



# 2020 ANNUAL REPORT

**POWERMATIC DATA SYSTEMS LTD**





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

**Dr. Chen Mun** Chairman / Chief Executive Officer  
**Ms. Ang Bee Yan, Katherine**

#### Non-Executive Directors

**Mr. Yee Lat Shing, Tom** Independent Director  
**Dr. Lye Kin Mun** Independent Director  
**Mr. Tan Chao Hsiung, David** Independent Director

### AUDIT COMMITTEE

**Mr. Yee Lat Shing, Tom** Chairman  
**Dr. Lye Kin Mun**  
**Mr. Tan Chao Hsiung, David**

### NOMINATING COMMITTEE

**Dr. Lye Kin Mun** Chairman  
**Mr. Yee Lat Shing, Tom**  
**Mr. Tan Chao Hsiung, David**

### REMUNERATION COMMITTEE

**Mr. Tan Chao Hsiung, David** Chairman  
**Mr. Yee Lat Shing, Tom**  
**Dr. Lye Kin Mun**

### COMPANY SECRETARY

**Ms. Wong Yoen Har**

### REGISTERED OFFICE

9 Harrison Road  
#05-01  
Singapore 369651  
Tel : +65 6288 8220  
Fax : +65 6280 9947

### SHARE REGISTRAR

**Boardroom Corporate & Advisory Services Pte Ltd**  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623  
Tel : +65 6536 5355

### AUDITORS

**RSM Chio Lim LLP**  
8 Wilkie Road, #03-08  
Wilkie Edge  
Singapore 228095  
Tel : +65 6533 7600  
Fax : +65 6594 7811

### AUDIT PARTNER-IN-CHARGE

**Ms. See Ling Ling, Helen**  
Effective from reporting year ended 31 March 2018

### PRINCIPAL BANKERS

**United Overseas Bank Limited**  
80 Raffles Place UOB Plaza 1  
Singapore 048624

## SUBSIDIARY COMPANIES

### Compex Technologies Pte Ltd

9 Harrison Road,  
#05-01  
Singapore 369651  
Tel : (65) 6288 8220  
Fax : (65) 6280 9947  
[www.compex.com.sg](http://www.compex.com.sg)

### Compex Technologies Sdn Bhd

No 67 Jalan Ipark 1/7  
Kawasan Perindustrian Ipark,  
Bandar Indahpura,  
81000 Kulai, Johor  
Tel : (607) 660 8826  
[www.compex.com.sg](http://www.compex.com.sg)

### Compex Inc.

20653 Lycoming St Unit A7  
Walnut, Ca 91789  
United States  
Tel : 1.909.217.3998  
Fax : 1.909.256.0675

### 宝华电子(苏州)有限公司

No.12, ChuangTou Industrial Square  
LouFeng North  
Suzhou Industrial Park, Suzhou  
People's Republic of China 215122  
Tel : (86) 512 6295 0050  
Fax : (86) 512 6295 0028

### Compex Systems Pte Ltd

9 Harrison Road,  
#05-01  
Singapore 369651  
Tel : (65) 6288 8220  
Fax : (65) 6280 9947  
[www.compex.com.sg](http://www.compex.com.sg)

### 苏州康培网络产品有限公司

No.12, ChuangTou Industrial Square  
LouFeng North  
Suzhou Industrial Park, Suzhou  
People's Republic of China 215122  
Tel : (86) 512 6295 0050  
Fax : (86) 512 6295 0028

## CHAIRMAN'S STATEMENT



**With the worldwide introduction of cellular 5G, the 802.11ax WiFi 6 products we have developed are now supporting most of the 3rd-party 5G cellular modems. This will open up more business opportunities for us to tap into new trending applications that require cellular and WiFi working concurrently.**

Dear shareholders, on behalf of the board of director, I am delighted to present to you the annual report of Powermatic Data Systems Limited (the Company) and its subsidiaries (the Group) for the financial year ended 31 March 2020.

### FINANCIAL AND BUSINESS REVIEW

FY2020 was indeed an eventful year for the Group.

Our factory in Suzhou, China was shut down for more than two weeks in February 2020 in compliance with the local regulators' directives to contain the spread of Covid-19. Production activities are currently back to full capacity amid the challenging environment of global economic slow-down, supply chains and logistics disruptions.

Our 2nd production facility in Kulai, Malaysia, has commenced operations in the last quarter of FY2020 to meet the need of our customers who wish to widen supply source.

Despite the multi-fold challenges in managing rising production costs, rising wages and keen Competition amongst peers, the Group is pleased to report a net profit of S\$ 8.7 million for FY2020, representing an increase of

25% as compared to FY2019.

Revenue grew 4% year-on-year from S\$ 20.95 million in FY2019 to S\$ 21.76 million in FY2020. Our focus in FY2020 was to achieve organic growth by developing our existing businesses, optimize processes to improve efficiency, offering new products, stay competitive in pricing without compromising in product quality or service standard.

Profit before tax rose 28% from S\$7.73 million in FY2019 to S\$9.86 million in FY2020. The increase was attributable mainly to revenue growth, higher interest income and increase in foreign exchange gains.

Earnings per share rose 4.98 cents from 20.01 cents in FY2019 to 24.99 cents in FY2020. Net asset value per share as at 31 March 2020 was S\$1.75, rose by 7 cents from FY2019.

The Group's financial position and cash flow remained sound, net asset value stood at S\$61.2 million as at 31 March 2020, of which S\$ 39.2 million were represented by cash and cash equivalent.

The Group has no borrowing as of 31 March 2020 and as of the date of this report.

# CHAIRMAN STATEMENT

## WIRELESS CONNECTIVITY PRODUCTS

Our wireless connectivity products segment continued to grow on the strength of product reliability, stringent quality control measures, and our ability to provide flexible, ready-to-go solutions to our customers to achieve shorter to market time.

In addition to the sale of our proprietary product, we also provide OEM, joint design development, and other sales-related services.

Gross profit margins increased by 7% year-on-year, attributable to differences in sales mix and an increase in high value add services.

Currently, our R&D is working hard to bring the latest WiFi technology to the market. Asides from the 802.11ax WiFi 6 products that we have started developing since early 2019 and have since been completed, we now focus on WiFi 6E development.

WiFi 6E has recently been approved by FCC in the USA and is gaining tremendous tractions. WiFi 6E is capable of reducing the interference brought up by the legacy 2.4GHz and 5GHz down to 50% with its wide frequency band to operate with. It is capable of delivering more than 70% more speed than legacy 5GHz.

With the worldwide introduction of cellular 5G, the 802.11ax WiFi 6 products we have developed are now supporting most of the 3rd-party 5G cellular modems. This will open up more business opportunities for us to tap into new trending applications that require cellular and WiFi working concurrently.

Our wireless connectivity products are sold globally. We made considerable progress in increasing our reach in the Asia market in FY2020, representing 43% of the total revenue, followed by USA 33%, Europe 20%, and other regions 4%.

The outbreak of the Covid-19 Pandemic has impacted the world's economies in an unprecedented way. Customers at large, especially those in the hospitality and transportation sector, expect business to slow down in the foreseeable future. Supply chain disruptions and delays in the manufacturing process will invariably stifle the growth in the coming year.

## PROPERTY

Property profit rose 11% from S\$ 487,000 in FY2019 to S\$ 539,000 in FY2020. Rental income rose slightly as average occupancy rate improved while property expenses decreased year-on-year due to lower general maintenance expenses and lower agency commission on lease renewals.

The government's legislation mandating the property owners to co-fund the rental relief to tenants will negatively impact the profitability for FY2021. The bleak economic outlook is expected to put pressure on the Group to lower the rental rates upon lease renewals.

## CAPITAL REDUCTION

The Board announced on 25 August 2020 that the Company proposes to undertake a Capital Reduction exercise by returning the surplus capital which it no longer requires to the shareholders via cash distribution.

The Board is of the view that the Capital Reduction is in the best interests of the Company as it would result in the Company having a more efficient capital structure, thereby improving Shareholders' return on equity. In determining the level of capital to be returned to Shareholders, the Company has ensured that it retains sufficient capital for business and operational needs.

The Board will be presenting the proposal to the shareholders for approval at the forthcoming EGM.

For further details, please refer to the Circular dated 7 September 2020.

## DIVIDENDS

In the light of the impending Capital Reduction exercise, no dividend was proposed or recommended for FY2020.

## ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my appreciation to our shareholders, customers, employees, and business partners for their support in making FY2020 a fruitful year for us.

We will continue to work closely with our customers, business partners, management, and employees to achieve a better year ahead. I look forward to your continued support.

## Dr. Chen Mun

Chairman / Chief Executive Officer

# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP

## COMPANY PROFILE

Powermatic Data Systems was established in Singapore since 1 February 1989 as a private limited company. The company was listed in the Singapore Stock Exchange since 1992.

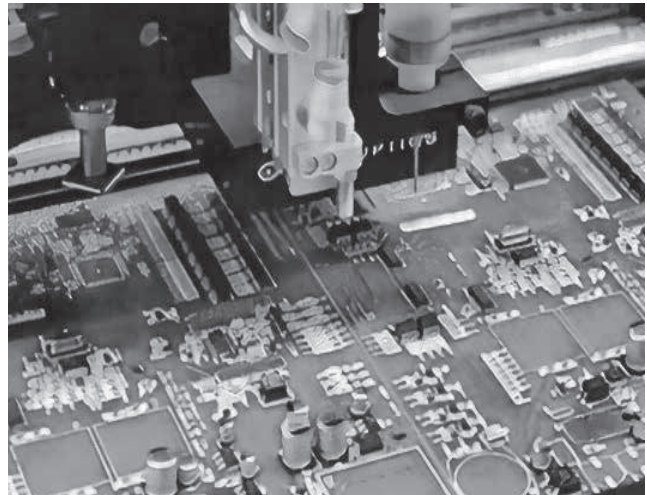
Powermatic Data Systems Ltd is an investment holding company. It has six fully owned subsidiaries, Compex Systems Pte. Ltd., Compex Technologies Pte. Ltd., Compex Technologies Sdn. Bhd., Compex Inc, Compex (Suzhou) Co. Ltd., and Compex Wireless (Suzhou) Co. Ltd.

The Group operates under two main segments:

1. Manufacturing and sale of Wireless Connectivity products and related services.
2. Lease and maintenance of Harrison Industrial Building, a freehold investment property owned by the Company.

### Wireless Connectivity Products & Services

Wireless connectivity is the core business and the main profit driver of the Group. Apart from manufacturing its own designed wireless connectivity hardware and software (design capabilities to value-add upon full



range of hardware for quicker time-to-market solutions), the group also provides OEM, ODM solutions and other sales related services to customers.

Our product range includes high performance wireless radio modules, embedded boards, indoor and outdoor access points and wireless antennas. These products are used in various industries such as Industrial PC, IOT, Healthcare, Hospitality, Security surveillance and many others.

We are in a strong partnership with Qualcomm Atheros (QCA). Our subsidiary Compex Systems Pte Ltd is officially appointed as Qualcomm Authorized Design Center in South East Asia. As a Qualcomm design center, we provide our wireless knowhow in both hardware and software services to many multinational corporations.

Our clientele includes reputable distributors of electronic and wireless device components, system integrators, wireless products design houses, and Fortune 500 corporations.

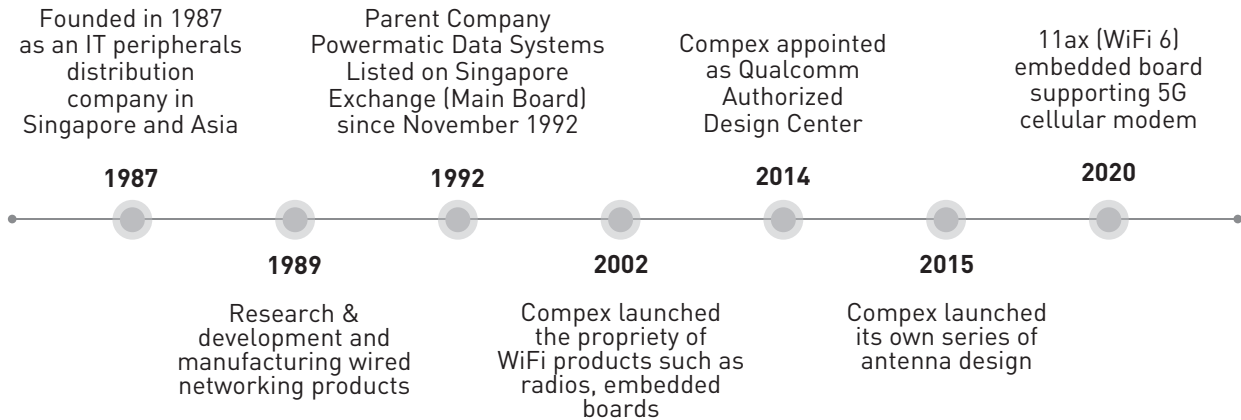
### Freehold Investment Property

The Group's property business is carried out by the holding company Powermatic Data Systems itself. The freehold property is situated at 7 & 9 Harrison Road, Singapore, 369651. We house our Singapore operations in one of the units and rent out the rest.

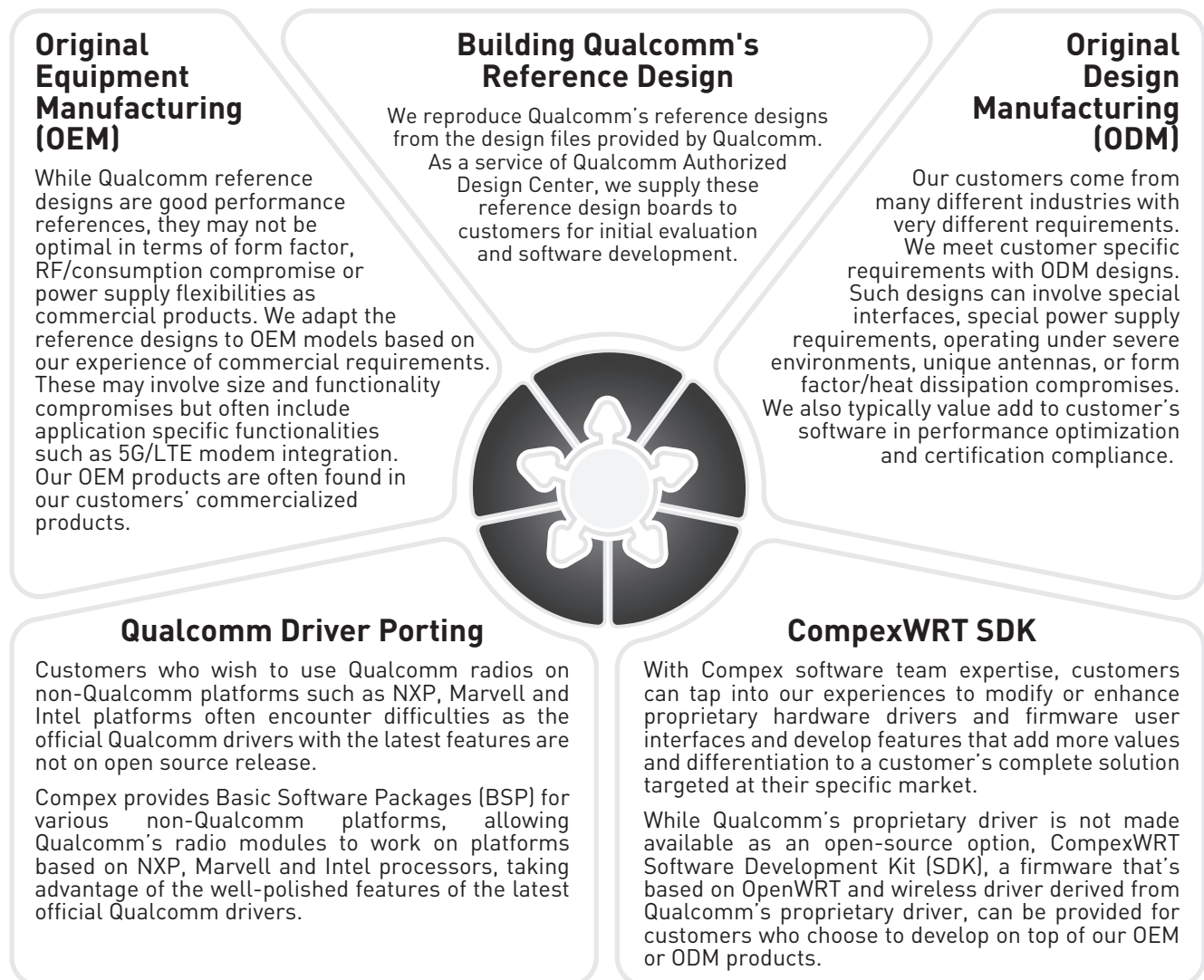


# WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP

## COMPANY HISTORY



## CORE COMPETENCE





## WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP

### WHAT WE DO

#### **PRODUCT DESIGN & MANUFACTURING**

Provide design concepts, prototyping and manufacturing services to meet customers' specific requirements

