shares, at cost</i>		
Beginning of financial year	18,879	18,879
Less: Impairment losses	(12,651)	(12,651)
End of financial year	6,228	6,228

Movement in impairment losses is as follows:

	2022	2021
	S\$'000	S\$'000
At beginning and end of the financial year	12,651	12,651

Name	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by the non-controlling interests		Principal activities
		2022	2021	2022	2021	
		%	%	%	%	
<u>Held by the Company</u>						
Xpress Print (Pte) Ltd ⁽¹⁾	Singapore	100	100	-	-	Provision of general printing, multimedia and pre-press work
A-Smart Property Holdings Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Real estate developers and property investment activities
A-Smart Commerce Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Investment holding
A-Smart Investments Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Investment holding
A-Smart Media Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Publishing and event management
Xpress Print (Vietnam) Co., Ltd ⁽⁵⁾	Vietnam	-	100	-	-	Inactive

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

6 Investments in subsidiary corporations (cont'd)

Name	Country of business incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by the non-controlling interests		Principal activities
		2022	2021	2022	2021	
		%	%	%	%	
<u>Held by Xpress Print (Pte) Ltd</u>						
Xpress Print (Australia) Pty Ltd ⁽²⁾	Australia	76	76	24	24	Inactive
<u>Held by A-Smart Commerce Pte. Ltd.</u>						
A-Smart Life Pte. Ltd. ⁽¹⁾	Singapore	100	100	-	-	Development, resale and distribution of smart IT solutions and applications
A-Smart Pair (SEA) Pte. Ltd. ⁽¹⁾⁽⁶⁾	Singapore	100	80	-	20	Selling, leasing, servicing and maintaining green technology systems as part of smart city solutions
<u>Held by A-Smart Property Holdings Pte. Ltd.</u>						
Timor Marina Square S.A. ⁽³⁾	Timor-Leste	69	69	31	31	Property development in Timor-Leste
Timor City Square S.A. ⁽⁴⁾	Timor-Leste	60	60	40	40	Property development in Timor-Leste

(1) Audited by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation).

(2) Subsidiary corporation undergoing voluntary liquidation.

(3) Subsidiary corporation in the early stages of property development. Construction and presales yet to commence.

(4) Subsidiary corporation yet to commence operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

6 Investments in subsidiary corporations (cont'd)

- ⁽⁵⁾ During the financial year, the Group has completed the liquidation process of its 100% equity interest in the subsidiary corporation, Xpress Print (Vietnam) Co. Ltd..

The effects of the liquidation on the cash flows of the Group were:

	Xpress Print (Vietnam) Co. Ltd. 2022 S\$'000
<hr/>	
Carrying amounts of liabilities as at the date of liquidation:	
Trade and other payables	(133)
Current income tax liabilities	(21)
Total liabilities	<u>(154)</u>
Net liabilities	<u>(154)</u>
Gain on liquidation of a subsidiary corporation (Note 19(a))	<u>(154)</u>

- ⁽⁶⁾ During the financial year, the Company has acquired the remaining 20% of the issued shares of A-Smart Pair (SEA) Pte. Ltd. by offsetting with the amount due from non-controlling interest. The Group now holds 100% of the equity share capital of A-Smart Pair (SEA) Pte. Ltd.. The carrying amount of the non-controlling interests in A-Smart Pair (SEA) Pte. Ltd.. on the date of acquisition was S\$10,000. The Group derecognised non-controlling interests of S\$10,000 and no impact in equity attributable to the owners of the parent.

	2022 S\$'000
<hr/>	
Carrying amount of non-controlling interest acquired	10
Offset with amount due from non-controlling interest	(10)
Impact in the parent's equity	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

6 Investments in subsidiary corporations (cont'd)

Carrying value of non-controlling interests

	(Loss)/profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Xpress Print (Australia) Pty Ltd	-*	-*	108	108
Other subsidiary corporations with immaterial non-controlling interests	(29)	23	44	83
	(29)	23	152	191

* Less than S\$1,000

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

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

Summarised statement of financial position

	Xpress Print (Australia) Pty Ltd	
	2022 S\$'000	2021 S\$'000
Current		
Assets	1,104	1,113
Liabilities	(524)	(533)
Total net current assets represent net assets	580	580

Summarised income statements

	Xpress Print (Australia) Pty Ltd	
	2022 S\$'000	2021 S\$'000
Revenue	-	-
Loss before income tax	(3)	(8)
Income tax expense	-	-
Loss for the financial year	(3)	(8)
Other comprehensive income	3	-*
Total comprehensive loss	-	(8)

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

6 Investments in subsidiary corporations (cont'd)

Summarised cash flows

	Xpress Print (Australia) Pty Ltd	
	2022 S\$'000	2021 S\$'000
Net cash (used in)/provided by operating activities	(11)	48
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
	(11)	48

7 Investment in an associated company

	Group	
	2022 S\$'000	2021 S\$'000
Equity investment		
Beginning of financial year	1,457	1,348
Currency translation differences	(16)	39
Share of profit of an associated company	71	70
End of financial year	1,512	1,457

Details of the Group's associated company are as follows. The associated company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group.

Name of entity	Place of business/ country of incorporation	% of ownership interest
Sheng Siong (China) Supermarket Co., Ltd	People's Republic of China	10

The principal activities of Sheng Siong (China) Supermarket Co., Ltd is supermarket operations in China.

Management has assessed the level of influence that the Group has on Sheng Siong (China) Supermarket Co., Ltd and determined that it has significant influence of the investment through its representation on the board of directors. Consequently, this investment has been classified as an associated company.

There was no contingent liability relating to the Group's interest in the associated company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

7 Investment in an associated company (cont'd)

Summarised financial information for associated company

Set out below are the summarised financial information for Sheng Siong (China) Supermarket Co., Ltd.

<u>Summarised statement of financial position</u>	2022 S\$'000	2021 S\$'000
Current assets	8,234	8,607
Current liabilities	(4,344)	(3,246)
Non-current assets	4,385	2,362
Net assets	8,275	7,723
<u>Summarised statement of comprehensive income</u>	2022 S\$'000	2021 S\$'000
Net profit for the financial year	710	700
Other comprehensive income	-	-
Total comprehensive income	710	700

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

Reconciliation of summarised financial information

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

	2022 S\$'000	2021 S\$'000
Net assets at date of acquisition	6,932	6,932
Currency translation differences	(120)	38
Retained profits	1,463	753
At 31 July	8,275	7,723
Interest in associated company (10%)	827	772
Capital contribution due to the associated company (Note 18)	685	685
Carrying value	1,512	1,457

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

8 Amounts due from / (to) subsidiary corporations

	Company	
	2022 S\$'000	2021 S\$'000
<u>Non-current</u>		
Long-term loans to subsidiary corporations		
- Non-trade	<u>5,792</u>	<u>4,854</u>
<u>Current</u>		
Amounts due from subsidiary corporations		
- Trade	201	552
- Non-trade	<u>448</u>	<u>3,645</u>
	<u>649</u>	<u>4,197</u>
Amounts due to subsidiary corporations		
- Trade	(5)	(183)
- Non-trade	<u>(3,993)</u>	<u>(17,818)</u>
	<u>(3,998)</u>	<u>(18,001)</u>

The non-current non-trade loans to subsidiary corporations are quasi-equity in nature and provides the subsidiary corporations with the long-term capital to carry out the property development projects in Timor-Leste. These loans are unsecured, interest-free and will be repaid when the property development projects are completed and sold.

The current non-trade amounts due from/(to) subsidiary corporations are unsecured, interest-free and repayable on demand.

9 Inventories

	Group	
	2022 S\$'000	2021 S\$'000
<u>At cost</u>		
Finished goods	175	232
Raw materials and consumables	<u>90</u>	<u>97</u>
	<u>265</u>	<u>329</u>

Costs of inventories recognised as expense was included in "Raw materials and consumables used" in the consolidated income statement and amount to S\$3,035,000 (2021: S\$2,659,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

10 Development properties

	Group	
	2022 S\$'000	2021 S\$'000
Land under development in Timor-Leste	4,147	3,965
Land held for future development or for sale in Timor-Leste	3,285	3,251
	7,432	7,216

Development properties comprise land under development and land held for future development or for sale. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle.

ROU assets classified within Development properties

The right-of-use assets relating to the leasehold land held for future development (Note 5), presented under development properties, is stated at cost and has a carrying amount at reporting date of S\$2,306,000 (2021: S\$2,587,000).

Location	Tenure	Site area (sq m)	Description of proposed development	Existing use	Group's effective interest in the property	
					2022 %	2021 %
Lecidere, Dili, Timor-Leste ^(a)	Freehold	3,204	Mixed development of 2 blocks of 20 storey building comprising retail, office and residential apartment units.	Vacant	69	69
CBD, Dili, Timor- Leste ^(b)	99 years	5,310	Not applicable.	Vacant	60	60

(a) Structural plans for the project completed and building permit issued by the Timor Building Authorities as the date of this report.

(b) Plans not finalised for this project site.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

11 Trade and other receivables

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Trade receivables – Non-related parties	1,231	748	-	-
Other receivables – Non-related parties ^(b)	433	248	63	63
Bank interest receivable	6	-	6	-
Interest receivables – Related party	169	115	-	-
Advances to staff	4	4	-	-
Receivable from disposal of subsidiary corporations ^(a)	500	550	500	550
Deposits ^(b)	761	752	-	3
	1,873	1,669	569	616
Advance payment to suppliers	176	232	-	-
Prepayments	124	38	28	-
Total other receivables	2,173	1,939	597	616

^(a) The receivable from disposal of subsidiary corporations pertaining to the balance of proceed from disposal of the former subsidiary corporations. Management has assessed that no ECL is required as the party is continuing making repayments to the Group.

^(b) Included in the other receivables – non-related parties and deposits are S\$274,000 and S\$345,109 (2021: S\$Nil and S\$345,109) respectively which relate to advances made to and deposits paid to the local partner for the purpose to execute the Contract to guarantee the performance obligations under the Contract Granting Superficie Rights (the “Contract”) entered by the Group in June 2019.

12 Cash and cash equivalents

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Cash at bank and on hand	3,477	4,991	1,817	3,308
Short-term bank deposits	2,526	2,520	2,526	2,520
	6,003	7,511	4,343	5,828

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

13 Financial asset, at FVPL

	Group and Company	
	2022 S\$'000	2021 S\$'000
Beginning of financial year	41	22
Fair value gains (Note 19(a))	4	19
End of financial year	<u>45</u>	<u>41</u>
<u>Current</u>		
Non-listed equity security - Singapore	<u>45</u>	<u>41</u>

The instrument is all mandatorily measured at fair value through profit or loss. The fair value is within level 3 of the fair value hierarchy as management has used the net assets of the investee as basis of measurement of fair value.