#### **READY-TO-GO SOLUTIONS**

We provide readily available solutions to integrate into customers' design requirements

### PROBLEMS WE SOLVE

#### **Joint Hardware Development**

Works with customers to provide wireless connectivity solutions to meet their market requirements

#### **Joint Software Development**

Develop customized wireless software solutions to meet customers' requirements

#### **Mission Critical**

Meeting strict wireless specifications and design requirements from fortune 500 corporations

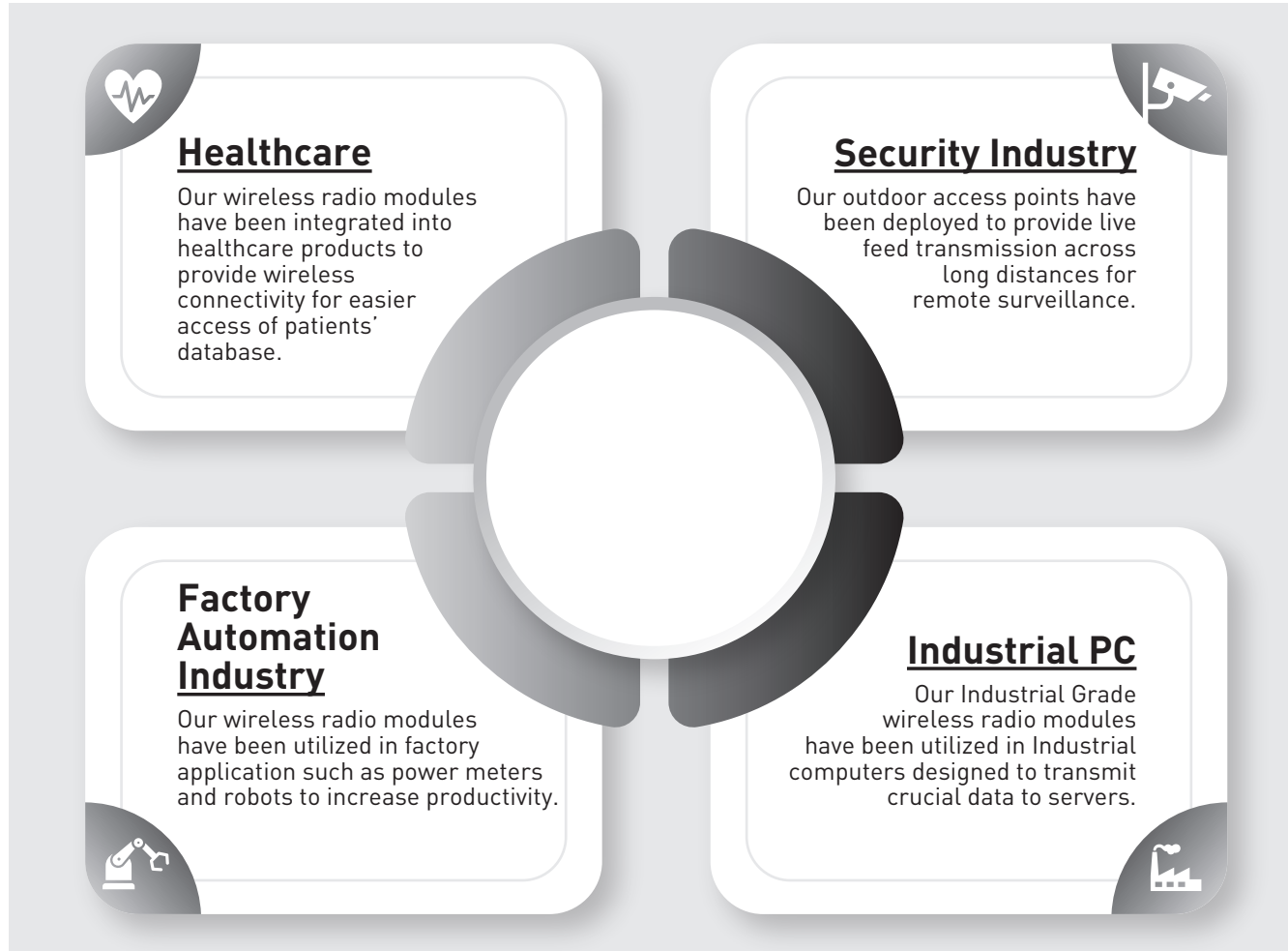
#### **Shorter Time to Market**

Readily customizable wireless devices and software to meet the time-to-market demands of our customers



## WIRELESS CONNECTIVITY SOLUTIONS BY THE GROUP

### PRODUCT APPLICATIONS BY CUSTOMERS

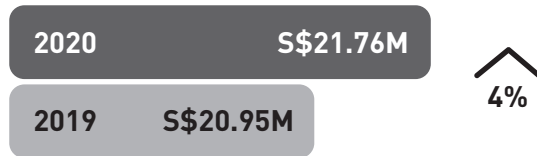


### OUR MARKET PRESENCE

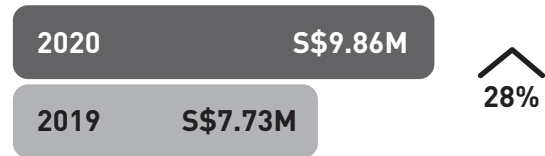


## GROUP FINANCIAL HIGHLIGHTS

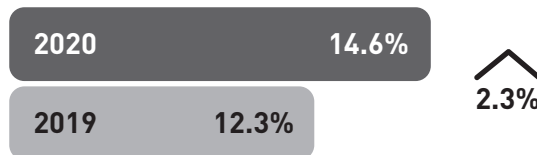
### OPERATING REVENUE



### PROFIT BEFORE TAX



### RETURN ON EQUITY



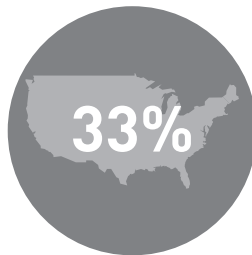
### DIVIDEND PER SHARE

	ORDINARY	SPECIAL
2020	NIL	NIL
2019	5cents	3cents

### SALES BY GEOGRAPHICAL REGION FOR FY2020



Asia



USA



Europe



Others

### GLANCE OVER 5 YEARS

	2016	2017	2018	2019	2020
Revenue (S\$ million)	15.5	15.4	16.1	20.9	21.8
Profit before tax (S\$ million)	3.21	4.68	5.31	7.7	9.9
Earnings per share (S¢) - diluted	8.10	11.97	12.94	20.01	24.99
Dividend declared as percentage of profit, net of tax (%)	63	58	54	40	N.A.
Net assets value per share with investment property and freehold office unit stated at carrying cost (S\$)	1.36	1.51	1.57	1.68	1.75
Net assets value per share with investment property and owner-occupied property stated at fair value (S\$)	1.77	1.91	1.98	2.14	2.18
Staff head count (In Numbers)	79	74	76	88	83

## PROFILE OF DIRECTORS

### CHEN MUN

*Chairman & Chief Executive Officer*

Dr. Chen Mun is the Chairman and Chief Executive Officer of the Group. He is also the founder of Powermatic Data Systems Limited and is responsible for spearheading the Company's Research and Development programs as well as growth strategies of the Group.

Prior to the founding of Powermatic, Dr. Chen was a senior lecturer in the then University of Singapore. Dr. Chen holds a bachelor's degree in engineering from the University of Singapore and received a Ph.D. in engineering from the Imperial College, University of London.

### KATHERINE ANG BEE YAN

*Executive Director*

Ms. Ang Bee Yan, Katherine joined Compex Systems Pte Ltd, a wholly-owned subsidiary of Powermatic Data Systems Limited in 2003 as Director of Sales & Marketing and Operations. She is currently the General Manager of Compex Systems Pte Ltd. She manages both the operations in Singapore and China.

On 1 July 2011, Ms. Katherine Ang is appointed as an Executive Director of Powermatic Data Systems Limited. Ms Ang has over 20 years of experience in the Sales & Marketing, Operations and Business Development. She plays an instrumental role in overseeing the Group's local and overseas projects and is responsible for the overall business development.

### YEE LAT SHING, TOM

*Independent Director and Chairman of Audit Committee*

Mr. Yee Lat Shing, Tom is a Singapore Chartered Accountant and was a partner of Ernst & Young, an international accounting firm, from 1974 to 1989. He has more than 35 years of experience in the field of accounting and auditing and extensive experience in handling major audit assignments of public listed and private companies in various industries, including insurance, manufacturing and retailing.

He is currently a consultant. Mr. Yee also sits on the board of Bonvests Holdings Limited. He is also a fellow member of the Singapore Institute of Directors.

### LYE KIN MUN

*Independent Director and  
Chairman of Nominating Committee*

Dr. Lye Kin Mun is an independent Director and Chairman of the Nominating Committee of the Company. He holds a B.Sc. With distinction from the University of Alberta, Canada, in 1974, M.Eng. from the University of Singapore in 1979 and Ph.D. from the University of Hawaii at Manoa,

U.S.A. in 1984 all in electrical engineering and was a Colombo Plan Scholar from 1970-74.

He is currently Executive Director of the Institute for Infocomm Research, (A\*STAR), and has been Director of the Centre for Wireless Communications, National University of Singapore from 1993 to 2002. Chief Risk Officer, Agency for Science, Technology and Research (A\*STAR). He was Chief Risk Officer, Agency for Science, Technology and Research (A\*STAR). Executive Director of the Institute for Infocomm Research, (A\*STAR), and has been Director of the Centre for Wireless Communications, National University of Singapore from 1993 to 2002.

Dr. Lye has over 40 years of experience in industry as well as teaching.

Dr. Lye has also served on the Boards of Singapore Polytechnic and Ngee Ann Polytechnic. He was a Director of Cellonics Inc., a startup company he co-founded. He was a consultant to several companies in the networking and wireless communications industry and sat on many national technical committees. Prof Lye was a Member of the Board on Global Science and Technology of the National Research Foundation, U.S.A. He was also a member of the Asia-Pacific Cadence Advisory Board and Advisory Committee for Next Generation Mobile Networks Project, Communications Research Lab., Japan.

Dr. Lye also serve as Chairman of the Strategic Programmes Review Panel of the Science and Engineering Research Council, A\*STAR, and Expert Assessor for the Australian Research Council's Discovery Projects. He was part of a team that won Singapore's National Technology Award in 2001. In 2005, he was conferred the title "Officier dans l'ordre des Palmes Academiques" by the French government. He was also awarded the Public Administration Medal (Silver) at the National Day Awards 2013 by the President of the Republic of Singapore.

### TAN CHAO HSIUNG, DAVID

*Independent Director and  
Chairman of Remuneration Committee*

Mr. Tan Chao Hsiung, David has over 20 years of senior management experience in the banking and finance industry and had held positions in both local and foreign financial institutions. He is also a Non-Executive and Lead Independent Director of Mun Siong Engineering Limited.

David Tan holds a Master in Commerce (specialising in Finance) from the University of New South Wales and a Bachelor of Economics from Macquarie University. He is also a Fellow of the Institute of CPA (Australia).

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT										
	<p>The Board of Directors (the “Board”) of Powermatic Data Systems Limited (the “Company”) is committed to setting and maintaining high standards of corporate governance within the Company and its subsidiaries (the “Group”).</p> <p>This report describes the Group’s corporate governance framework and practices of the Company with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “Code”). Where the Company’s practices vary from any provisions of the Code, the Company has provided appropriate explanations for the departures and measures that the Company has taken or intends to take for the departed practices. The Board will continue to take measures to improve compliance with the principles and provisions of the Code in the ensuing years.</p>										
<p><b>THE BOARD’S CONDUCT OF AFFAIRS</b></p>	<p><b>Principle 1: The company is headed by an effective Board that is collectively responsible and works with Management for the long-term success of the company.</b></p>										
<p>Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the company</p>	<p>The Board comprises five (5) Directors as follows:</p> <table data-bbox="500 1102 1247 1272"> <tr> <td>Dr. Chen Mun</td> <td><i>Chairman and Chief Executive Officer</i></td> </tr> <tr> <td>Ms. Ang Bee Yan, Katherine</td> <td><i>Executive Director</i></td> </tr> <tr> <td>Mr. Yee Lat Shing, Tom</td> <td><i>Independent Director</i></td> </tr> <tr> <td>Dr. Lye Kin Mun</td> <td><i>Independent Director</i></td> </tr> <tr> <td>Mr. Tan Chao Hsiung, David</td> <td><i>Independent Director</i></td> </tr> </table> <p>More than one-third of the Board is made up of independent Directors who have the appropriate core competencies and diversity of experience to enable them, in their collective wisdom, contribute effectively to the Company. All Directors are expected, in the course of carrying out their duties, to act in good faith, provide insights and discharge their duties and responsibilities in the interests of the Group. Where conflict of interest arises, the concerned Directors recuse themselves from discussions and decisions involving the matter and abstain from voting on the matter.</p> <p>The Board has established the Terms of Reference of the Board to promote high standards of corporate governance. The Terms of Reference of the Board outline high-level duties and responsibilities of the Board and matters that are specifically reserved for the Board. It is a comprehensive reference document for Directors on matters relating to the Board and its processes, as well as role and responsibilities of the Board, its committees and management to ensuring effective communication and decisions.</p>	Dr. Chen Mun	<i>Chairman and Chief Executive Officer</i>	Ms. Ang Bee Yan, Katherine	<i>Executive Director</i>	Mr. Yee Lat Shing, Tom	<i>Independent Director</i>	Dr. Lye Kin Mun	<i>Independent Director</i>	Mr. Tan Chao Hsiung, David	<i>Independent Director</i>
Dr. Chen Mun	<i>Chairman and Chief Executive Officer</i>										
Ms. Ang Bee Yan, Katherine	<i>Executive Director</i>										
Mr. Yee Lat Shing, Tom	<i>Independent Director</i>										
Dr. Lye Kin Mun	<i>Independent Director</i>										
Mr. Tan Chao Hsiung, David	<i>Independent Director</i>										

## CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 1.1 of the Code: Directors are fiduciaries who act objectively in the best interests of the company</p> <p>(cont'd)</p>	<p>The Board's role is to:</p> <ol style="list-style-type: none"> <li>a) Oversees the management of the Group;</li> <li>b) Set strategic objectives and ensure that the necessary financial, strategies and human resources are in place for the Group to meet its objectives;</li> <li>c) Delegates the formulation of business policies and the day-to-day management of the Group to the Executive Director and Chief Executive Officer ("CEO") and management to ensure operations and performance of the Group are aligned with the strategies; and</li> <li>d) Consider sustainability issues, e.g. environmental and social factors as part of its strategic formulation.</li> </ol> <p>The Board ensures the decisions made are objectively in the interest of the Company. The Board provides shareholders with a balanced and clear assessment of the Group's performance, financial position and prospects on a half-yearly basis. While the Board remains responsible for providing oversight in the preparation and presentation of the financial statements, it has delegated to the management the task of ensuring that the financial statements are drawn up and presented in compliance with the relevant provisions of the Singapore Companies Act, Chapter 50 ("the Act") and the Singapore Financial Reporting Standards (International) ("SFRS").</p>
<p>Provision 1.2 of the Code: Directors' duties, induction, training and development</p>	<p>To enable the Directors to understand the Company's business as well as their Directorship duties and roles, the Directors receive regular updates on relevant new laws and regulations from the Company's relevant advisors.</p> <p>Newly-appointed Directors will be briefed on the business and organisation structure of the Group and its strategic plans and objectives. The orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the Company's operations. Such visits also allow new Directors to get acquainted with senior management, thereby facilitating interaction with the Board and independent access to senior management. Appropriate training shall be arranged upon request by newly-appointed Directors to ensure that newly-appointed Directors are fully aware of their responsibilities and obligations as Directors. Rule 210(5)(a) of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST") requires a Director who has no prior experience as a Director of a company listed on the SGX-ST, to attend the training programmes conducted by the Singapore Institute of Directors ("SID") as prescribed in Practice Note 2.3 of the Listing Manual of the SGX-ST. Newly appointed Directors will receive a formal letter of appointment setting out his/her duties and responsibilities. There is no new appointment in the financial year ended 31 March 2020.</p> <p>The Directors have attended appropriate training on governance practices, enterprise risk management and relevant statutory and regulatory compliance issues. The Company encourages all Directors to receive regular training, particularly on new laws, regulations and commercial risk from time to time. The Directors keep</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 1.2 of the Code: Directors' duties, induction, training and development</p> <p>(cont'd)</p>	<p>themselves abreast of the changes and developments. Furthermore, the Company Secretary also highlights the relevant changes and guidelines on statutory and regulatory requirements from time to time to the Board. The External Auditors, on the other hand, briefs the Board on changes to the SFRS that affect the Group's financial statements during the period. The Board also receives regular briefings and updates on the Group's business, operations and activities at the Board and Board Committees' meetings and when necessary or appropriate, the Board exchange views through informal meetings. When necessary, the Independent Non-Executive Directors will have discussions amongst themselves without the presence of the management.</p> <p>The Group keeps the Directors informed via electronic mail and briefing conducted during Board meetings on new laws, changes to the laws, regulatory compliance issues and financial reporting standards, changes to the financial reporting standards are monitored closely by the management. Furthermore, the Company Secretary and outsourced secretarial agent highlight any changes to laws and regulatory requirements that may affect the Group from time to time. The External Auditor on the other hand, briefs the Board on changes to the SFRS that affect the Group's financial statements during the period. The Board also receives regular briefings and updates on the business and strategic developments on the Group's businesses. When necessary or appropriate, the Board convenes informal meetings for the exchange of views while the Independent Directors conduct discussions amongst themselves from time to time without the presence of the management.</p>
<p>Provision 1.3 of the Code: Matters requiring Board's approval</p>	<p>The Company has adopted internal guidelines that set forth matters that are reserved for the Board's decision. Matters which are specifically reserved for the Board's decision include:</p> <ul style="list-style-type: none"> <li>(a) the appointment of Directors to the Board and senior management staff;</li> <li>(b) major investments decisions of the Group, including new investments and any increase in existing investments in businesses and the subsidiaries of the Group;</li> <li>(c) any divestments to be undertaken by any of the Group's subsidiaries;</li> <li>(d) major funding decisions, including share issuances;</li> <li>(e) interim and final dividends and other returns to shareholders;</li> <li>(f) commitments to borrowing facilities from banks and financial institutions by the Company;</li> <li>(g) interested person transactions;</li> <li>(h) acquisitions and disposal of assets exceeding the limits set by the Board; and</li> <li>(i) expenditures exceeding the limits set by the Board.</li> </ul> <p>The Group also has internal guidelines which set out, among others, the authorisation limits granted to the management for approval of capital and operating expenditures.</p>

## CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT																																												
Provision 1.4 of the Code: Board committees	<p>Board Committees, namely Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”) have been constituted to assist the Board in the discharge of specific responsibilities (the “Board Committees”). The Board Committees review or make recommendations to the Board on matters within their specific terms of reference.</p> <p>Board meetings are conducted on a half-yearly basis and ad-hoc meetings are held whenever the Board’s guidance or approval is required.</p> <p>Dates of Board, Board Committee and annual general meetings are scheduled in advance in consultation with the Directors to assist them in planning their attendance. Pursuant to the Company’s Constitution, a Director who is unable to attend a Board meeting in person can still participate in the meeting via telephone conference, video conference or other similar communication.</p> <p>Technology is effectively used in the Board and Board Committees’ meetings and in communication with the Board, where the Directors may receive agenda and meeting materials online such as email and participate in meetings via audio or video conferencing. Management is often invited to be present and provide a detailed explanation on any agenda at Board meetings.</p>																																												
Provision 1.5 of the Code: Attendance and participant of the Directors and time commitment	<p>Attendance of the Directors at scheduled meetings of the Board and Board Committees during the financial year ended 31 March 2020 (“FY2020”) is as follows:</p> <table border="1" data-bbox="500 1257 1448 1576"> <thead> <tr> <th rowspan="2">Number of scheduled meetings held</th> <th colspan="4">Board Committees</th> </tr> <tr> <th>Board</th> <th>AC</th> <th>NC</th> <th>RC</th> </tr> </thead> <tbody> <tr> <td></td> <td>3</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <th>Name of Directors</th> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dr. Chen Mun</td> <td>3</td> <td>2*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Ms. Ang Bee Yan, Katherine</td> <td>3</td> <td>2*</td> <td>1*</td> <td>1*</td> </tr> <tr> <td>Mr. Yee Lat Shing, Tom</td> <td>3</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Dr. Lye Kin Mun</td> <td>3</td> <td>2</td> <td>1</td> <td>1</td> </tr> <tr> <td>Mr. Tan Chao Hsiung, David</td> <td>3</td> <td>2</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p><i>Note: * Attended by invitation</i></p> <p>Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.</p>	Number of scheduled meetings held	Board Committees				Board	AC	NC	RC		3	2	1	1	Name of Directors					Dr. Chen Mun	3	2*	1*	1*	Ms. Ang Bee Yan, Katherine	3	2*	1*	1*	Mr. Yee Lat Shing, Tom	3	2	1	1	Dr. Lye Kin Mun	3	2	1	1	Mr. Tan Chao Hsiung, David	3	2	1	1
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# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 1.6 of the Code: Complete, adequate and timely information prior to making informed decisions</p>	<p>The management recognises that the flow of complete, adequate and timely information on an on-going basis to the Board is essential to the Board's effective and efficient discharge of its duties.</p> <p>The management has provided the Board in advance with half-yearly management accounts, annual budget and relevant background information and materials relating to the matters that were discussed at Board meetings. This enables the discussion during the meetings to focus on questions that Directors may have. Any additional materials or information requested by the Directors is promptly furnished. During the Board meetings, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentations and answer any queries from the Directors.</p>
<p>Provision 1.7 of the Code: Separate and Independent access to management, company secretary and external advisers; Appointment and removal of the company secretary</p>	<p>The Directors have separate and independent access to the Management, the company secretary, and external advisers.</p> <p>The Board takes independent professional advice as and when necessary concerning any aspect of the Group's operations or undertakings to discharge its responsibilities effectively. Any cost of obtaining professional advice will be borne by the Company.</p> <p>The role of the Company Secretary is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The responsibilities of the Company Secretary include:</p> <ul style="list-style-type: none"> <li>(a) administers, attends and prepares minutes of all Board and Board Committees meetings;</li> <li>(b) assists the Board in ensuring that the Company complies with the relevant requirements of the Act and Listing Rules;</li> <li>(c) advises the Board on all corporate governance matters;</li> <li>(d) assists the Independent Non-Executive Chairman in ensuring good information flows within the Board, Board Committees and between the management and the independent Directors; and</li> <li>(e) a communication channel between the Company and SGX-ST. The Company Secretary attends all Board and Board Committees meetings and is responsible to ensure that Board procedures are followed.</li> </ul> <p>The appointment or removal of the Company Secretary is subject to the approval of the Board as a whole.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p><b>BOARD COMPOSITION AND GUIDANCE</b></p>	<p><b>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.</b></p>
<p>Provision 2.1 of the Code: Director Independent</p> <p>Provision 2.2 of the Code: Independent Directors make up a majority of the Board</p> <p>Provision 2.3 of the Code: Non-executive Directors make up a majority of the Board</p>	<p>There is a strong independent element on the Board with independent Directors constituting more than one-third of the Board. Currently, the Board consists of five Directors of whom three are independent.</p> <p>The Company has more than half the Board with independent Directors as the Chairman is an Executive Non-Independent Director.</p> <p>Each Independent Director was required to complete a confirmation of independence, drawn up according to the guidelines stated in the Code of Corporate Governance, to confirm his independence. The Independent Directors shall disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgement. The independence of each Director is reviewed annually by NC. Based on the annual review of the independence of the Independent Directors according to the guidelines stated in the Code, the NC ascertained that all Independent Directors are independent.</p> <p>As at the end of FY2020, Mr. Yee Lat Shing, Tom, Dr. Lye Kin Mun and Mr. Tan Chao Hsiung, David have served on the Board beyond nine years from the date of their first appointments. The NC and the Board have conducted a rigorous review of their independence and contributions to the Board to determine if they still remained independent and carry out their duties objectively. Under such rigorous review, each Independent Director has confirmed that neither he nor any of his immediate family has any relationship or business dealings with a controlling shareholder, Director or key management personnel or their associates that would give rise to a conflict of interest or impairment of the Independent Director's independence. The NC and the Board are of the view that Mr. Yee Lat Shing, Tom, Dr. Lye Kin Mun and Mr. Tan Chao Hsiung, David possess valuable experience and knowledge, as well as maintain their objectivity and independence at all times in the discharge of each of their duties as Director of the Company.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 2.4 of the Code: Composition and size of the Board and Board Committees, Board diversity policy</p>	<p>The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition and selection of new Board members, the Board strives to ensure that:</p> <ul style="list-style-type: none"> <li>(a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;</li> <li>(b) There is an appropriate mix of gender representation on the Board, taking into account the skills and experience the candidates can contribute; and</li> <li>(c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.</li> </ul> <p>The Board has examined its size and is of the view that it is an appropriate size for efficient and effective decision-making, taking into account the scope and nature of the operations of the Company. The Board currently comprises one woman Director, namely, Ms. Ang Bee Yan, Katherine. The NC is of the view that no individual or small group of individuals dominate the Board’s decision-making process.</p> <p>The Company has a good balance of Directors with a wide range of skills, experience and qualities in the fields of operations, management, financial, legal and accounting.</p> <p>Each Director has been appointed on the strength of his calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. Each Director brings valuable insights from different perspectives, such as strategic planning, management, finance, accounting and legal, vital to the strategic interests of the Company. Profiles of the Directors are found in the “Profile of Directors” section of the Annual Report. The Board considers that the current composition of the Board encompasses an appropriate balance and diversity of skills, experience, gender, knowledge and competencies to provide the management with a diverse and objective perspective on issues so as to lead and govern the Company effectively.</p>
<p>Provision 2.5 of the Code: Independent Directors meet regularly without the presence of the Management</p>	<p>To facilitate a more effective check on the management, the Independent Directors meet at least once a year, each with the Group’s Internal and External Auditor without the presence of the management. Where necessary, the Company co-ordinates informal meeting sessions for Non-Executive Directors and Independent Directors to meet without the presence of the management.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p><b>CHAIRMAN AND CHIEF EXECUTIVE OFFICER</b></p>	<p><b>Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers in decision-making.</b></p>
<p>Provision 3.1 of the Code: Chairman and CEO should be separate persons</p> <p>Provision 3.2 of the Code: Division of responsibilities between the Chairman and the CEO</p> <p>Provision 3.3 of the Code: Lead Independent Director</p>	<p>Dr. Chen Mun, who is both the Chairman and Chief Executive Officer (“CEO”) of the Company, leads the Board. This practice has been carried on since inception and he leads the Board meetings because of his in-depth knowledge of the Group’s operations as well as his excellent relationship with the customers, suppliers and other external parties that carry on business with the Group.</p> <p>Dr. Chen Mun is responsible for the proper workings of the Board which include the scheduling of meetings, setting of Board meeting agenda in consultation with the Company Secretary, exercising of control over quality and timeliness of information flow between the Management and the Board, managing the business of the Board and Board Committees, monitoring the translation of the Board’s decision and wishes into executive actions and is assisted by the three Board Committees in ensuring compliance with the Company’s guidelines on corporate governance.</p> <p>The Board has a strong independent group of Directors to look after shareholders’ interests. The day-to-day running of business operations are delegated to key senior executives while the Chairman focuses on the long term and strategic plans of the Company.</p> <p>The Board is mindful of the desirability of separating the two functional positions. However, it believes that the vulnerability of the dual roles, if any, is considerably lessened by the checks and balances energetically exercised by a board that comprises the majority of independent directors. In practice, all major decisions made by the Executive Chairman are reviewed by the independent directors and reported to the Board.</p> <p>The NC and the Board unanimously support Dr. Chen Mun’s role as both Chairman and CEO. The Board is of the view that the current single leadership arrangement works well; in particular it does not hinder the decision-making process of the Company unnecessarily.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<b>BOARD MEMBERSHIP</b>	<b>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.</b>
<p>Provision 4.1 of the Code: NC to recommend to the Board on relevant matters</p> <p>Provision 4.2 of the Code: Composition of the NC</p>	<p>The NC comprises Dr. Lye Kin Mun, Mr. Yee Lat Shing, Tom and Mr. Tan Chao Hsiung, David, all of whom are non-executive and independent Directors. The Chairman of the NC is Dr. Lye Kin Mun.</p> <p>The key Terms of Reference of the NC are as follows:</p> <ul style="list-style-type: none"> <li>(a) Review the Board and Board Committees structure, size, and composition annually;</li> <li>(b) Identify suitable candidates and review all nominations on appointment and re-appointment of Directors;</li> <li>(c) Determine annually whether or not a Director is independent, guided by the independent guidelines contained in the code;</li> <li>(d) Develop a performance evaluation framework for the Board, the Committee and Individual Directors, and proposing objective performance criteria to assess the effectiveness of the Board, the Committee and Individual Directors;</li> <li>(e) Review and decide if a Director, who has multiple board representations on publicly listed companies, is able to and has been adequately carrying out his/her duties as a Director of the Company;</li> <li>(f) Review and recommend training and professional development programme for the Board;</li> <li>(g) Assess whether each director is able to and has been adequately carrying out his duties as Director of the Company;</li> <li>(h) Review of succession plans for Directors, CEO and key management personnel of the Company; and</li> <li>(i) Generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard).</li> </ul> <p>Pursuant to Article 99 of the Company's Constitution, at least one-third of the Company's Directors are required to retire from office at every Annual General Meeting ("AGM") of the Company. Pursuant to Rule 720(5) of the Listing Manual of the SGX-ST which effective from 1 January 2019, every Director must retire from office at least once every three years and are eligible for re-election.</p> <p>The NC has recommended the nomination of Dr. Lye Kin Mun retiring under Article 99 of the Constitution of the Company for re-election at the forthcoming AGM.</p> <p>Dr. Lye Kin Mun will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent.</p>

## CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT																								
<p>Provision 4.1 of the Code: NC to recommend to the Board on relevant matters</p> <p>Provision 4.2 of the Code: Composition of the NC</p> <p>(cont'd)</p>	<p>The NC has recommended the nomination of Ms. Ang Bee Yan pursuant to Rule 720(5) of the Listing Manual of SGX-ST for re-appointment at the forthcoming AGM.</p> <p>Ms. Ang Bee Yan will, upon re-appointment as a Director of the Company, remain as Executive Director and will be considered non-independent.</p> <p>Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he is interested. Dr. Lye Kin Mun had duly abstained from making recommendation on his own nomination.</p> <p>The Board has accepted the NC's recommendations of the above and Dr. Lye Kin Mun, being eligible had offered himself for re-election as Director of the Company and Ms. Ang Bee Yan, being eligible had offered herself for re-appointment as Director of the Company at this AGM. Please refer to the "Board of Directors" section of the Annual Report for details and information of the above Directors.</p> <p>Key information on the Directors is set out below and on page 10 of this Annual Report.</p> <table border="1" data-bbox="500 1095 1448 1734"> <thead> <tr> <th data-bbox="500 1095 808 1202">Name of Director</th> <th data-bbox="808 1095 889 1202">Age</th> <th data-bbox="889 1095 1198 1202">Directorship (a) Date first appointed (b) Date last re-elected</th> <th data-bbox="1198 1095 1448 1202">Due for re-election at next AGM</th> </tr> </thead> <tbody> <tr> <td data-bbox="500 1202 808 1276">Chen Mun</td> <td data-bbox="808 1202 889 1276">72</td> <td data-bbox="889 1202 1198 1276">(a) 1 February 1989 (b) 25 July 2019</td> <td data-bbox="1198 1202 1448 1276">-</td> </tr> <tr> <td data-bbox="500 1276 808 1447">Ang Bee Yan, Katherine</td> <td data-bbox="808 1276 889 1447">56</td> <td data-bbox="889 1276 1198 1447">(a) 1 July 2011 (b) 25 July 2017</td> <td data-bbox="1198 1276 1448 1447">Re-appointment pursuant to Rule 720(5) of the Listing Manual of the SGX-ST</td> </tr> <tr> <td data-bbox="500 1447 808 1521">Yee Lat Shing, Tom</td> <td data-bbox="808 1447 889 1521">85</td> <td data-bbox="889 1447 1198 1521">(a) 1 June 1992 (b) 25 July 2018</td> <td data-bbox="1198 1447 1448 1521">-</td> </tr> <tr> <td data-bbox="500 1521 808 1649">Lye Kin Mun</td> <td data-bbox="808 1521 889 1649">68</td> <td data-bbox="889 1521 1198 1649">(a) 1 February 1993 (b) 25 July 2017</td> <td data-bbox="1198 1521 1448 1649">Retiring pursuant to Article 99 of the Company's Constitution</td> </tr> <tr> <td data-bbox="500 1649 808 1734">Tan Chao Hsiung, David</td> <td data-bbox="808 1649 889 1734">58</td> <td data-bbox="889 1649 1198 1734">(a) 24 March 2008 (b) 25 July 2019</td> <td data-bbox="1198 1649 1448 1734">-</td> </tr> </tbody> </table>	Name of Director	Age	Directorship (a) Date first appointed (b) Date last re-elected	Due for re-election at next AGM	Chen Mun	72	(a) 1 February 1989 (b) 25 July 2019	-	Ang Bee Yan, Katherine	56	(a) 1 July 2011 (b) 25 July 2017	Re-appointment pursuant to Rule 720(5) of the Listing Manual of the SGX-ST	Yee Lat Shing, Tom	85	(a) 1 June 1992 (b) 25 July 2018	-	Lye Kin Mun	68	(a) 1 February 1993 (b) 25 July 2017	Retiring pursuant to Article 99 of the Company's Constitution	Tan Chao Hsiung, David	58	(a) 24 March 2008 (b) 25 July 2019	-
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# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 4.3 of the Code: Process for the selection, appointment and re-appointment of Directors</p>	<p>When the need for a new Director to replace a retiring Director arises, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria. Candidates would first be sourced through an extensive network of contacts and identified based on the needs of the Group and relevant expertise and experience required. The NC may engage recruitment consultants to undertake research on or assess candidates for a new position on the Board, or to engage such other independent experts, if necessary. After the Board has interviewed the candidates, the NC would further shortlist and recommend the candidates for appointment to the Board. The Board has the final discretion in appointing new Directors.</p> <p>The NC recommends the appointment and re-election of Directors to the Board for approval based on the following criteria:</p> <ul style="list-style-type: none"> <li>(a) Expertise and experience of the candidate and whether they have discharged their duties adequately as Directors of the Company, officers of other companies and/or professionals in the area of expertise;</li> <li>(b) Independence of the candidate (for Independent Directors);</li> <li>(c) Appointment or re-appointment will not result in non-compliance with any composition requirements for the Board and Board Committees; and</li> <li>(d) Whether the candidate is a fit and proper person following the Monetary Authority of Singapore's ("MAS") fit and proper guidelines, which broadly take into account the candidate's honesty, integrity and reputation; his competence and capability; and financial soundness.</li> </ul> <p>Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.</p> <p>The Board of the Company does not comprise any alternate Director. No alternate Director was appointed throughout FY2020.</p>
<p>Provision 4.4 of the Code: Circumstances affecting Directors' Independence</p>	<p>Having regard to the circumstance sets set forth in Provision 2.1 of the Code, the Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board under the declaration of section 156 of the Act.</p> <p>The NC is responsible for determining annually whether or not a Director is independent for purpose of the Code. Each Independent Director is required to complete a confirmation of independence, drawn up according to the guidelines stated in the Code, to confirm his independence. He is required to disclose to the Board any relationships or circumstances which are likely to affect, or could appear to affect, his judgement. Based on the annual review of the independence of the Independent Directors according to the guidelines stated in the Code, the NC ascertained that all independent Directors are independent for the purpose of the Code.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provisions 1.5 and 4.5 of the Code: Multiple listed company Directorship and other principal commitments</p>	<p>When a Director has multiple listed company Directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.</p> <p>The NC believes that putting a maximum limit on the number of Directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.</p> <p>The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Company during FY2020, notwithstanding that they hold Directorships in other listed companies and have other principal commitments, and will continue to do so in FY2021.</p> <p>The list of Directorships held by Directors presently or in the preceding three years in other listed companies, and other principal commitments are set out in the “Board of Director” section of the Annual Report.</p>
<p><b>BOARD PERFORMANCE</b></p>	<p><b>Principle 5: There Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each its board committees and individual Directors.</b></p>
<p>Provision 5.1 and 5.2 of the Code: Assessment of effectiveness of the Board and Board committees and assessing the contribution by the Chairman and each Director</p>	<p>The NC is responsible for evaluating the performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The performance evaluation framework is in the form of assessment questionnaires and the evaluation covers amongst other, Board and Board Committees’ compositions, processes in managing the Group’s performance, the effectiveness of the Board, Board Committees as well as to conduct, mix of skills, knowledge, competencies and contribution of each Director to the Company in discharging their function.</p> <p>The questionnaires are completed by the members of the Board and Board Committees and each Director for self-assessment. The completed questionnaires are collated by the Company Secretary for deliberation by the NC. The NC led by its Chairman, reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement as well as for them to form the basis of recommending relevant Directors for re-election at the AGM. The Chairman will act on the results of the performance evaluation and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.</p> <p>During the FY2020, the NC met once and assessed the Board, Board Committees and individual Directors. The NC was satisfied with the outcome of the evaluations and both the NC and the board are of the view that the board has met its performance objectives for FY2020. No external facilitator was engaged in the performance assessment.</p>



# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p><b>PROCEDURES FOR DEVELOPING REMUNERATION POLICIES</b></p>	<p><b>Principle 6: There 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 should be involved in deciding his or her own remuneration.</b></p>
<p>Provision 6.2 of the Code: Composition of RC</p>	<p>The RC comprises Mr. Tan Chao Hsiung, David, Dr. Lye Kin Mun and Mr. Yee Lat Shing, Tom, all of whom are non-executive and independent Directors. The Chairman of the RC is Mr. Tan Chao Hsiung, David.</p>
<p>Provision 6.1 of the Code: RC to recommend remuneration framework and packages</p>	<p>The key Terms of Reference of the RC are as follows:</p> <ul style="list-style-type: none"> <li>(a) review and recommend to the Board a general framework of remuneration for the Board and key management personnel;</li> <li>(b) review and recommend to the Board the specific remuneration packages for each Director and key management personnel;</li> <li>(c) review and recommend to the Board the terms of renewal of the service agreements of Executive Directors;</li> <li>(d) determine the appropriateness of the remuneration of non-executive Directors taking into consideration their effort, time spent, responsibilities and level of contribution;</li> <li>(e) review the ongoing appropriateness and relevance of the Company's remuneration policy;</li> <li>(f) administer the Powermatic Data Systems Employees' Share Option Scheme 2013 and any other share option scheme established from time to time for the Directors and the management;</li> <li>(g) work and liaise, as necessary, with all other Board Committees on any other matters connected with remuneration matters; and</li> <li>(h) generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard).</li> </ul> <p>The recommendations of the RC shall be submitted for endorsement by the Board. The RC covers all aspects of remuneration, including Directors' fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind. Each RC member shall abstain from voting on any resolutions in respect of his remuneration package.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 6.3 of the Code: RC to consider and ensure are aspects of remuneration are fair.</p>	<p>The RC is responsible for all aspects of remuneration, including termination terms.</p> <p>The remuneration structure of the Executive Directors and key executives consist of both fixed and variable components.</p> <p>The variable component is performance-related and is linked to the Group's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders.</p> <p>The Executive Directors have service contracts and do not receive directors' fees. Their compensations consist of salary, bonuses, options and performance awards that are dependent on the performance of the Group. The Executive Directors' service contracts are subject to review every two or three years. The RC is of the view that the Directors' service contracts are not excessively long or with onerous removal clauses.</p> <p>The Independent Directors are compensated through directors' fees. Directors' fees comprise a basic retainer fee and fees in respect of service on Board Committees. These fees are subject to shareholders' approval at the AGM.</p> <p>Each member of the RC refrains from voting on any resolutions in respect of the assessment of his own remuneration and no RC member or Director is involved in deciding his own fee.</p> <p>The RC met once in FY2020. The remunerations of the Executive Directors are reviewed by the RC. The NC, together with the RC, decides on the specific remuneration package for an Executive Director upon recruitment. Thereafter, the RC reviews subsequent increments, bonuses and allowances where these payments are discretionary. No Director or member of the RC is involved in deciding his own remuneration. The RC reviews what compensation commitments the Executive Directors' service contracts would entail in the event of early termination by either the Company or Executive Directors giving to the other at least two months' prior written notice.</p> <p>The RC will seek expert advice on the remuneration of all directors, if necessary.</p>
<p>Provision 6.4 of the Code: Expert advice on remuneration</p>	<p>The RC members are familiar with management compensation matters as they manage their own businesses and/or are holding Directorships in other listed companies. If necessary, the RC may seek professional advice on remuneration of all Directors. During FY2020, no external remuneration consultants were engaged.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p><b>LEVEL AND MIX OF REMUNERATION</b></p>	<p><b>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.</b></p>
<p>Provision 7.1 and 7.3 of the Code: Executive Directors and key management personnel's remuneration to be linked to corporate and individual performance and aligned with interests of shareholders; Remuneration is appropriate to provide good stewardship and promote long-term success of the Company</p>	<p>The remuneration structure of the Executive Directors and key executives consist of both fixed and variable components. The variable component is performance-related and is linked to the Group's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders.</p> <p>The variable component which comprises bonuses is linked to the performance of the Company and the individual. In FY2020, variable or performance-related income/bonus made up between 2.43% to 32.73% of the total remuneration of the Executive Director and Chief Executive Director and each of the Group's key management personnel. The remuneration package is designed to enable the Company to stay competitive and allows the Company to better align executive compensation with shareholder value creation.</p> <p>In setting remuneration packages, the RC ensures that the Directors are adequately but not excessively remunerated as compared to the market employment conditions. The RC also ascertained that Independent Directors are not overly-compensated to the extent that their independence may be compromised.</p>
<p>Provision 7.2 of the Code: Remuneration of non-executive Directors dependent on contribution, effort, time spent and responsibilities</p>	<p>None of the Non-Executive Directors and Independent Directors have service agreements with the Company or receive any remuneration from the Company. They are paid Directors' fees, which are determined by the Board based on their contribution, effort, time spent and responsibilities. The Directors' fees are subject to approval by the Shareholders at each AGM.</p>
<p><b>DISCLOSURE ON REMUNERATION</b></p>	<p><b>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.</b></p>

## CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT																																																															
Provision 8.1 of the Code: Remuneration of Directors and key management personnel	<p>There is no termination, retirement and post-employment benefits granted to Directors, the CEO or the top five key management personnel.</p> <p>The short-term incentive of the Executive Director and key management personnel takes the form of annual variable bonus payment and is linked to the performance of the Company and the individual.</p> <p>Given the confidentiality of the remuneration policies of the Company and the competitive pressures in the talent market, the Board is of the opinion that it is in the best interests of the Group to disclose the remuneration of its Directors and key management personnel in salary bands.</p> <p><b>DISCLOSURE OF REMUNERATION OF DIRECTORS AND KEY EXECUTIVES</b></p> <p>A breakdown showing the level and mix of each Individual Director and key executive's remuneration in percentage terms is set out below and relates to actual payments made during the year and accordingly includes bonus paid during the year in respect of previous year's performance.</p> <table border="1" data-bbox="500 1064 1448 1378"> <thead> <tr> <th>Remuneration band and name of Director</th> <th>Directors' fee (%)</th> <th>Salary, CPF and allowance (%)</th> <th>Variable or performance-related bonus (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Below S\$250,000</b></td> </tr> <tr> <td>Chen Mun</td> <td>-</td> <td>90.93</td> <td>9.07</td> <td>100</td> </tr> <tr> <td>Ang Bee Yan, Katherine</td> <td>-</td> <td>67.27</td> <td>32.73</td> <td>100</td> </tr> <tr> <td>Yee Lat Shing, Tom</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Lye Kin Mun</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> <tr> <td>Tan Chao Hsiung, David</td> <td>100</td> <td>-</td> <td>-</td> <td>100</td> </tr> </tbody> </table> <p>A breakdown showing the band and mix of remuneration of each top five (5) key management personnel's (who are not Directors or CEO of the Company) for FY2020 is as follows:</p> <table border="1" data-bbox="500 1542 1448 1857"> <thead> <tr> <th>Remuneration band and name of key management personnel</th> <th>Fixed salary (%)</th> <th>Variable or performance related bonus (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Below S\$250,000</b></td> </tr> <tr> <td>ChuaGeok Cheok, Molly</td> <td>86.24</td> <td>13.76</td> <td>100</td> </tr> <tr> <td>Ang Lay Hoon</td> <td>87.69</td> <td>12.31</td> <td>100</td> </tr> <tr> <td>YawThiam Teng</td> <td>91.06</td> <td>8.94</td> <td>100</td> </tr> <tr> <td>Alex Tiong Yui Khing</td> <td>97.57</td> <td>2.43</td> <td>100</td> </tr> <tr> <td>Liaw Wei Ming</td> <td>93.12</td> <td>6.88</td> <td>100</td> </tr> </tbody> </table> <p>The total remuneration paid to the top five key management personnel (who are not Directors or the CEO of the Company) for FY2020 was S\$1,222,812.</p>	Remuneration band and name of Director	Directors' fee (%)	Salary, CPF and allowance (%)	Variable or performance-related bonus (%)	Total (%)	<b>Below S\$250,000</b>					Chen Mun	-	90.93	9.07	100	Ang Bee Yan, Katherine	-	67.27	32.73	100	Yee Lat Shing, Tom	100	-	-	100	Lye Kin Mun	100	-	-	100	Tan Chao Hsiung, David	100	-	-	100	Remuneration band and name of key management personnel	Fixed salary (%)	Variable or performance related bonus (%)	Total (%)	<b>Below S\$250,000</b>				ChuaGeok Cheok, Molly	86.24	13.76	100	Ang Lay Hoon	87.69	12.31	100	YawThiam Teng	91.06	8.94	100	Alex Tiong Yui Khing	97.57	2.43	100	Liaw Wei Ming	93.12	6.88	100
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# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 8.2 of the Code: Remuneration disclosure of related employees</p>	<p><b>REMUNERATION OF EMPLOYEE WHO IS AN IMMEDIATE FAMILY OF DIRECTOR(S)</b></p> <p>There is no immediate family member of a director, CEO or substantial shareholders in employment with the Group and whose remuneration exceeds S\$100,000 for the financial year ended 31 March 2020, except for Ms. Ang Lay Hoon, Operations Manager, who is the sister of Ms. Ang Bee Yan Katherine, Executive Director of the Company.</p>
<p>Provision 8.3 of the Code: Details of employee share schemes</p>	<p><b>POWERMATIC DATA SYSTEMS EMPLOYEES' SHARE OPTION SCHEME 2013</b></p> <p>The Company has adopted the Powermatic Data Systems Employees' Share Option Scheme 2013 (the "2013 Scheme"), which was approved by the shareholders at the Extraordinary General Meeting held on 25 July 2013.</p> <p>The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the employees and to give recognition to such employees by giving them the opportunity to have a personal stake in the Company and to attract, motivate and retain talented staff for the Company's domestic and international operations.</p> <p>Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the Scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the Company's associated companies are not eligible under the 2013 Scheme. The Company has no associated companies for FY2020.</p> <p>As at the date of this Annual Report, no Options were released and no Awards were granted to the Independent Directors of the Company. No Options were granted to any Directors of the Company, controlling shareholders and their associates pursuant to the vesting of the Awards under the 2013 Scheme. No employee in the Group has received shares which, in aggregate, represent 5% or more of the aggregate of the total number of shares available under the 2013 Scheme.</p> <p>The 2013 Scheme is administered by the RC comprising of Mr. Tan Chao Hsiung, David (Chairman) and two other independent directors of the Company, Dr. Lye Kin Mun and Mr. Yee Lat Shing, Tom.</p> <p>Information on 2013 Scheme is set out in the Statement by Directors on pages 39 and 40.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
	<b>ACCOUNTABILITY AND AUDIT</b>
<b>RISK MANAGEMENT AND INTERNAL CONTROLS</b>	<b>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.</b>
<p>Provision 9.1 of the Code: Board determines the nature and extent if the significant risks</p>	<p>The Management has put in place an internal control and risk management system to safeguard shareholders' investment and company's assets.</p> <p>The system of internal control provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen in the light of the current business environment and its inherent risks.</p> <p>The Group, with the help of Internal Auditors, has prepared documentation on its risk profile which summarizes the material risks faced by the Group and the countermeasures in place to manage or mitigate those risks for the review by the AC and the Board. The documentation provides an overview of the Group's key risks, how they are managed, and the various assurance mechanisms in place. It allows the Group to address the on-going changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process.</p> <p>On an annual basis, the internal auditors prepare the internal audit plan approved by the AC. The audit plan takes into consideration the risks identified in the risk profile document and the audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendations for improvement are reported to the AC. The AC reviews these reports and ensures that appropriate and timely counter-measures are taken by Management as part of its continuous improvement efforts to further enhance its internal control systems and practices. A copy of the report is also issued to the relevant subsidiaries for their follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored. In addition, the external auditors would highlight control weaknesses on financial reporting that came to their attention during the course of the statutory audit.</p> <p>The Company is committed to managing all risks in a proactive and effective manner. This requires high-quality risk analysis to inform management decisions taken at all levels within the Group. Risk analysis and management is undertaken within the Group as a source of sustainable business benefits and competitive advantage. Managing threats and maximising opportunities will ensure that business objectives are met in the most effective way possible, leading to increased value for the business and its stakeholders.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 9.1 of the Code: Board determines the nature and extent of the significant risks</p> <p>(cont'd)</p>	<p>The Company has internal processes to determine the level of risk tolerance and ensure the consistency and quality of risk analysis and management. The process includes six elements:</p> <ul style="list-style-type: none"> <li>(a) establishing the context;</li> <li>(b) risk identification;</li> <li>(c) risk prioritisation;</li> <li>(d) risk mitigation;</li> <li>(e) risk reporting; and</li> <li>(f) risk updates.</li> </ul> <p>The purpose of engaging in such a process is to ensure that the goals and objectives of the corporate strategy of the Group are achieved.</p> <p>The Group's Internal Auditor, Nexia TS, carry out internal audit on the system of internal controls and report the findings to the AC. The Group's External Auditor, RSM Chio Lim LLP, have also carried out, in the course of their statutory audit, an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the Internal and External Auditor and will ensure that the Company follows up on the Auditors' recommendations raised during the audit process.</p> <p>The Group's Statutory financial statements for the year were audited by RSM Chio Lim LLP and the AC has recommended to the Board that RSM Chio Lim LLP be nominated for re-appointment as External Auditor at the forthcoming AGM.</p> <p>The Board conducted a review and assessment of the adequacy and effectiveness of the Company's risk management and internal control systems including financial, operational, compliance and information technology controls. The assessment was made by discussions with the management of the Company.</p>
<p>Provision 9.2 of the Code: Assurance from CEO, FM and other key management personnel</p>	<p>The Company does not have a Chief Financial Officer. The Board also received assurance from the Executive Director and CEO and the Group's Finance Manager ("FM") that:</p> <ul style="list-style-type: none"> <li>(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and</li> <li>(b) the Company's risk management and internal control systems are adequate and effective.</li> </ul>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 9.2 of the Code: Assurance from CEO, FM and other key management personnel</p> <p>(cont'd)</p>	<p>Based on the internal controls established and maintained by the Group, regular audits, monitoring and reviews performed by the Internal Auditor and External Auditor, review of the risk assessment reports, assurance from the CEO and the Group's FM, reviews performed by the management, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective in addressing the financial, operational, compliance and information technology risks as at 31 March 2020 which the Group considers relevant and material to its current business scope and environment.</p> <p>The Board and the AC noted that all internal controls contain inherent limitations and no systems of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Company's internal controls system.</p>
<p><b>AUDIT COMMITTEE</b></p>	<p><b>Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.</b></p>
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the AC</p>	<p>The Audit Committee ("AC") comprises Mr. Yee Lat Shing, Tom, Dr. Lye Kin Mun and Mr. Tan Chao Hsiung, David, and, all of whom are non-executive and independent Directors. The Chairman of the AC is Mr. Yee Lat Shing, Tom.</p> <p>The Board is of the view that the members of the AC have sufficient financial management expertise and experience and are qualified to discharge the AC functions.</p> <p>The key Terms of Reference of the AC are as follows:</p> <ul style="list-style-type: none"> <li>(a) review the financial statements and the External Auditor's report on those financial statements before submission to the Board for approval, focusing in particular, on significant financial reporting issues and judgements, changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;</li> <li>(b) review assurance from the Executive Director, the CEO and the Group's FM on the financial records and financial statement and assurance from them and other key management personnel who are responsible for the adequacy and effectiveness of the risk management and internal control systems;</li> </ul>



# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the AC</p> <p>(cont'd)</p>	<ul style="list-style-type: none"> <li>(c) review the adequacy and effectiveness of the Company's risk management and internal control in relation to financial reporting as well as other financial-related risk and controls and report to the Board;</li> <li>(d) review with the Internal Auditor the internal audit plan and their evaluation of the adequacy and effectiveness of the internal controls and accounting system before submission of the results of such review to the Board;</li> <li>(e) review with the External Auditor the audit plan, their evaluation of the Company's internal controls system that is relevant to their statutory audit; Report to the Board at least annually on the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management policies;</li> <li>(f) ensure co-ordination between the External Auditor and Internal Auditor and the management, reviewing the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);</li> <li>(g) review and discuss with external and Internal Auditor (if any), 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 operating results or financial position, and management's response;</li> <li>(h) make recommendations to the Board to seek shareholders' approval on matters relating to the appointment, re-appointment and removal of the External Auditor;</li> <li>(i) review any interested person transactions falling within the scope of Chapter 9 of the Listing Manual of SGX-ST;</li> <li>(j) review and ensure proper disclosure and reporting in the annual report on related party transactions as required by the accounting standards;</li> <li>(k) oversee the establishment and operation of the whistleblowing processing in the Company;</li> <li>(l) review any potential conflicts of interest;</li> <li>(m) undertake such other functions and duties as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of our AC; and</li> <li>(n) generally undertake such other functions and duties as may be required by the Board under the Code, statute or SGX Listing Rules (Mainboard) and the Act.</li> </ul> <p>The AC also has the power to conduct or authorise to investigate any matter within its terms of reference, and has full access to, and cooperation of, the management. The AC has full discretion to invite any Director or management staff to attend its meetings, as well as access to reasonable resources to enable it to discharge its function properly. In performing its functions, the AC also reviews the assistance given by the Company's officers to the independent auditor.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT												
<p>Provision 10.1 and 10.2 of the Code: Duties and composition of the AC</p> <p>(cont'd)</p>	<p>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 the Company's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular transaction.</p> <p>The role of the AC is to assist the Board in the execution of its corporate governance responsibilities within the established Board references and requirements. The AC also reviews the adequacy and effectiveness of the Company's internal controls and effectiveness of the Company's internal audit function as set out in the guidelines stated in the Code. The services of the Internal Auditor are utilised to assist the AC in the discharge of its duties and responsibilities.</p> <p>The AC will review, at least annually, the Group's key financial risk areas (including but not limited to, the Group's cash management policies and cash position, collection of debts, hedging policies and foreign currency transactions (if any) and off-balance sheet items (if any) with a view to providing an independent oversight on the Group's financial reporting. Where the findings are material, the outcome of these reviews will immediately be announced via SGXNet and disclosed in the annual report of the Group.</p> <p>The AC has reviewed the audit and non-audit services provided by the External Auditor, Messrs RSM Chio Lim LLP. The audit service fee incurred during the reporting year is as follows:</p> <table border="1" data-bbox="500 1336 1448 1485"> <thead> <tr> <th></th> <th>2020 \$'000</th> <th>2019 \$'000</th> </tr> </thead> <tbody> <tr> <td>- Auditors of the company</td> <td>98</td> <td>92</td> </tr> <tr> <td>- Other auditors<sup>#</sup></td> <td>29</td> <td>34</td> </tr> <tr> <td>Total</td> <td>127</td> <td>126</td> </tr> </tbody> </table> <p><i># Includes an alliance firm of RSM Chio Lim LLP</i></p> <p>There were no non-audit services provided by the External Auditor during FY2020.</p> <p>The AC, having considered the nature of services rendered and related charges by the External Auditor, is satisfied that the independence of the External Auditor is not impaired.</p> <p>The Company has complied with Rules 712 and 716 of the Listing Manual of the SGX-ST in relation to its independent auditors.</p>		2020 \$'000	2019 \$'000	- Auditors of the company	98	92	- Other auditors <sup>#</sup>	29	34	Total	127	126
	2020 \$'000	2019 \$'000											
- Auditors of the company	98	92											
- Other auditors <sup>#</sup>	29	34											
Total	127	126											

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 10.3 of the Code: AC does not comprise former partners or Directors of the Company's auditing firm</p>	<p>None of the members of the AC was a former partner or Director of RSM Chio Lim LLP, the Company's existing auditing firm or auditing corporation within a period of two years commencing on the date of their ceasing to be a partner or Director of the auditing firm or auditing corporation and none of the AC members have any financial interest in the auditing firm or auditing corporation.</p>
<p>Provision 10.4 of the Code: Primary reporting line of the IA function is to AC; IA function has unfettered access to Company's documents, record, properties and personnel</p>	<p>The Group outsources its internal audit function to, Nexia TS, an international auditing firm, to review key business processes of the Company and its key subsidiaries. The primary reporting line of the Internal Auditor function is to AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company. The AC approves the hiring, removal, evaluation and compensation of the Internal Auditor.</p>
<p>Provision 10.5 of the Code: AC to meet auditors without the presence of management annually</p>	<p>The AC meets with the Group's Internal Auditor and External Auditor without the presence of the management at least once a year. Such a meeting enables the Internal Auditor and External Auditor to raise any issue encountered in the course of their work directly to the AC. For FY2020, the AC met once with the Internal Auditor and External Auditor, each without the presence of the management.</p>
	<p><b>WHISTLE-BLOWING POLICY</b></p> <p>The Company has in place a whistle-blowing policy where staff of the Company and any other persons can have access to the AC Chairman and members. All concerns about possible improprieties in financial reporting and other matters would be channelled to the AC Chairman and members. The Company will treat all information received confidentially and protect the identity and the interests of all whistle-blowers.</p> <p>A whistle-blower email address is created for reporting suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policy and arrangements have been made available to all employees of the Company.</p> <p>The AC shall commission and review the findings of internal investigations in matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.</p> <p>As at date of this report, there were no reports received through the whistle blowing mechanism.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<b>SHAREHOLDER RIGHTS AND ENGAGEMENT</b>	
<b>SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS</b>	<b>Principle 11: The company treats all shareholders fairly and equitably 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.</b>
<p>Provision 11.1 of the Code: The Company provides shareholders with the opportunity to participate effectively and vote at general meetings</p>	<p>In presenting the annual financial statements and announcements of financial results to shareholders, the Board aims to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. The financial results for the half-year and full-year are released to shareholders via SGXNet within 45 and 60 days of the half year-end date and full year-end date respectively.</p> <p>Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the time notice period as prescribed by the regulations. At general meetings, shareholders will be given opportunities to voice their views and direct their questions to the Board regarding the Company.</p> <p>The timely release of financial information and general meeting notice and circulars enables shareholders to prepare and participate effectively and vote at general meetings.</p> <p>Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.</p>
<p>Provision 11.2 of the Code: Separate resolutions on each substantially separate issue</p>	<p>The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and agrees to the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.</p>
<p>Provision 11.3 of the Code: All Directors attend general meetings of shareholders</p>	<p>All Directors, including the Executive Chairman and CEO of the Board, and various Board Committees, attend the general meetings to address shareholders' queries and receive feedback from shareholders. The External Auditor, RSM Chio Lim LLP, is also invited to attend AGMs and will assist in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of the auditor's report.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p>Provision 11.4 of the Code:                      Company's Constitution allows for absentia voting of shareholders</p>	<p>The Company's Constitution allows a member entitled to attend and vote to appoint not more than 2 proxies to attend and vote instead of the member and also provides that the proxy need not be a member of the Company. Voting in absentia by mail, email or fax is currently not permitted to ensure proper authentication of the identity of the shareholders and their voting intentions.</p>
<p>Provision 11.5 of the Code:                      Minutes of general meetings are published on the Company's corporate website as soon as practicable</p>	<p>Minutes of general meetings which include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board and the management were taken. Minutes of general meetings would be available to shareholders upon their written request.</p> <p>Voting at the general meeting will be by way of poll pursuant to Rule 730A(2) of the Listing Manual of the SGX-ST. Announcement on the poll results (showing the number of votes cast for and against each resolution and the respective percentages) will be released after the meeting via SGXNet.</p>
<p>Provision 11.6 of the Code:                      Dividend policy</p>	<p>The Company does not have a formal dividend policy. The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.</p> <p>Any dividend payments are clearly communicated to shareholders via announcements on SGXNet.</p> <p>No dividend has been declared or recommended for FY2020. Notwithstanding, the Company will be holding a shareholders' meeting for capital reduction of the Company's share capital.</p>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p><b>ENGAGEMENT WITH SHAREHOLDERS</b></p>	<p><b>Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during the general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.</b></p>
<p>Provision 12.1 of the Code: Company provides avenues for communication between the Board and shareholders and disclose in its annual report to steps taken to solicit and understand the views of shareholders</p> <p>Provision 13.3 of the Code: Corporate website to engage stakeholders</p>	<p>The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Listing Manual of SGX-ST and the Act. Information is communicated to shareholders on a timely basis through:</p> <ul style="list-style-type: none"> <li>(a) Announcements and press releases via SGXNet;</li> <li>(b) Company’s website; and</li> <li>(c) Annual reports.</li> </ul> <p>The Company recognises that open communication is essential for communicating with shareholders and other audiences in the finance and investment community.</p>
<p>Provision 12.2 and 12.3 of the Code: Board to maintain regular dialogue with shareholders; Board to disclose the steps taken to solicit and understand shareholders’ views</p>	<p>Any major or material developments are first disseminated via SGXNET followed by a press release, whenever necessary.</p> <p>Price sensitive information is first publicly released, either before the Group meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period.</p> <p>The Company provided opportunities for communication with the shareholders, investors and other stakeholders during FY2020 as follows:</p> <ul style="list-style-type: none"> <li>(a) Annual General Meeting; and</li> <li>(b) Update on corporate developments via SGXNet</li> </ul>

# CORPORATE GOVERNANCE REPORT

PROVISIONS	CORPORATE GOVERNANCE REPORT
<p><b>ENGAGEMENT WITH STAKEHOLDERS</b></p>	<p><b>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.</b></p>
<p>Provision 13.1 and 13.2 of Code: Engagement with material stakeholder groups</p>	<p>The Company provides contact details on its website as the Company recognises the importance of stakeholder engagement to the long-term sustainability of its business. During FY2020, the Company did not receive any telephone enquiries from shareholders and investors.</p> <p>The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.</p>
	<p><b>DEALINGS IN SECURITIES</b></p> <p>In line with Rule 1207(19) of the Listing Manual of the SGX-ST on Dealing in Securities, the Company has adopted its own Internal Code of Conduct and issues circulars to its Directors and employees, to remind them that (1) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (2) they are required to report on their dealings in the shares of the Company. The Directors and employees are also reminded of the prohibition in dealing in shares of the Company six weeks before the release of the half-yearly and year-end financial results and ending on the date of the announcement of the relevant results. The Company has complied with the said Rule 1207(19) of the Listing Manual of the SGX-ST during FY2020.</p>
	<p><b>INTERESTED PERSON TRANSACTIONS</b></p> <p>The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are at arm's length basis. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures.</p> <p>No interested person transactions mandate has been obtained from shareholders and there was no reportable interested person transactions during FY2020.</p>
	<p><b>MATERIAL CONTRACTS</b></p> <p>Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, except as disclosed in Interested Person Transactions, there was no material contract or loan entered into between the Company and any of its subsidiaries involving interests of any Director or controlling shareholder during FY2020.</p>

# STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2020.

## 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or 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.

The board of directors approved and authorised these financial statements for issue.

## 2. DIRECTORS

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

Dr. Chen Mun  
Ang Bee Yan, Katherine  
Yee Lat Shing, Tom  
Dr. Lye Kin Mun  
Tan Chao Hsiung, David

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interest in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

Name of directors and companies in which interests are held	Direct interest	
	At beginning of the reporting year	At end of the reporting year
<b>Powermatic Data Systems Limited</b>	<b>Number of shares of no par value</b>	
Dr. Chen Mun	19,427,932	19,427,932
Ang Bee Yan, Katherine	2,874,800	2,874,800
Yee Lat Shing, Tom	40,000	40,000
Tan Chao Hsiung, David	40,000	40,000

By virtue of section 7 of the Act, Dr. Chen Mun is deemed to have an interest in all related body corporates of the company.



## STATEMENT BY DIRECTORS

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### 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

The directors' interests as at 21 April 2020 were the same as those at the end of the reporting year.

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

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except as mentioned below.

### 5. OPTIONS

The "Powermatic Data Systems Employees' Share Option Scheme 2013" (the "2013 Scheme") was approved by shareholders of the company at an Extraordinary General Meeting held on 25 July 2013. The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the directors and employees and to give recognition to such directors and employees by giving them the opportunity to have a personal stake in the company and to attract, motivate and retain talented staff for the company's domestic and international operations.

Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the company's associated companies are not eligible under the 2013 Scheme. The company has no associated companies at 31 March 2020.

The aggregate number of shares over which options may be granted shall not exceed 15% of the issued share capital of the company on the day immediately preceding the offer date of the option.

The offer price shall be equal to the average of the last dealt price for a share for the three consecutive trading days immediately preceding the offer date.

The 2013 Scheme is administered by the Remuneration Committee comprising Tan Chao Hsiung, David (Chairman) and two other independent directors of the company, namely, Dr Lye Kin Mun and Yee Lat Shing, Tom.

There was no options granted during the reporting year and there was no unexercised option as at 31 March 2020.

## STATEMENT BY DIRECTORS

## 5. OPTIONS (CONT'D)

Particulars of directors of the company who received options under the 2013 Scheme are as follows:

Name of directors	Options granted during reporting year 2014		Exercisable period	Aggregate options granted since commencement of scheme to 31.3.2020	Aggregate options exercised since commencement of scheme to 31.3.2020	Aggregate options outstanding as at 31.3.2020
	Number of options	Exercised price per share				
Ang Bee Yan, Katherine	100,000	71 cents	20.02.2015 – 20.02.2024	100,000	(100,000)	-
Yee Lat Shing, Tom	40,000	71 cents	20.02.2015 – 20.02.2019	40,000	(40,000)	-
Tan Chao Hsiung, David	40,000	71 cents	20.02.2015 – 20.02.2019	40,000	(40,000)	-
				180,000	(180,000)	-

Particulars of employees of the company who received 5% or more of the total options under the 2013 Scheme are as follows:

Name of employees	Aggregate options granted since commencement of scheme to 31.3.2020	Aggregate options exercised since commencement of scheme to 31.3.2020	Aggregate options outstanding as at 31.3.2020
Yaw Thiam Teng	100,000	(100,000)	-
Chang Qiang	100,000	(100,000)	-
Wu Tian Yee	100,000	(100,000)	-
Ang Lay Hoon	90,000	(90,000)	-
Molly Chua	90,000	(90,000)	-
	480,000	(480,000)	-

Except as disclosed above, there were no shares of the company or other body corporate in the group issued by virtue of the exercise of an option to take up unissued shares during the reporting year and there were no unissued shares under option at the end of the reporting year.