14 Share capital

	No. of shares		Amount	
	2022 '000	2021 '000	2022 S\$'000	2021 S\$'000
Group and Company				
Issued and fully paid:				
<i>Ordinary Shares</i>				
At beginning and end of financial year	<u>149,062</u>	149,062	<u>147,360</u>	147,360

- (i) There was no issuance of new shares during the financial years ended 31 July 2022 and 2021 respectively.
- (ii) All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

14 Share capital (cont'd)

(a) Share options

The Company adopted the A-Smart Employee Share Option Scheme 2018 (the "ESOS" or "Scheme") on 30 November 2018. Under the Scheme, options to subscribe for the ordinary shares of the Company are granted to Directors, key management personnel and employees who are confirmed in his employment with the Group or an associated company of the Group, attained the age of 21 years on or before the date of grant and not be an undischarged bankrupt and must not have entered into a composition with his creditors. The Options may be granted at an exercise price equal to the market price of the Shares, determined by taking the average closing prices of the Company's ordinary shares as quoted on the SGX-ST for five market days immediately preceding the date of the grant (a "Market Price Option") or at a discount to such Market Price of up to 20% (a "Discounted Option"). A Market Price Option shall only be exercisable after one year from the date of grant of such Option while a Discounted Option shall only be exercisable after two years from the date of grant of such Discounted Option. The date of expiry of the Options shall be determined by the Remuneration Committee in its sole discretion but shall in any case, not exceed the fifth anniversary of the date of grant of the relevant Option. Options not exercised prior to their expiry date shall immediately lapse and become null and void and the relevant Grantee shall have no claim against the Company.

The number of options available under the ESOS shall not exceed 15% of the total issued shares of the Company on the day preceding the relevant date of grant. There were no share options granted during the financial years ended 31 July 2022 and 2021 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

14 Share capital (cont'd)

(a) Share options (cont'd)

The following table summarises the information on the options granted under the Scheme to Directors and Participants as required to be disclosed under the rules of the SGX-ST Listing Manual:

Name of participants	Options granted/ (forfeited) during the financial year	Aggregate options granted since commencement of ESOS to the beginning of the financial year	Aggregate options granted since commencement of ESOS to the end of the financial year	Aggregate options cancelled/ forfeited/ lapsed since commencement of ESOS to the end of the financial year	Aggregate options exercised since commencement of ESOS to the end of the financial year	Aggregate options outstanding at end of financial year
2022						
Directors						
Ma Weidong (Controlling shareholder)	-	350,000	350,000	-	-	350,000
Lim Huan Chiang	-	350,000	350,000	-	-	350,000
Chu Hongtao	-	100,000	100,000	-	-	100,000
Sam Chong Keen	-	90,000	90,000	-	-	90,000
Darlington Tseng Te-Lin	-	80,000	80,000	-	-	80,000
Kenneth Loo	-	80,000	80,000	-	-	80,000
	-	1,050,000	1,050,000	-	-	1,050,000
Participants other than Directors						
Foong Sow Peng	-	80,000	80,000	-	-	80,000
Yo Ngan Kia	-	80,000	80,000	-	-	80,000
Other employees	(33,000)	448,000	448,000	(149,000)	-	299,000
	(33,000)	1,658,000	1,658,000	(149,000)	-	1,509,000
2021						
Directors						
Ma Weidong (Controlling shareholder)	-	350,000	350,000	-	-	350,000
Lim Huan Chiang	-	350,000	350,000	-	-	350,000
Chu Hongtao	-	100,000	100,000	-	-	100,000
Sam Chong Keen	-	90,000	90,000	-	-	90,000
Darlington Tseng Te-Lin	-	80,000	80,000	-	-	80,000
Kenneth Loo	-	80,000	80,000	-	-	80,000
	-	1,050,000	1,050,000	-	-	1,050,000
Participants other than Directors						
Foong Sow Peng	-	80,000	80,000	-	-	80,000
Yo Ngan Kia	-	80,000	80,000	-	-	80,000
Other employees	(116,000)	448,000	448,000	(116,000)	-	332,000
	(116,000)	1,658,000	1,658,000	(116,000)	-	1,542,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

14 Share capital (cont'd)

(a) Share options (cont'd)

None of the Directors and/or other employees received 5% or more of the total number of options available under the Scheme.

Movements in the number of unissued ordinary shares under the A-Smart Employee Share Option Scheme and their exercise prices are as follows:

	No. of ordinary shares under option				Exercise price	Exercise period
	Beginning of financial year	Granted during financial year	Forfeited during financial year	End of financial year		
Group and Company						
2022						
Options granted on 17.02.2020	1,542,000	-	(33,000)	1,509,000	S\$0.356	17.02.2021-16.02.2025
	1,542,000	-	(33,000)	1,509,000		
2021						
Options granted on 17.02.2020	1,658,000	-	(116,000)	1,542,000	S\$0.356	17.02.2021-16.02.2025
	1,658,000	-	(116,000)	1,542,000		

There were 1,509,000 unexercised options (2021: 1,542,000) that can be exercisable into 1,509,000 ordinary shares (2021: 1,542,000) at the end of the financial year ended 31 July 2022.

The fair value of options granted on 17 February 2020, determined using the Binomial Valuation Model was S\$30,000. The significant inputs into the model were the share price of S\$0.35 as at the grant date, the exercise price of S\$0.356, standard deviation of expected share price returns of 23%, dividend yield of 0%, the option life shown above and the annual risk-free interest rate of 1.65%. The volatility measured on the standard deviation of expected share price returns was estimated based on statistical analysis of share prices over the past 30 months.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group strives to maintain a prudent capital structure. The capital structure of the Group comprises equity and debts.

The Group and the Company are not subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the financial years ended 31 July 2022 and 2021 respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

15 Reserves

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Composition:				
Currency translation reserve	92	(38)	-	-
Share option reserve	25	25	25	25
	117	(13)	25	25

Movements:

(i) Currency translation reserve

	Group	
	2022 S\$'000	2021 S\$'000
Beginning of financial year	(38)	(14)
Net currency translation differences of financial statements of foreign subsidiary corporations and associated company	130	(24)
Less: Non-controlling interests	-*	-*
End of financial year	92	(38)

* Less than S\$1,000

(ii) Share option reserve

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Beginning of financial year	25	15	25	15
Employee share option scheme				
- Value of employee services (Note 19(b))	-	10	-	10
End of financial year	25	25	25	25

Reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

16 Lease liabilities

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Current	282	479	12	12
Non-current	2,353	2,895	31	43
	2,635	3,374	43	55

Security granted

The lease liabilities of S\$93,000 (2021: S\$157,000) and S\$43,000 (2021: S\$55,000) for the Group and the Company respectively are secured over certain leasehold premises, motor vehicles, machineries and office equipment of the Group. Except for leasehold premises, the legal title of assets acquired through leases will be retained by the lessors and transferred to the Group and the Company upon full settlement of the lease liabilities.

17 Provision for reinstatement costs

	Group	
	2022 S\$'000	2021 S\$'000
At beginning and end of financial year	30	30

The provision relates to the Group's obligation to reinstate leased premises to its original condition upon termination of lease and is based on the management's estimate in similar situations. The Group expects to incur the liability if the lease is not renewed upon its expiration.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

18 Trade and other payables

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Trade payables – Non-related parties	75	156	-	-
Other payables – Non-related parties	407	140	75	13
Working capital loan due to non-controlling interests	348	338	-	-
Capital contribution due to an associated company (Note 7)	685	685	-	-
Accruals for operating expenses	293	200	58	47
Accrued directors' fees	88	88	88	88
Deposits received from customers	221	53	-	-
	2,042	1,504	221	148
	2,117	1,660	221	148

The capital contribution due to an associated company is unsecured, interest-free and repayable on demand.

19 Revenue

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines.

Group	At a point in time S\$'000	Over time S\$'000	Total S\$'000
2022			
Print and media	5,782	-	5,782
Smart technologies	289	73	362
Total revenue	6,071	73	6,144
2021			
Print and media	5,068	-	5,068
Smart technologies	792	29	821
Total revenue	5,860	29	5,889

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

19(a) Other income

Group	2022	2021
	S\$'000	S\$'000
Dividend income	-	7
Rental income (Note 5(ii))	31	25
Gain on disposal of property, plant and equipment	-	75
Government grant income	12	225
Fair value gains – Financial asset, at FVPL (Note 13)	4	19
Miscellaneous income	-	7
Gain on liquidation of a subsidiary corporation (Note 6)	154	-
	201	358

The Group's dividend income in FY2021 includes dividend recognised from investment in equity instrument designated at FVPL of S\$7,000.

There was no grant income recognised during the financial year under the Jobs Support Scheme (the "JSS") (2021: S\$89,500). The JSS is a temporary scheme introduced in the Singapore Budget 2020 and has been extended up to 2021 by the Government to help enterprise retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

19(b) Staff costs

Group	2022 S\$'000	2021 S\$'000
<u>Directors' fees:</u>		
● Directors of the Company		
- Current financial year	88	88
● Director of the subsidiary corporations		
- Current financial year	-	5
<u>Directors' remuneration other than fees:</u>		
● Directors of the Company	383	383
- Contributions to defined contribution plans	8	8
- Share option expense (Note 15(ii))	-	6
● Directors of a subsidiary corporation	138	234
- Contributions to defined contribution plans	6	10
- Share option expense (Note 15(ii))	-	1
<u>Key management personnel (other than directors):</u>		
● Salaries, wages and other related costs	452	364
● Contributions to defined contribution plans	43	31
● Share option expense (Note 15(ii))	-	1
Key management personnel compensation	1,118	1,131
Other than directors and key management personnel:		
- Salaries, wages and other related costs	1,421	1,625
- Contributions to defined contribution plans	264	235
- Accrued performance bonuses	258	-
- Share option expense (Note 15(ii))	-	2
	<u>3,061</u>	<u>2,993</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

19(c) Other expenses

Group	2022 S\$'000	2021 S\$'000
Corporate and legal expenses	100	97
Audit fees		
- Current financial year:		
Auditor of the company	97	82
Bank charges	7	7
Insurance	20	20
Marketing	135	77
Lease expense – short-term leases (Note 5(i)(d))	1	11
Property, plant and equipment written off	48	-
Printing and postage	16	4
Repair and maintenance of equipment	36	41
Telecommunication	13	27
Utilities	95	73
Upkeep of motor vehicles	50	47
Others	156	98
	774	584

20(a) Interest income

Group	2022 S\$'000	2021 S\$'000
Interest income		
- Fixed deposits	18	18
- Loan to a related party	54	53
	72	71