## STATEMENT BY DIRECTORS

### 6. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

### 7. REPORT OF AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Yee Lat Shing, Tom	(Chairman of audit committee, independent and non-executive director)
Dr. Lye Kin Mun	(Independent and non-executive director)
Tan Chao Hsiung, David	(Independent and non-executive director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- Reviewed the financial statements of the group and of the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that RSM Chio Lim LLP be nominated for re-appointment as the independent external auditor at the next annual general meeting of the company.

### 8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROL

Based on the internal controls and risk management systems established and maintained by the company, periodic reviews performed by management, other committees of the board and the board, and work performed by the independent internal and external auditors, the board with concurrence of the audit committee, is of the opinion that the company's internal control and risk management systems were adequate as at 31 March 2020 to address the risks relating to financial, operational, compliance and information technology controls.

# STATEMENT BY DIRECTORS

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## 9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and company's preliminary financial statements, as announced on 13 July 2020, which would materially affect the group's and company's operating and financial performance as of the date of this report.

On behalf of the directors

.....  
Dr. Chen Mun  
Director

.....  
Ang Bee Yan, Katherine  
Director

21 August 2020

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF POWERMATIC DATA SYSTEMS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the accompanying financial statements of Powermatic Data Systems Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)") 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 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting 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 company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

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

We have assessed and determined that there are no key audit matters to communicate in our report.

#### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the statement by directors and 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.



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF POWERMATIC DATA SYSTEMS LIMITED

### OTHER INFORMATION (CONT'D)

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

### RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF POWERMATIC DATA SYSTEMS LIMITED

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 period 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

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TO THE MEMBERS OF POWERMATIC DATA SYSTEMS LIMITED

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

The engagement partner on the audit resulting in this independent auditor's report is See Ling Ling Helen.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

21 August 2020

Engagement partner - effective from reporting year ended 31 March 2018



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2020

	Notes	2020 \$'000	2019 \$'000
<b>Revenue</b>	5	<b>21,756</b>	20,954
Cost of sales		<b>(10,014)</b>	(11,154)
<b>Gross profit</b>		<b>11,742</b>	9,800
Property income	6	<b>1,236</b>	1,222
Property expenses	7	<b>(697)</b>	(735)
Net income from property		<b>539</b>	487
Other income and gains	8	<b>1,665</b>	1,389
Marketing and distribution costs		<b>(1,565)</b>	(1,556)
Administrative expenses		<b>(2,418)</b>	(2,300)
Other operating expenses		<b>(11)</b>	(14)
Other losses	8	<b>(72)</b>	(78)
Finance cost	9	<b>(20)</b>	-
<b>Profit before tax</b>		<b>9,860</b>	7,728
Income tax expense	11	<b>(1,127)</b>	(733)
<b>Profit, net of tax</b>		<b>8,733</b>	6,995
<b><u>Other comprehensive income:</u></b>			
<b><u>Items that will not be reclassified to profit or loss:</u></b>			
Fair value changes on equity instruments at FVTOCI, net of tax	19	<b>(3,376)</b>	(590)
<b><u>Items that may be reclassified subsequently to profit or loss:</u></b>			
Exchange differences on translating foreign operations, net of tax		<b>(22)</b>	(75)
Total other comprehensive loss, net of tax		<b>(3,398)</b>	(665)
<b>Total comprehensive income</b>		<b>5,335</b>	6,330
Profit attributable to owners of the parent, net of tax		<b>8,733</b>	6,995
Total comprehensive income attributable to owners of the parent		<b>5,335</b>	6,330
<b>Earnings per share</b>			
Earnings per share currency unit		<b>Cents</b>	<b>Cents</b>
Basic and diluted	12	<b>24.99</b>	20.01

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

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	14	4,873	2,929	1,911	1,998
Right-of-use assets	15	293	-	-	-
Investment property	16	16,884	17,073	16,884	17,073
Intangible assets	17	27	58	-	-
Investment in subsidiaries	18	-	-	10,480	8,415
Other financial assets	19	2,649	6,369	2,649	6,369
Other non-financial assets	20	8	307	8	10
Deferred tax assets	11	365	365	-	-
Other receivables	22	-	-	2,239	-
<b>Total non-current assets</b>		<b>25,099</b>	<b>27,101</b>	<b>34,171</b>	<b>33,865</b>
<b><u>Current assets</u></b>					
Inventories	21	1,751	3,039	-	-
Trade and other receivables	22	1,462	856	15,135	452
Other financial assets	23	145	217	145	217
Other non-financial assets	24	178	110	37	39
Cash and cash equivalents	25	39,233	35,151	8,871	12,762
<b>Total current assets</b>		<b>42,769</b>	<b>39,373</b>	<b>24,188</b>	<b>13,470</b>
<b>Total assets</b>		<b>67,868</b>	<b>66,474</b>	<b>58,359</b>	<b>47,335</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity attributable to owners of the parent</u></b>					
Share capital	26	34,559	34,559	34,559	34,559
Retained earnings		26,053	19,840	21,656	6,965
Other reserves	28	607	4,281	1,556	5,208
<b>Total equity</b>		<b>61,219</b>	<b>58,680</b>	<b>57,771</b>	<b>46,732</b>
<b><u>Non-current liabilities</u></b>					
Lease liabilities, non-current	15	129	-	-	-
<b>Total non-current liabilities</b>		<b>129</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Current liabilities</u></b>					
Income tax payable		1,242	999	30	35
Trade and other payables	29	2,271	2,826	288	253
Lease liabilities, current	15	179	-	-	-
Other non-financial liabilities	30	2,828	3,969	270	315
<b>Total current liabilities</b>		<b>6,520</b>	<b>7,794</b>	<b>588</b>	<b>603</b>
<b>Total liabilities</b>		<b>6,649</b>	<b>7,794</b>	<b>588</b>	<b>603</b>
<b>Total equity and liabilities</b>		<b>67,868</b>	<b>66,474</b>	<b>58,359</b>	<b>47,335</b>

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

## STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2020

Group	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000
<b>Current year</b>					
Opening balance at 1 April 2019	58,680	35,349	(790)	19,840	4,281
<b>Changes in equity:</b>					
Total comprehensive income/(loss) for the year	5,335	-	-	8,733	(3,398)
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	-	-	-	276	(276)
Dividends paid (Note 13)	(2,796)	-	-	(2,796)	-
Closing balance at 31 March 2020	<u>61,219</u>	<u>35,349</u>	<u>(790)</u>	<u>26,053</u>	<u>607</u>
<b>Previous year</b>					
Opening balance at 1 April 2018	54,759	35,311	(790)	14,149	6,089
<b>Changes in equity:</b>					
Issue of share capital (Note 26)	38	38	-	-	-
Total comprehensive income/(loss) for the year	6,330	-	-	6,995	(665)
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	-	-	-	1,037	(1,037)
Expiry of share options	-	-	-	106	(106)
Dividends paid (Note 13)	(2,447)	-	-	(2,447)	-
Closing balance at 31 March 2019	<u>58,680</u>	<u>35,349</u>	<u>(790)</u>	<u>19,840</u>	<u>4,281</u>

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

## STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2020

Company	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000
<b>Current year</b>					
Opening balance at 1 April 2019	46,732	35,349	(790)	6,965	5,208
<b>Changes in equity:</b>					
Total comprehensive income/(loss) for the year	13,835	-	-	17,211	(3,376)
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	-	-	-	276	(276)
Dividends paid (Note 13)	(2,796)	-	-	(2,796)	-
Closing balance at 31 March 2020	<u>57,771</u>	<u>35,349</u>	<u>(790)</u>	<u>21,656</u>	<u>1,556</u>
<b>Previous year</b>					
Opening balance at 1 April 2018	44,413	35,311	(790)	2,951	6,941
<b>Changes in equity:</b>					
Issue of share capital (Note 26)	38	38	-	-	-
Total comprehensive income/(loss) for the year	4,728	-	-	5,318	(590)
Transfer of fair value reserve of equity instruments at FVTOCI upon disposal (Note 19)	-	-	-	1,037	(1,037)
Expiry of share options	-	-	-	106	(106)
Dividends paid (Note 13)	(2,447)	-	-	(2,447)	-
Closing balance at 31 March 2019	<u>46,732</u>	<u>35,349</u>	<u>(790)</u>	<u>6,965</u>	<u>5,208</u>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2020

	2020 \$'000	2019 \$'000
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	9,860	7,728
Adjustments for:		
Depreciation of property, plant and equipment	347	324
Depreciation of right-of-use assets	172	-
Depreciation of investment property	221	220
Amortisation of intangible assets	37	41
Fair value loss on financial instruments at FVTPL	72	78
Dividend income	(356)	(416)
Interest income	(617)	(489)
Interest expense	20	-
Unrealised foreign exchange adjustment gains, net	(4)	(79)
Operating cash flows before changes in working capital	9,752	7,407
Inventories	1,305	(1,417)
Trade and other receivables	(606)	173
Other non-financial assets	237	(308)
Trade and other payables	(565)	990
Other non-financial liabilities	(1,146)	2,440
Net cash flows from operations	8,977	9,285
Income taxes paid	(927)	(780)
Net cash flows from operating activities	8,050	8,505
<b><u>Cash flows from investing activities</u></b>		
Payments for intangible assets	(6)	(22)
Purchase of property, plant and equipment	(2,326)	(385)
Disposal of other financial assets	344	1,251
Disposal of plant and equipment	-	6
Improvement on investment property	(32)	(33)
Increase of cash restricted in use over 3 months	5,913	3,882
Interest income received	660	461
Dividend income received	356	416
Net cash flows from investing activities	4,909	5,576
<b><u>Cash flows from financing activities</u></b>		
Proceeds from exercise of share options	-	38
Lease liabilities – interest and principal portion paid	(177)	-
Dividends paid to equity owners	(2,796)	(2,447)
Net cash flows used in financing activities	(2,973)	(2,409)
<b>Net increase in cash and cash equivalents</b>	<b>9,986</b>	<b>11,672</b>
Effect of exchange rate changes on cash balance held in foreign currencies	9	15
Cash and cash equivalents, beginning balance	24,438	12,751
<b>Cash and cash equivalents, ending balance (Note 25)</b>	<b>34,433</b>	<b>24,438</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 1. GENERAL

Powermatic Data Systems Limited (the “company”) is incorporated in Singapore with limited liability. It is listed on the Singapore Exchange Securities Trading Limited. The financial statements are presented in Singapore Dollar and they cover the company and its subsidiaries (the “group”). All financial information in these financial statements are rounded to the nearest thousand (“\$’000”), unless when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The company is an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 18 below.

The registered office and principal place of business of the company is located at No 9 Harrison Road, #05-01, Singapore 369651.

### Statement Of Compliance With Financial Reporting Standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

### Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 1. GENERAL (CONT'D)

### Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income and statement of cash flows are not presented.

### Covid-19 pandemic and the aftermath

The Covid-19 pandemic and the aftermath of the pandemic globally forced to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by the governments to contain the spread of Covid-19, including travels, social distancing and closure of non-essential services. This resulted in an economic slowdown, which have adversely impacted on the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for inventories and receivables) and the completeness or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). The recoverability of the assets and the ability of the entity to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by Singapore and the affected countries overseas to successfully meet those economic challenges. As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the group's businesses and the countries where the reporting entity operates.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. Significant accounting policies

#### Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Revenue from rendering of services is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

#### Other income

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis which is used if that basis is more presentative of the pattern in which benefit from the use of the underlying asset is diminished. Interest income is recognised using the effective interest method.

Dividend income from equity instruments is recognised in profit or loss only when the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount of the dividend can be measured reliably. This is usually ex-dividend date for quoted shares.

#### Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to the Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the group.

#### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss. The presentation currency is the functional currency.

#### Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

#### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Renovations	-	20%
Furniture, fittings and equipment	-	10% to 33%
Freehold office unit	-	2.63%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Property, plant and equipment (cont'd)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an 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 repairs and maintenance are charged to profit or loss when they are incurred.

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rate of depreciation is as follows:

Leasehold property – 3.13%

#### Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

#### Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

#### Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Investment property (cont'd)

After initial recognition at cost including transaction costs the cost model is used to measure the investment property, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held-for-sale is carried at the lower of carrying amount and fair value. For disclosure purposes only the fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values, if any, over their estimated useful lives. The annual rates of depreciation are as follows:

Building improvements	-	3.15%
Freehold building	-	2.63%
Freehold land	-	Not depreciated

#### Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The recognised amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use as follows:

Certification fees	-	3 years
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#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Impairment of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

#### Inventories

Inventories are measured at the lower of cost (first-in-first-out method) and net realisable value. Net realisable value 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. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Financial instruments (cont'd)

##### Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

##### Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (cont'd)

#### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

### 2B. Other explanatory information

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur. Warranty provisions are measured using probability models based on past experience.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2B. Other explanatory information (cont'd)

#### Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

#### Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

#### Net realisable value of inventories:

A review is made on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in the note on inventories.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### Income tax amounts:

Entities in the group recognise tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

#### Contingent liability:

Contingent liability incurred are not recognised but disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity and are not recognised because it is not probable that an outflow of resources will be required to settle the obligation. Moreover, the amount of the obligation cannot be measured with sufficient reliability. Inevitably, the determination that the possibility that an outflow of resources embodying economic benefits is remote and that the occurrence or non-occurrence of one or more uncertain future events is not wholly within the control of the reporting entity requires significant judgment. The contingencies are disclosed in Note 34.

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Dr Chen Mun, a director and controlling shareholder of the company.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

## 3A. Key management compensation

	Group	
	2020	2019
	\$'000	\$'000
Salaries and other short-term employee benefits	1,126	1,023

The above amount is included under employee benefits expense. Included in the above amount are the following items:

	Group	
	2020	2019
	\$'000	\$'000
Remuneration of directors of the company	603	547
Fees to directors of the company	52	52

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly.

## 3B. Other receivables from related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Company	
	2020	2019
	\$'000	\$'000
<u>Other receivables from subsidiaries:</u>		
At beginning of the year	331	2,545
Amounts paid in and settlement of liabilities on behalf of the company	(149)	(4,733)
Amounts paid out and settlement of liabilities on behalf of the subsidiaries	1,942	311
Inter-company recharges	215	215
Allowance for impairment	(7)	(7)
Dividend income	15,000	2,000
At end of the year (Note 22)	17,332	331

# NOTES TO THE FINANCIAL STATEMENTS

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## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

### 4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes the reporting entity is organised into three major strategic operating segments: (1) wireless connectivity products, (2) property and (3) corporate holding and others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- Wireless connectivity products segment comprises manufacturing, sales, marketing and distribution of wireless connectivity products.
- Property segment comprises managing the investment properties.
- Corporate holding and others is involved in group-level corporate services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results is the gross profit.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

## 4B. Primary analysis by business segment

<u>Group:</u>	<b>Wireless connectivity products \$'000</b>	<b>Property \$'000</b>	<b>Corporate holding and others \$'000</b>	<b>Total \$'000</b>
<b>2020:</b>				
Revenue by segment	21,708	-	48	21,756
Cost of sales	(9,970)	-	(44)	(10,014)
Gross profit	11,738	-	4	11,742
<u>Other items of income</u>				
Property income	-	1,236	-	1,236
Property expense	-	(697)	-	(697)
Net income from property	-	539	-	539
Other income and gains	1,125	-	540	1,665
<u>Other items of expenses</u>				
Marketing and distribution cost	(1,545)	-	(20)	(1,565)
Administration expenses	(1,650)	-	(768)	(2,418)
Other operating expenses	(11)	-	-	(11)
Other losses	-	-	(72)	(72)
Finance cost	(20)	-	-	(20)
Profit / (loss) before tax	9,637	539	(316)	9,860
Income tax expense	(1,120)	-	(7)	(1,127)
Profit / (loss), net of tax	8,517	539	(323)	8,733
Segment assets	37,312	16,898	13,658	67,868
Segment liabilities	(6,062)	(237)	(350)	(6,649)
<u>Other segment information:</u>				
Capital expenditure	2,332	32	-	2,364
Depreciation of property, plant and equipment	(260)	-	(87)	(347)
Depreciation of right-of-use assets	(172)	-	-	(172)
Depreciation of investment property	-	(221)	-	(221)
Amortisation of intangible assets	(36)	-	(1)	(37)
Service and sundry income	439	-	-	439

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4B. Primary analysis by business segment (cont'd)

<u>Group:</u>	<b>Wireless connectivity products \$'000</b>	<b>Property \$'000</b>	<b>Corporate holding and others \$'000</b>	<b>Total \$'000</b>
<b>2019:</b>				
Revenue by segment	20,891	-	63	20,954
Cost of sales	(11,096)	-	(58)	(11,154)
Gross profit	9,795	-	5	9,800
<u>Other items of income</u>				
Property income	-	1,222	-	1,222
Property expense	-	(735)	-	(735)
Net income from property	-	487	-	487
Other income and gains	814	-	575	1,389
<u>Other items of expenses</u>				
Marketing and distribution cost	(1,518)	-	(38)	(1,556)
Administration expenses	(1,598)	-	(702)	(2,300)
Other operating expenses	(14)	-	-	(14)
Other losses	-	-	(78)	(78)
Profit / (loss) before tax	7,479	487	(238)	7,728
Income tax expense	(733)	-	-	(733)
Profit / (loss), net of tax	<u>6,746</u>	<u>487</u>	<u>(238)</u>	<u>6,995</u>
Segment assets	<u>27,877</u>	<u>17,087</u>	<u>21,510</u>	<u>66,474</u>
Segment liabilities	<u>(7,192)</u>	<u>(250)</u>	<u>(352)</u>	<u>(7,794)</u>
<u>Other segment information:</u>				
Capital expenditure	403	33	4	440
Depreciation of property, plant and equipment	(237)	-	(87)	(324)
Depreciation of investment property	-	(220)	-	(220)
Amortisation of intangible assets	(40)	-	(1)	(41)
Service and sundry income	<u>504</u>	<u>-</u>	<u>-</u>	<u>504</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4C. Geographical information

The following table provides an analysis of the revenue by geographical location or customers, irrespective of the origin of the goods/services:

	Group	
	2020 \$'000	2019 \$'000
Revenue:		
Singapore	81	340
Europe	4,304	4,658
Asia (except Singapore)	9,251	6,200
United States of America	7,231	6,808
Others (including Canada and Brazil)	889	2,948
	<u>21,756</u>	<u>20,954</u>

The property income is from property in Singapore.