20(b) Finance costs

Group	2022 S\$'000	2021 S\$'000
Interest expense - lease liabilities (Note 5(i)(c))	21	53

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

21 Income tax expense

Group	2022 S\$'000	2021 S\$'000
Current income tax	-	-
Reconciliation of effective tax rate		
Group	2022 S\$'000	2021 S\$'000
Loss before taxation	(1,127)	(678)
Share of profit of an associated company	(71)	(70)
Loss before taxation and share of profit of an associated company	<u>(1,198)</u>	<u>(748)</u>
Tax credit calculated using Singapore tax rate of 17% (2021: 17%)	(204)	(127)
Effects of:		
Expenses not deductible for tax purposes	96	77
Income not subject to tax	(27)	(42)
Utilisation of previously unrecognised tax benefits	-	(50)
Utilisation of group relief	(19)	(2)
Deferred tax assets not recognised	<u>154</u>	<u>144</u>
	<u>-</u>	<u>-</u>

At the reporting date, the Group had unabsorbed tax losses, unutilised capital allowances and unutilised investment allowances of approximately S\$4.1 million (2021: S\$4.2 million), S\$3.8 million (2021: S\$5.2 million) and S\$3,000 (2021: S\$3,000) respectively, that are available for carry forward and set-off against future taxable income, subject to agreement by the tax authorities and compliance with certain provisions of the tax legislations of the respective countries in which the subsidiary corporations operate. The tax losses have no expiry date.

22 Loss per share

Basic

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

Diluted

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

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

22 Loss per share (cont'd)

Basic and diluted loss per share are calculated as follows:

	2022	2021
Basic loss per share		
Loss attributable to owners of the Company (S\$'000)	<u>(1,098)</u>	<u>(701)</u>
Weighted average number of ordinary shares in issue ('000)	<u>149,062</u>	<u>149,062</u>
Basic loss per share (cents)	<u>(0.74)</u>	<u>(0.47)</u>
Diluted loss per share		
Loss attributable to owners of the Company (S\$'000)	<u>(1,098)</u>	<u>(701)</u>
Weighted average number of ordinary shares in issue ('000)	<u>149,062</u>	<u>149,062</u>
Adjustment for:		
- Share options ('000)	<u>1,509</u>	<u>1,542</u>
	<u>150,571</u>	<u>150,604</u>
Basic loss per share (cents)	<u>(0.74)*</u>	<u>(0.47)*</u>

* As losses were recorded, the dilutive potential shares from share options outstanding at the end of financial years 2022 and 2021 were anti-dilutive and hence no changes were made to the diluted loss per share.

23 Commitments

Capital commitments

	2022	2021
Group	S\$'000	S\$'000
Commitments in respect of		
- Procurement of goods for media events	<u>300</u>	<u>280</u>
- Procurement of food waste digester machines	<u>168</u>	<u>128</u>
	<u>468</u>	<u>408</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

24 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments:

- (a) Print and Media – the Print segment is involved in the printing of financial research reports, annual reports, asset management reports, initial public offering prospectuses, corporate brochures, year books, trade directories, magazines and other commercial publications and collaterals. The Media segment is involved in events management.
- (b) Property – involved in the property development business.
- (c) Smart Technologies - involved the development, sale and redistribution of smart IT solutions, gadgets, software and hardware products.
- (d) Corporate and Others – the Corporate segment refers to the Corporate office which incurs general corporate expenses and costs for shared services to support the Group. Others refer to long-term investments in non-quoted equities, held for future capital gains and dividend income.

Intra-segment and inter-segment transactions were carried out at terms agreed between the parties during the financial year. Intra-segment and inter-segment transactions were eliminated on consolidation.

Segment revenue and expenses:

Segment revenue and expenses are the operating revenue and expenses reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment.

Group cash resources, financing activities and income taxes are managed on a group basis and are not allocated to operating segments. Unallocated assets comprise cash and cash equivalents. Unallocated liabilities comprise lease liabilities, provision for reinstatement costs and current income tax liabilities.

The Board of Directors (the "Board"), who are the Chief Operating Decision Maker assess the performance of the operating segments based on a measure of segment results for continuing operations. This measurement basis excludes the effects of expenditure from the operating segments such as restructuring costs and impairment loss that are not expected to recur regularly in every period which the Board separately analysed. Finance costs are not allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

24 Operating segments (cont'd)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before taxation, as included in the internal management reports that are reviewed by the Board.

	Print and Media		Property		Corporate and Others		Smart Technologies		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales to external customers	5,782	5,068	-	-	-	-	362	821	-	-	6,144	5,889
Inter-segment sales	21	58	-	-	-	-	32	-	(53)	(58)	-	
Segment revenue	5,803	5,126	-	-	-	-	394	821	(53)	(58)	6,144	5,889
Segment results	2	25	(77)	42	(885)	(820)	(224)	116	7	(58)	(1,177)	(695)
Finance costs											(21)	(53)
Share of profit of an associated company											71	70
Loss before taxation											(1,127)	(678)
Income tax expense											-	-
Net loss for the financial year											(1,127)	(678)
Assets and liabilities:												
Segment assets	2,477	2,928	8,502	7,877	2,374	2,380	445	415	-	-	13,798	13,600
Unallocated assets											6,003	7,511
Total assets											19,801	21,111
Segment liabilities	754	451	356	347	908	836	99	26	-	-	2,117	1,660
Current income tax liabilities											-	21
Unallocated liabilities											2,665	3,404
Total liabilities											4,782	5,085

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

24 Operating segments (cont'd)

	Print and Media		Property		Corporate and Others		Smart Technologies		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other segment information:												
Additions to property, plant and equipment	42	29	-	-	-	166	-	1	-	-	42	196
Depreciation of property, plant and equipment	673	708	-	-	46	44	5	1	-	-	724	753
Interest expense	19	51	-	-	2	2	-	-	-	-	21	53
Gain on disposal of property, plant and equipment	-	-	-	-	-	(75)	-	-	-	-	-	(75)
Property, plant and equipment written off	48	-	-	-	-	-	-	-	-	-	48	-
Impairment loss on financial assets	-	23	-	-	-	-	-	-	-	-	-	23
Gain on liquidation of a subsidiary corporation	(154)	-	-	-	-	-	-	-	-	-	(154)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

24 Operating segments (cont'd)

The following table presents revenue, non-current assets and additions to property, plant and equipment information based on the geographical location of customers and assets:

	Revenue from external customer		Non-current assets		Additions to property, plant and equipment	
	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	6,144	5,889	2,652	3,327	42	196
Timor-Leste	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	6,144	5,889	2,652	3,327	42	196

Revenue of S\$3.0 million (2021: S\$2.0 million) is derived from 3 (2021: 1) external customers. These revenues are attributable to Singapore print and media segment.

25 Financial risk management

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

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

(a) Market risk

Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the United States Dollar ("USD"), Hong Kong Dollar ("HKD") and Australian Dollar ("AUD").

Such risks are managed by matching sales with corresponding purchases, and assets and liabilities in the same currencies. The Group does not enter into currency options and does not use forward exchange contracts to protect against volatility associated with foreign currency sales and purchases.

The Group is also exposed to currency translation risk on its net investments in foreign operations. Such exposures are reviewed and monitored on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

25 Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

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

Group	USD	HKD	AUD	Total
SGD equivalent	S\$'000	S\$'000	S\$'000	S\$'000
<u>At 31 July 2022</u>				
Financial assets:				
Cash and cash equivalents	-	4	-	4
Trade receivables	-	-	10	10
Financial liabilities:				
Trade and other payables	(685)	-	-	(685)
Net currency exposure	(685)	4	10	(671)
<u>At 31 July 2021</u>				
Financial assets:				
Cash and cash equivalents	10	6	-	16
Trade receivables	-	-	4	4
Financial liabilities:				
Trade and other payables	(685)	-	-	(685)
Net currency exposure	(675)	6	4	(665)

As at 31 July 2022 and 2021, the Company does not have significant foreign currency exposures as its financial assets and financial liabilities are mainly denominated in Singapore Dollar which is its functional currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

25 Financial risk management (cont'd)

(a) Market risk (cont'd)

Currency risk (cont'd)

Sensitivity analysis - Currency risk

A 5% strengthening of the above currencies against the SGD at the reporting date would have decreased/increased equity and profit or loss after tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular tax rates remain constant.

Group	USD	HKD	AUD	Total
SGD equivalent	S\$'000	S\$'000	S\$'000	S\$'000
<u>31 July 2022</u>				
(Decrease)/increase in loss after tax	(28)	-*	-*	(28)
<u>31 July 2021</u>				
(Decrease)/increase in loss after tax	(28)	-*	-*	(28)

* Less than S\$1,000

A 5% weakening of the above currencies against the SGD would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets and liabilities at variable rates, the Group's income is substantially independent of changes in market interest rates.

Equity price risk

The Group is exposed to insignificant equity security price risk arising from the investment held by the Group which is classified as financial asset at FVPL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

25 Financial risk management (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group has adopted the policy of dealing only with customers of appropriate credit standing and history as a means of mitigating the risk of financial loss from such defaults. The Group does not require collateral from its customers.

Cash and cash equivalents are placed with reputable financial institutions of high credit ratings.

For customers, the Group performs credit reviews on new customers before acceptance and an annual review for existing customers. Credit reviews take into account customers' financial strength, the Group's past experiences with the customers and other relevant factors.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the Group comprise 3 (2021: 2) debtors, that individually represented between 7% - 43% (2021: 5% - 56%) of trade receivables.

Impairment of financial assets

The Group has the following financial assets where the expected credit loss model has been applied:

- Trade receivables (including amount due from subsidiary corporations)

The Group has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for all trade receivables. The provision matrix is based on actual credit loss expenses over the past years.

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL") via provision matrix as these items do not have a significant financing component. In measuring the expected credit losses, customers are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking information affecting the ability of the customers to settle the receivables. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

25 Financial risk management (cont'd)

(b) Credit risk (cont'd)

Impairment of financial assets (cont'd)

- Trade receivables (including amount due from subsidiary corporations) (cont'd)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group recognised a loss allowance of S\$Nil (2021: S\$23,000) against trade receivables as at 31 July 2022. No other loss allowance against trade receivables is recognised as the management believes that the amounts that are past due are collectable, based on historical payment behavior and credit-worthiness of the customers.

- Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost are mainly comprised of cash and cash equivalents and other receivables (including amount due from subsidiary corporations).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets.

For the purpose of impairment assessment, loss allowance is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

Other financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of other receivables to engage in a repayment plan with the Group or the Company, and a failure to make contractual payments.

No loss allowance against other financial assets, at amortised cost is recognised as the management believes that the amounts are collectable, based on historical payment behaviour and credit-worthiness of these receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

25 Financial risk management (cont'd)

(c) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of the overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirement. In addition, the Group strives to maintain a level of credit facilities deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows, including estimated interest payment.