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, intangible assets and investment property analysed by the geographical area in which the assets are located:

	Group	
	2020 \$'000	2019 \$'000
Segment assets:		
Singapore	61,192	60,289
Asia (except Singapore)	6,668	6,177
United States of America	8	8
	<u>67,868</u>	<u>66,474</u>
Capital expenditure:		
Singapore	199	62
Asia (except Singapore)	2,165	378
	<u>2,364</u>	<u>440</u>

### 4D. Information about major customers

A single customer with revenue transaction of \$3,575,000 accounted for 16% of the total revenue of the group for the reporting year. There were no customers with revenue transactions of over 10% of the group revenue in the previous reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

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## 5. REVENUE

	Group	
	2020 \$'000	2019 \$'000
Sale of goods	21,317	20,450
Service and sundry income	439	504
	<u>21,756</u>	<u>20,954</u>

All the contracts are less than 12 months.

The revenue from sale of goods is recognised based on point in time. The customers are retailers and wholesalers. A large portion of the goods is exported.

The revenue from services is recognised based on point in time. A large portion is for customers overseas.

Also see Note 4.

## 6. PROPERTY INCOME

	Group	
	2020 \$'000	2019 \$'000
Rental and services income from investment property	1,236	1,222

## 7. PROPERTY EXPENSES

	Group	
	2020 \$'000	2019 \$'000
Building maintenance expense	394	427
Depreciation expense	221	220
Utilities and other expenses	82	88
	<u>697</u>	<u>735</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 8. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2020	2019
	\$'000	\$'000
Foreign exchange translation gains, net	645	476
Fair value losses on financial instruments at FVTPL	(72)	(78)
Government grant income	2	4
Dividend income	356	416
Interest income	617	489
Sundry income	45	4
Net	<u>1,593</u>	<u>1,311</u>
Presented in profit or loss as:		
Other income and gains	1,665	1,389
Other losses	(72)	(78)
Net	<u>1,593</u>	<u>1,311</u>

## 9. FINANCE COSTS

	Group	
	2020	2019
	\$'000	\$'000
Interest on lease liabilities	<u>20</u>	<u>-</u>

## 10. EMPLOYEE BENEFITS EXPENSE

	Group	
	2020	2019
	\$'000	\$'000
Short term employee benefits expense	2,681	2,729
Contributions to defined contribution plan	269	278
Total employee benefits expense	<u>2,950</u>	<u>3,007</u>
Included in marketing, distribution and administrative expenses	2,591	2,875
Included in cost of sales	359	132
	<u>2,950</u>	<u>3,007</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 11. INCOME TAX

### 11A. Components of tax expense recognised in profit or loss

	Group	
	2020 \$'000	2019 \$'000
<u>Current tax expense:</u>		
Current tax expense	1,117	982
Under (over) adjustments to tax in respect of prior periods	(10)	(94)
Subtotal	<u>1,127</u>	<u>888</u>
 <u>Deferred tax income:</u>		
Deferred tax income	-	(155)
Total income tax expense	<u>1,127</u>	<u>733</u>

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the company is situated. The income tax in profit or loss varied from the amount determined by applying the Singapore corporate tax rate of 17% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020 \$'000	2019 \$'000
Profit before tax	<u>9,860</u>	<u>7,728</u>
Income tax expense at the above rate	1,676	1,314
Effect of different tax rates in different countries	50	90
Income not subject to tax	(196)	(143)
Not deductible items for tax purposes	72	77
Stepped income exemption and tax rebate	(61)	(48)
Previously unrecognised deferred tax assets recognised this year	(423)	(493)
Under (over) adjustments to tax in respect of prior periods	10	(94)
Others	(1)	30
Total income tax expense	<u>1,127</u>	<u>733</u>

There are no income tax consequences of dividends to owners of the company.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 11. INCOME TAX (CONT'D)

## 11B. Deferred tax income recognised in profit or loss

	Group	
	2020	2019
	\$'000	\$'000
Tax losses carryforwards	(410)	(336)
Capital allowance carryforwards	(13)	(2)
Previously unrecognised deferred tax assets recognised this year	423	493
Total deferred tax income recognised in profit or loss	<u>-</u>	<u>155</u>

## 11C. Deferred tax balance in the statement of financial position

	Group			
	2020		2019	
	Gross amount	Tax effect	Gross amount	Tax effect
	\$'000	\$'000	\$'000	\$'000
Unused tax losses	1,212	206	3,622	616
Unused capital allowance	-	-	52	13
Unrecognised deferred tax assets	937	159	(1,524)	(264)
Net deferred tax assets	<u>2,149</u>	<u>365</u>	<u>2,150</u>	<u>365</u>

Deferred tax asset for the tax losses has been recognised to the extent of the future profit streams that are probable against which the deductible temporary difference can be utilised.

For Singapore companies, the realisation of the future income tax benefits from these tax loss carryforwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

For companies in the People's Republic of China, temporary difference from capital allowances amounting to \$Nil (2019: \$52,000) can be carried forward for 5 years.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

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## 12. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2020	2019
	\$'000	\$'000
Numerators: earnings attributable to equity:		
A. Continuing operations: attributable to equity holders	8,733	6,995
B. Total basic earnings	<u>8,733</u>	<u>6,995</u>
C. Diluted earnings	<u>8,733</u>	<u>6,995</u>
	<u>'000</u>	<u>'000</u>
Denominators: weighted average number of equity shares		
D. Basic	34,953	34,953
E. Diluted	<u>34,953</u>	<u>34,953</u>

The weighted average number of equity shares refers to shares in circulation during the reporting year. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

## 13. DIVIDENDS ON EQUITY SHARES

	Rate per share		2020 \$'000	2019 \$'000
	2020 cents	2019 cents		
<u>Group and company</u>				
Final tax exempt (1-tier) ordinary dividend paid	5	5	1,748	1,748
Final tax exempt (1-tier) special dividend paid	3	2	1,048	699
	<u>8</u>	<u>7</u>	<u>2,796</u>	<u>2,447</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 14. PROPERTY, PLANT AND EQUIPMENT

Group	Renovations \$'000	Furniture, fittings and equipment \$'000	Freehold office unit \$'000	Freehold land and factory \$'000	Total \$'000
<u>Cost:</u>					
At 1 April 2018	272	4,038	2,082	-	6,392
Foreign exchange adjustments	-	(123)	-	-	(123)
Additions	-	385	-	-	385
Disposals	-	(11)	-	-	(11)
At 31 March 2019	272	4,289	2,082	-	6,643
Foreign exchange adjustments	-	(45)	-	-	(45)
Additions	28	405	-	1,893	2,326
At 31 March 2020	300	4,649	2,082	1,893	8,924
<u>Accumulated depreciation:</u>					
At 1 April 2018	98	3,195	198	-	3,491
Foreign exchange adjustments	-	(96)	-	-	(96)
Depreciation for the year	54	247	23	-	324
Disposals	-	(5)	-	-	(5)
At 31 March 2019	152	3,341	221	-	3,714
Foreign exchange adjustments	-	(10)	-	-	(10)
Depreciation for the year	54	249	23	21	347
At 31 March 2020	206	3,580	244	21	4,051
<u>Carrying value:</u>					
At 1 April 2018	174	843	1,884	-	2,901
At 31 March 2019	120	948	1,861	-	2,929
At 31 March 2020	94	1,069	1,838	1,872	4,873

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<u>Company</u>	<b>Renovations</b>	<b>Furniture, fittings and equipment</b>	<b>Freehold office unit</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Cost:</u>				
At 1 April 2018	272	108	2,082	2,462
Additions	-	4	-	4
At 31 March 2019 and 31 March 2020	<u>272</u>	<u>112</u>	<u>2,082</u>	<u>2,466</u>
<u>Accumulated depreciation:</u>				
At 1 April 2018	97	85	199	381
Depreciation for the year	54	10	23	87
At 31 March 2019	<u>151</u>	<u>95</u>	<u>222</u>	<u>468</u>
Depreciation for the year	56	9	22	87
At 31 March 2020	<u>207</u>	<u>104</u>	<u>244</u>	<u>555</u>
<u>Carrying value:</u>				
At 1 April 2018	<u>175</u>	<u>23</u>	<u>1,883</u>	<u>2,081</u>
At 31 March 2019	<u>121</u>	<u>17</u>	<u>1,860</u>	<u>1,998</u>
At 31 March 2020	<u>65</u>	<u>8</u>	<u>1,838</u>	<u>1,911</u>

Allocation of the depreciation expense:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cost of sales	208	192	-	-
Administrative expenses	139	132	87	87
	<u>347</u>	<u>324</u>	<u>87</u>	<u>87</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Group	
	Right-of-use assets \$'000	Lease liabilities \$'000
<u>Cost:</u>		
At 1 April 2019 on adoption of SFRS (I) 16	465	465
Accretion of interest	-	20
Lease payments – principal portion paid	-	(177)
At 31 March 2020	465	308
<u>Accumulated depreciation:</u>		
At 1 April 2019	-	-
Depreciation for the year	172	-
At 31 March 2020	172	-
<u>Carrying value:</u>		
At 1 April 2019	465	465
At 31 March 2020	293	308

Lease liabilities are presented in the statement of financial position as follows:

	2020 \$'000
Lease liabilities, non-current	129
Lease liabilities, current	179
	308

The leases are for office space and production facilities in Suzhou in the People's Republic of China. The lease contracts are usually for fixed periods of 3 to 5 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

At the date of transition to the new standard on leases, management elected to measure the right-of-use assets at an amount equal to the lease liabilities adjusted for any prepaid or accrued lease payments that existed at the date of transition (applied to leases previously classified as finance leases or operating leases). The lease liabilities below do not include the short-term leases and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-of-use assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

The new standard on leases has been applied using the modified retrospective transition approach. Therefore, no comparative amounts for the year ended 31 March 2019 are presented.

On transition to the new standard on leases the weighted average incremental borrowing rate applied to lease liabilities recognised was 5.25% per annum.

Reconciliation of lease commitments and lease liabilities at the date of initial application:

	<b>2020</b> <b>\$'000</b>
<u>Group:</u>	
Operating lease commitments as at 31 March 2019	493
Discounted using incremental borrowing rate	(28)
At 1 April 2019	<u>465</u>

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	<b>Minimum payments \$'000</b>	<b>Finance charges \$'000</b>	<b>Present value \$'000</b>
<u>Group:</u>			
<u>2020:</u>			
Minimum lease payments payable:			
Due within 1 year	190	(11)	179
Due within 2 to 5 years	131	(2)	129
Total	<u>321</u>	<u>(13)</u>	<u>308</u>

Total cash outflows for leases for the year ended 31 March 2020 are shown in the statement of cash flows.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

## NOTES TO THE FINANCIAL STATEMENTS

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## 16. INVESTMENT PROPERTY

<u>Group and Company</u>	<u>Freehold land \$'000</u>	<u>Freehold building \$'000</u>	<u>Building improvements \$'000</u>	<u>Total \$'000</u>
<u>Cost:</u>				
At 1 April 2018	10,804	6,612	1,397	18,813
Additions	-	-	33	33
At 31 March 2019	10,804	6,612	1,430	18,846
Addition	-	-	32	32
At 31 March 2020	10,804	6,612	1,462	18,878
<u>Accumulated depreciation:</u>				
At 1 April 2018	-	1,459	94	1,553
Depreciation for the year	-	175	45	220
At 31 March 2019	-	1,634	139	1,773
Depreciation for the year	-	175	46	221
At 31 March 2020	-	1,809	185	1,994
<u>Carrying value:</u>				
At 1 April 2018	10,804	5,153	1,303	17,260
At 31 March 2019	10,804	4,978	1,291	17,073
At 31 March 2020	10,804	4,803	1,277	16,884
			<b>Group and Company</b>	
			<b>2020</b>	<b>2019</b>
			<b>\$'000</b>	<b>\$'000</b>
Fair values for disclosure purposes only:				
Fair value at end of the year			30,342	31,514
Rental and service income from investment property			1,236	1,222
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the reporting year			(697)	(735)



## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

### 16. INVESTMENT PROPERTY (CONT'D)

The depreciation expense is charged under property expenses.

The investment property is two-adjointing six-storey semi-detached industrial buildings located at Nos. 7 and 9 Harrison Road, Singapore 369650/1. Other than an office unit in one of the buildings which is used by the group as its corporate head office and classified under property, plant and equipment in Note 14, the remaining units in the two buildings are leased out under operating leases. Also see Note 32 on operating lease income commitments.

The investment property is leased out under operating leases. The management has not entered into contractual obligations for the maintenance or enhancement of the investment properties.

As the lessor, the reporting entity manages the risk associated with any rights it retains in the underlying assets including any means to reduce that risk. Such means may include, insurance coverage, buy-back agreements, residual value guarantees or variable lease payments for use in excess of specified limits, having clauses in the leases providing for compensation the lessor when a property has been subjected to excess wear-and-tear during the lease term.

The fair value of investment property was measured in March 2020 based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a valuation made by Colliers International Consultancy and Valuation (Singapore) Pte Ltd, a firm of independent professional valuers. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the reporting year. Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

A description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Nos. 7 and 9 Harrison Road, Singapore 369650/1 (excluding #05-01 which is classified under property, plant and equipment)
Fair value:	\$30,342,000 (2019: \$31,514,000)
Fair value hierarchy:	Level 2 (2019: Level 2)
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs and range (weighted average):	Price per square foot: \$1,029 (2019: \$1,086)
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimate – 10% variation from estimate:	Impact – lower by \$3,034,000; higher by \$3,034,000

## NOTES TO THE FINANCIAL STATEMENTS

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## 17. INTANGIBLE ASSETS

<u>Group</u>	<b>Certification fees \$'000</b>
<u>Cost:</u>	
At 1 April 2018	343
Additions	22
At 31 March 2019	365
Additions	6
At 31 March 2020	371
 <u>Accumulated amortisation:</u>	
At 1 April 2018	266
Amortisation for the year	41
At 31 March 2019	307
Amortisation for the year	37
At 31 March 2020	344
 <u>Carrying value:</u>	
At 1 April 2018	77
At 31 March 2019	58
At 31 March 2020	27

## 18. INVESTMENTS IN SUBSIDIARIES

	<b>Company</b>	
	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Total cost comprising:		
Unquoted equity shares at cost	22,635	22,553
Allowance for impairment	(12,155)	(14,138)
Net carrying amount	10,480	8,415
 Movements during the year. At cost:		
At beginning of the year	22,553	22,553
Addition	82	-
Cost at the end of the year	22,635	22,553
 Movements in allowance for impairment:		
At beginning of the year	14,138	17,155
Impairment loss reversed to profit or loss	(1,983)	(3,017)
At end of the year	12,155	14,138
 Analysis of above amounts denominated in non-functional currency:		
United States Dollar	12,155	12,155
Chinese Renminbi	3,829	3,829
Others	82	-

## NOTES TO THE FINANCIAL STATEMENTS

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### 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The increasing performance of a subsidiary was considered sufficient evidence to reverse the impairment loss. It has better performance from an increase in number of customers and sales. The recoverable amount was determined on the basis of the fair value less cost to sell method and this resulted in a reversal of the impairment loss of the subsidiary.