	Contractual undiscounted cash flows				
	Carrying amount S\$'000	Total S\$'000	Less than 1 year S\$'000	Between 1 and 5 years S\$'000	Over 5 years S\$'000
Group					
<u>At 31 July 2022</u>					
Trade and other payables	2,117	2,117	2,117	-	-
Lease liabilities	2,635	23,002	292	832	21,878
	4,752	25,119	2,409	832	21,878
<u>At 31 July 2021</u>					
Trade and other payables	1,660	1,660	1,660	-	-
Lease liabilities	3,374	23,995	523	1,399	22,073
	5,034	25,655	2,183	1,399	22,073
Company					
<u>At 31 July 2022</u>					
Trade and other payables	221	221	221	-	-
Lease liabilities	43	47	14	33	-
	264	268	235	33	-
<u>At 31 July 2021</u>					
Trade and other payables	148	148	148	-	-
Lease liabilities	55	62	14	48	-
	203	210	162	48	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

25 Financial risk management (cont'd)

(d) Fair values of financial instruments

The fair value of financial instruments that are not trade in an active market is determined by valuation techniques. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3 (Note 13).

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

(e) Financial instruments by category

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

Group	2022 S\$'000	2021 S\$'000
Financial asset, at FVPL	45	41
Financial assets, at amortised cost	9,107	9,928
Financial liabilities, at amortised cost	4,752	5,034
	2022	2021
Company	S\$'000	S\$'000
Financial asset, at FVPL	45	41
Financial assets, at amortised cost	11,353	15,495
Financial liabilities, at amortised cost	4,262	18,204

26 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were no significant transactions between the Group and related parties during the financial year on terms agreed between the parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

27 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 August 2022 and which the Group has not early adopted.

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

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

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

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

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

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment*:

Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022)

The amendment to SFRS(I) 1-16 *Property, Plant and Equipment* ("PPE") prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

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

Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*:

Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

28 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of A-Smart Holdings Ltd. on 11 November 2022.

STATISTICS OF SHAREHOLDINGS

AT 3 NOVEMBER 2022

Class of Shares	:	Ordinary share
Voting right	:	One vote per share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	149,062,362
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5,940	46.06	226,205	0.15
100 - 1,000	4,654	36.09	1,468,826	0.99
1,001 - 10,000	1,816	14.09	6,082,342	4.08
10,001 - 1,000,000	472	3.66	26,409,312	17.72
1,000,001 AND ABOVE	13	0.10	114,875,677	77.06
TOTAL	12,895	100.00	149,062,362	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	MA WEIDONG	75,000,000	50.31
2	CITIBANK NOMINEES SINGAPORE PTE LTD	9,400,682	6.31
3	WONG SWEE CHUN	7,400,000	4.96
4	LIAO SHENG-TUNG	5,164,485	3.46
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,424,681	2.97
6	NG CHOON MENG	2,581,900	1.73
7	DBS NOMINEES (PRIVATE) LIMITED	2,314,720	1.55
8	CHUA GEOK LIN	2,218,787	1.49
9	GOH CHUNG HEE	1,824,875	1.22
10	WONG SIEW CHING	1,262,547	0.85
11	LIM YUXIANG (LIN YUXIANG)	1,194,300	0.80
12	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,084,825	0.73
13	NG SOH KIOW	1,003,875	0.67
14	PHILLIP SECURITIES PTE LTD	881,906	0.59
15	LEE BON LEONG	757,985	0.51
16	UOB KAY HIAN PRIVATE LIMITED	737,435	0.49
17	YEP GEE KUARN	700,000	0.47
18	NG CHOONG KENG	565,835	0.38
19	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	555,953	0.37
20	OW SONG CHUA	538,400	0.36
	TOTAL	119,613,191	80.22

STATISTICS OF SHAREHOLDINGS

AT 3 NOVEMBER 2022

SUBSTANTIAL SHAREHOLDERS AS AT 3 NOVEMBER 2022

(As recorded in the Register of Substantial Shareholders)

NO.	NAME	DIRECT INTEREST		DEEMED INTERESTS	
		NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
1.	Ma Weidong ⁽¹⁾	75,000,000	50.31	353,000	0.24
2.	Tseng An Hsiung Andy ⁽²⁾	-	-	7,879,674	5.29

Notes:

1. Mr. Ma Weidong is deemed interested in 353,000 ordinary shares held by his spouse, Mrs Jin Li Yan by virtue of Section 7 of the Singapore Companies Act 1967 (“Act”).
2. Mr. Tseng An Tsiung Andy is deemed interested in:
 - a) 3,822,842 ordinary shares held by Wellspring Investment Ltd by virtue of Section 7 of the Act;
 - b) 44,800 ordinary shares held by his spouse, Mrs Tseng Shu Eng Eng by virtue of Section 7 of the Act; and
 - c) 4,012,032 ordinary shares held by Dai Dai Development International Holdings Limited by virtue of Section 7 of the Act.

PERCENTAGE OF SHAREHOLDING IN PUBLIC’S HANDS

At 03 November 2022, 43.6% of the Company’s shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of A-Smart Holdings Ltd. (“Company”) will be held at 11 Eunos Road 8 Level 1 Training Room 1-2 Singapore 408601, on Tuesday, 29 November 2022 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 July 2022 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$88,128 for the financial year ended 31 July 2022 (2021: S\$88,128). **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to Regulations 94(2) of the Constitution of the Company.

Regulation 94(2)

Mr. Ma Weidong

(Resolution 3)

Mr. Darlington Tseng Te-Lin

(Resolution 4)

[See Explanatory Note (i)]

4. To re-appoint Messrs CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual.**

That pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) and Rule 806 of the Listing Manual, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in 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 of the Company may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Listing Manual; and
- (c) any subsequent consolidation or subdivision of shares;

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Listing Manual of the SGX-ST are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

(Resolution 6)

NOTICE OF ANNUAL GENERAL MEETING

7. Authority to issue shares under the A-Smart Employee Share Option

That pursuant to Section 161 of the Companies Act and the provisions of the A-Smart Employee Share Option Scheme (“**A-Smart ESOS**”), the Directors of the Company be authorised and empowered to offer and grant share options under the A-Smart ESOS and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of share options granted by the Company under the A-Smart ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the A-Smart ESOS shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 7)

By Order of the Board

Shirley Tan Sey Liy
Company Secretary
Singapore, 11 November 2022

Explanatory Notes:

- (i) Mr. Ma Weidong will, upon re-election as a Director of the Company, remain as the Non-Executive Chairman, member of the Nominating Committee and Remuneration Committee.

Mr. Darlington Tseng Te-Lin will, upon re-election as a Director of the Company, remain as the Non-Executive Director and a member of the Audit Committee and will be considered non-independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Please refer to the Company’s Annual Report FY2022 for the detailed information on Mr. Ma Weidong and Mr. Darlington Tseng Te-Lin required pursuant to Rule 720(6) of the Listing Manual.

- (ii) Resolution 6 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding in total fifty per cent (50%) of the total number of issued shares in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a *pro rata* basis to shareholders.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) Resolution 7 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares pursuant to the exercise of share options granted or to be granted under the A-Smart ESOS provided that the aggregate additional Shares to be allotted and issued pursuant to the A-Smart ESOS do not exceed in total (for the entire duration of the A-Smart ESOS) fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

Notes:

1. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("**Meeting**") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. Where a member of the Company appoint two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
4. If the member is a corporation, the instrument appointing the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 61 Tai Seng Avenue, Print Media Hub, #03-03, Singapore 534167 not less than forty-eight (48) hours before the time appointed for holding the Meeting.
6. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the item on the agenda of the AGM by:–
 - (a) submitting question via mail to the Company's registered office at 61 Tai Seng Avenue, Print Media Hub, #03-03, Singapore 534167, or email to HR@a-smart.sg in advance of the AGM no later than 18 November 2022; or
 - (b) "live" at the AGM.

When submitting the questions, please provide the Company with the following details, for verification purpose:–

- (i) full name;
- (ii) NRIC number;
- (iii) current address; ,
- (iv) contact number; and
- (v) number of Shares held. Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

NOTICE OF ANNUAL GENERAL MEETING

Shareholders are encouraged to submit their questions before 18 November 2022, as this will allow the Company sufficient time to address and respond to these questions on or before 25 November 2022, 10.00 a.m. (48 hours prior to the closing date and time for the lodgement of the proxy forms). The responses will be published on (i) the SGX-ST's website; and (ii) the Company's corporate website.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 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; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, 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.

Personal Data Privacy

Where a member of the Company submits 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, proxy 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.

A-SMART HOLDINGS LTD.

(Company Registration No. 199902058Z)
(Incorporated In the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his 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.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC/Passport No./Co. Registration No.)

of _____ (Address)

being *a member/members of **A-SMART HOLDINGS LTD.** ("**Company**"), hereby appoint:

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

*and/or (delete as appropriate)

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

or failing him/her*, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies* to vote for me/us* on my/our* behalf at the Meeting of the Company to be held at 11 Eunos Road 8 Level 1 Training Room 1-2 Singapore 408601 on Tuesday, 29 November 2022 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our proxy/proxies* to vote for or against or abstain from voting on the Resolutions 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 Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

No.	Resolutions relating to:	No. of Votes 'For'***	No. of Votes 'Against'***	No. of Votes 'Abstain'***
Ordinary Business				
1	Directors' Statement, Audited Financial Statements and Auditors' Report for the financial year ended 31 July 2022			
2	Approval of Directors' fees amounting to S\$88,128 for the financial year ended 31 July 2022 (2021: S\$88,128)			
3	Re-election of Mr. Ma Weidong as a Director			
4	Re-election of Mr. Darlington Tseng Te-Lin as a Director			
5	Re-appointment of Messrs CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as Auditors and to authorise the Directors of the Company to fix their remuneration			
Special Business				
6	Authority to allot and issue new shares			
7	Authority to issue shares under the A-Smart Employee Share Option Scheme			

* Delete where inapplicable

** If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this _____ day of _____ 2022

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

Signature of Shareholder(s)
and / or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a Relevant Intermediary entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member who is not a Relevant Intermediary appoints two 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 proxy.
4. A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member 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 refuse 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 61 Tai Seng Avenue, #03-03 Print Media Hub @ Paya Lebar iPark, Singapore 534167 not less than forty-eight (48) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member 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 1967 of Singapore.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his 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 is:

- (a) a banking corporation licensed under the Banking Act 1970 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; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, 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 the instrument appointing a proxy or proxies if it is incomplete, improperly completed or 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 Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (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 accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 November 2022.



A-SMART HOLDINGS LTD.

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