The listing of and information of the subsidiaries are given below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost in books of the company		Effective equity held by the company	
	2020	2019	2020	2019
	\$'000	\$'000	%	%
Compex Systems Pte Ltd <sup>(a)</sup> Singapore Trader of own made wireless connectivity products / solutions	1,569	1,569	100	100
Compex Technologies Pte Ltd <sup>(a)</sup> Singapore Trader of own made wireless connectivity products / solutions / computers related peripherals	5,000	5,000	100	100
Compex (Suzhou) Co., Ltd <sup>(b)</sup> People's Republic of China Manufacturer of wireless connectivity products	3,714	3,714	100	100
Compex Wireless (Suzhou) Co., Ltd <sup>(b)</sup> People's Republic of China Trader of own made wireless connectivity products / solutions	115	115	100	100
Compex Technologies Sdn Bhd <sup>(c)</sup> (incorporated on 7 December 2018) Malaysia Manufacturer of wireless connectivity products	82	-	100	100
Compex Inc <sup>(d)</sup> United States of America Dormant	12,155	12,155	100	100
	<u>22,635</u>	<u>22,553</u>		

## NOTES TO THE FINANCIAL STATEMENTS

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## 18. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Audited by RSM Chio Lim LLP, a member firm of RSM International.
- (b) Audited by SBA Stone Forest CPA Co., Ltd, an affiliated firm of RSM Chio Lim LLP in Singapore for consolidation purpose only.
- (c) Audited by YYC & Co PLT, a Chartered Accountant firm in Malaysia.
- (d) Not required to be audited under the law of its country of incorporation and it is not material.

As is required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditor for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the group.

## 19. OTHER FINANCIAL ASSETS

	Group and Company	
	2020	2019
	\$'000	\$'000
Investments in equity shares at FVTOCI (Note 19A)	2,644	6,364
Unquoted equity shares at cost through OCI (Note 19B)	5	5
	<u>2,649</u>	<u>6,369</u>

## 19A. INVESTMENTS IN EQUITY SHARES AT FVTOCI

	Group and Company	
	2020	2019
	\$'000	\$'000
Fair value at beginning of the year	6,364	8,205
Disposals	(68)	(214)
Gain on disposal transferred to retained earnings	(276)	(1,037)
Decrease in fair value through other comprehensive income	(3,376)	(590)
Fair value at end of the year	<u>2,644</u>	<u>6,364</u>

The gain or loss on remeasuring investments in equity shares at FVTOCI to fair value (other than those relating to hedges) presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity.

During the reporting year certain investments in equity instruments measured at FVTOCI were derecognised to realise the gains. The fair value of the investments at the date of derecognition was \$3,652,000. The cumulative gain on disposal of \$276,000 was transferred to retained earnings.

# NOTES TO THE FINANCIAL STATEMENTS

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## 19. OTHER FINANCIAL ASSETS (CONT'D)

### 19A. INVESTMENTS IN EQUITY SHARES AT FVTOCI (CONT'D)

The information below gives a summary of the significant sector concentrations within the investment portfolio:

	Level	Group and Company	
		2020	2019
		\$'000	\$'000
Quoted equity shares in corporations			
- Technology, Thailand	1	2,644	6,364

### 19B. UNQUOTED EQUITY SHARES AT COST THROUGH OCI

	Group and Company	
	2020	2019
	\$'000	\$'000
At beginning and end of the year	5	5

The financial reporting standard on financial instruments require that all investments in unquoted equity shares and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

When information about the performance and operations of the investee becomes available after the date of initial recognition and that relevant factors exist, they may indicate that cost might not be representative of fair value. In such cases, the unquoted equity shares have to be measured fair value.

Management has not identified a market for these unquoted equity instruments and it has not made a decision on how and when it intends to dispose of them in the foreseeable future.

The information below gives a summary of the significant sector concentrations within the investment portfolio:

	Level	Group and Company	
		2020	2019
		\$'000	\$'000
Unquoted equity shares in corporation			
- Technology, United States of America	3	5	5

## NOTES TO THE FINANCIAL STATEMENTS

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## 20. OTHER NON-FINANCIAL ASSETS, NON-CURRENT

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Club membership	8	10	8	10
Deposit for acquisition of factory (a)	-	297	-	-
	<u>8</u>	<u>307</u>	<u>8</u>	<u>10</u>

- (a) Amount relates to deposit for freehold factory paid in 2019. Purchase of the freehold factory in Malaysia was completed during the reporting year. Deposit paid has been reclassified to property, plant and equipment in Note 14.

## 21. INVENTORIES

	Group	
	2020 \$'000	2019 \$'000
Finished goods and goods for resale	504	739
Work-in-progress	454	765
Raw material, consumables and supplies	793	1,535
	<u>1,751</u>	<u>3,039</u>
Inventories are stated after allowance as follows:		
At beginning of the year	606	238
(Reversed) / charged to profit or loss included in cost of sales	(116)	368
Used	(205)	-
At end of the year	<u>285</u>	<u>606</u>
Changes in inventories of finished goods and work-in-progress	(546)	943
The amount of inventories included in cost of sales	<u>8,574</u>	<u>9,878</u>

The reversal of the allowance are for raw materials and consumables used during the reporting year.

There are no inventories pledged as security for liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

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## 22. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<u>Trade receivables:</u>				
Outside parties	1,267	411	21	45
Less: Allowance for impairment	(3)	(3)	(3)	(3)
Net trade receivables - subtotal	<u>1,264</u>	<u>408</u>	<u>18</u>	<u>42</u>
 <u>Other receivables:</u>				
Outside parties	198	448	24	79
Subsidiaries (Note 3)	-	-	6,478	4,473
Less: Allowance for impairment	-	-	(4,146)	(4,142)
	-	-	2,332	-
Dividend due from subsidiary	-	-	15,000	331
Net other receivables - subtotal	<u>198</u>	<u>448</u>	<u>17,356</u>	<u>410</u>
Total trade and other receivables	<u>1,462</u>	<u>856</u>	<u>17,374</u>	<u>452</u>
	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Movements in above allowances:				
At beginning of the year	3	3	4,145	4,136
Charge of trade receivables to profit or loss included in other income and gains	-	-	7	-
Foreign currency adjustments	-	-	(3)	9
At end of the year	<u>3</u>	<u>3</u>	<u>4,149</u>	<u>4,145</u>
 Presented as:				
Trade and other receivables, current	1,462	856	15,135	452
Other receivables, non-current	-	-	2,239	-
	<u>1,462</u>	<u>856</u>	<u>17,374</u>	<u>452</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 22. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 12 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The loss allowance for trade receivables was determined as follows:

	Gross amount		Loss allowance	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<u>Group</u>				
Current	1,153	397	-	-
1 – 30 days past due	64	5	-	-
31 – 60 days past due	47	-	-	-
61 – 90 days past due	-	-	-	-
Over 90 days past due	3	9	(3)	(3)
Total	<u>1,267</u>	<u>411</u>	<u>(3)</u>	<u>(3)</u>
<u>Company</u>				
Current	18	36	-	-
Over 90 days past due	3	9	(3)	(3)
Total	<u>21</u>	<u>45</u>	<u>(3)</u>	<u>(3)</u>

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

To determine whether a financial instrument has low credit risk, management uses its internal credit risk ratings (such as external rating of "investment grade" of a financial instrument) or other methodologies that are consistent with a globally understood definition of low credit risk (such as market participant perspective taking into account all of the terms and conditions of the financial instrument).



## NOTES TO THE FINANCIAL STATEMENTS

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### 22. TRADE AND OTHER RECEIVABLES (CONT'D)

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is from 30-90 days (2019: 30-90 days). But some customers take a longer period to settle the amounts.

Concentration of trade receivables customers as at the end of reporting year:

	Group	
	2020 \$'000	2019 \$'000
Top 1 customer	422	123
Top 2 customers	546	149
Top 3 customers	641	162

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Other receivables are normally with no fixed terms and therefore there is no maturity. Related company other receivables are regarded as of low credit risk if they are guaranteed by the parent or a related company with the ability to settle the amount.

The non-current other receivables of \$2,239,000 are extended as quasi-equity loans to a subsidiary and have no fixed terms of repayment. The directors consider these receivable as quasi-equity in nature as these receivables are not expected to be repaid until such time the subsidiary has the financial resources in excess of their working capital requirements, and is in a position to return the capital. As such, these receivables have not been fair valued.

### 23. OTHER FINANCIAL ASSETS

	Group and Company	
	2020 \$'000	2019 \$'000
Quoted equity shares in corporations (Level 1)	145	217
Movements during the year:		
At beginning of the year	217	295
Fair value loss included in profit or loss included in other losses	(72)	(78)
At end of the year	145	217

## NOTES TO THE FINANCIAL STATEMENTS

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## 24. OTHER NON-FINANCIAL ASSETS, CURRENT

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Prepayments	138	96	23	25
Deposits to secure services	40	14	14	14
	<u>178</u>	<u>110</u>	<u>37</u>	<u>39</u>

## 25. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fixed deposits	29,063	17,211	5,200	3,700
Fixed deposits (maturity of over 3 months)	4,800	10,713	3,100	6,800
Cash and bank balances	5,370	7,227	571	2,262
	<u>39,233</u>	<u>35,151</u>	<u>8,871</u>	<u>12,762</u>
Interest earning balances	<u>34,645</u>	<u>33,369</u>	<u>8,423</u>	<u>12,761</u>

The rates of interest for the cash on interest earning balances ranged between 0.05% and 2.95% (2019: 0.05% and 3.01%) per year.

	Group	
	2020 \$'000	2019 \$'000
Amount as shown above	39,233	35,151
Less: Cash restricted in use over 3 months	(4,800)	(10,713)
Cash and cash equivalents in consolidated statement of cash flows	<u>34,433</u>	<u>24,438</u>

## 25A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

	2019	Cash	Non-cash	2020
	\$'000	flows \$'000	changes \$'000	\$'000
Lease liabilities	<u>-</u>	<u>(177)</u>	<u>485</u>	<u>308</u>

## NOTES TO THE FINANCIAL STATEMENTS

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## 26. SHARE CAPITAL

	Number of shares issued \$'000	Share capital \$'000	Treasury shares \$'000	Total \$'000
<u>Group and Company</u>				
Ordinary shares of no par value:				
At beginning of the year 1 April 2018	34,899	35,311	(790)	34,521
Exercise of share options (Note 27)	54	38	-	38
At end of the year 31 March 2019 and 31 March 2020	<u>34,953</u>	<u>35,349</u>	<u>(790)</u>	<u>34,559</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

	Number of treasury shares		Fair value	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At beginning of the year 1 April 2018 and at end of the year 31 March 2019 and 31 March 2020	<u>850</u>	<u>850</u>	<u>790</u>	<u>790</u>

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

There are no external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. SHARE OPTIONS

The company has an employee share option scheme known as the “Powermatic Data Systems Employees’ Share Option Scheme 2013” (the “2013 Scheme”). The 2013 Scheme is a share incentive scheme designed to acknowledge the contributions made by the directors and employees and to give recognition to such directors and employees by giving them the opportunity to have a personal stake in the company and to attract, motivate and retain talented staff for the company’s domestic and international operations.

Under the rules of the 2013 Scheme, all directors and full-time employees of the group are eligible to participate in the scheme except for employee or director who is also a controlling shareholder or an associate of a controlling shareholder. Employees of the company’s associated companies are not eligible under the 2013 Scheme. The company has no associated companies as at 31 March 2020.

The aggregate number of shares over which options may be granted shall not exceed 15% of the issued share capital (excluding treasury shares) of the company on the day immediately preceding the offer date of the option.

The 2013 Scheme is administered by the Remuneration Committee comprising Tan Chao Hsiung, David (Chairman) and two other independent directors of the company, Dr. Lye Kin Mun and Yee Lat Shing, Tom.

There was no options granted during the reporting year and there was no unexercised option as at 31 March 2020.

## 28. OTHER RESERVES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fair value reserve (Note 28A)	1,556	5,208	1,556	5,208
Reserve on consolidation (Note 28B)	88	88	-	-
Foreign currency translation reserve (Note 28C)	(1,037)	(1,015)	-	-
	<u>607</u>	<u>4,281</u>	<u>1,556</u>	<u>5,208</u>

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

## NOTES TO THE FINANCIAL STATEMENTS

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### 28. OTHER RESERVES (CONT'D)

#### 28A. FAIR VALUE RESERVE

	Group and Company	
	2020	2019
	\$'000	\$'000
At beginning of the year	5,208	6,835
Transferred to retained earnings - realised on disposal	(276)	(1,037)
Decrease in fair value through other comprehensive income	(3,376)	(590)
At end of the year	<u>1,556</u>	<u>5,208</u>

Fair value reserve represents the cumulative fair value changes of equity investments designated as FVTOCI until the investments are derecognised.

#### 28B. RESERVE ON CONSOLIDATION

	Group	
	2020	2019
	\$'000	\$'000
At beginning of the year 1 April 2018 and at end of the year 31 March 2019 and 31 March 2020	<u>88</u>	<u>88</u>

#### 28C. FOREIGN CURRENCY TRANSLATION RESERVE

	Group	
	2020	2019
	\$'000	\$'000
At beginning of the year	(1,015)	(940)
Exchange differences on translating foreign operations	(22)	(75)
At end of the year	<u>(1,037)</u>	<u>(1,015)</u>

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

### 29. TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	2,234	2,710	288	253
<u>Other payables:</u>				
Outside parties	37	116	-	-
Total trade and other payables	<u>2,271</u>	<u>2,826</u>	<u>288</u>	<u>253</u>

## NOTES TO THE FINANCIAL STATEMENTS

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## 30. OTHER NON-FINANCIAL LIABILITIES

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Advance rental received	33	65	33	65
Deferred revenue	63	43	-	-
Deposits received	2,632	3,772	237	250
Provision for warranty costs	100	89	-	-
	<u>2,828</u>	<u>3,969</u>	<u>270</u>	<u>315</u>
Movements in provisions for warranty cost:				
At beginning of the year	89	59	-	-
Charged to profit or loss included in cost of sales	23	50	-	-
Used	(12)	(20)	-	-
At end of the year	<u>100</u>	<u>89</u>	<u>-</u>	<u>-</u>
Movements in deposits received:				
At beginning of the year	3,772	1,329	250	266
Performance obligation satisfied – revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year	(3,555)	(1,140)	(33)	(77)
Consideration received or receivable	2,415	3,583	20	61
At end of the year	<u>2,632</u>	<u>3,772</u>	<u>237</u>	<u>250</u>

## 31. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2020 \$'000	2019 \$'000
Commitments to purchase of property, plant and equipment	<u>-</u>	<u>1,610</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### 32. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2020 \$'000	2019 \$'000
Not later than one year	1,043	861
Between 1 and 2 years	302	685
Total	1,345	1,546
Rental income for the year	1,236	1,222

Operating lease income commitments are for the investment properties. The lease rental income terms are negotiated for an average term of two years at an agreed monthly rental.

### 33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

#### 33A. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	40,695	36,007	26,245	13,214
Financial assets at fair value through profit or loss (FVTPL)	145	217	145	217
Financial assets that is an equity investment at fair value through other comprehensive income (FVTOCI)	2,649	6,369	2,649	6,369
	43,489	42,593	29,039	19,800
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	2,579	2,826	288	253

Further quantitative disclosures are included throughout these financial statements.

#### 33B. FINANCIAL RISK MANAGEMENT

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks.

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## 33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 33B. FINANCIAL RISK MANAGEMENT (CONT'D)

The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

- (i) Minimise interest rate, currency, credit and market risk for all kinds of transactions.
- (ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
- (iii) All financial risk management activities are carried out and monitored by senior management staff.
- (iv) All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposure to risk, the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### 33C. FAIR VALUES OF FINANCIAL INSTRUMENTS

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### 33D. CREDIT RISK ON FINANCIAL ASSETS

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 25 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.



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**33E. LIQUIDITY RISK – FINANCIAL LIABILITIES MATURITY ANALYSIS**

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

<u>Group</u>	<b>Less than 1 year \$'000</b>	<b>2 to 5 years \$'000</b>	<b>Total \$'000</b>
Non-derivative financial liabilities:			
<u>2020:</u>			
Gross lease liabilities	190	131	321
Trade and other payables	2,271	–	2,271
At end of the year	<u>2,461</u>	<u>131</u>	<u>2,592</u>
Non-derivative financial liabilities:			
<u>2019:</u>			
Trade and other payables	2,826	–	2,826
At end of the year	<u>2,826</u>	<u>–</u>	<u>2,826</u>
<u>Company</u>			
Non-derivative financial liabilities:			
<u>2020:</u>			
Trade and other payables	288	–	288
At end of the year	<u>288</u>	<u>–</u>	<u>288</u>
Non-derivative financial liabilities:			
<u>2019:</u>			
Trade and other payables	253	–	253
At end of the year	<u>253</u>	<u>–</u>	<u>253</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities contracted to fall due after 12 months at the end of the reporting year. The average credit period taken to settle trade payables is about 90 days (2019: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 33F. INTEREST RATE RISK

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial assets.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2020 \$'000	2019 \$'000
Financial assets with interest:		
Fixed rates	34,675	33,369
Financial liabilities with interest:		
Fixed rates	308	-

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The impact on pre-tax profit is insignificant.

## 33G. FOREIGN CURRENCY RISKS

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts of financial assets and financial liabilities denominated in non-functional currency at the end of the reporting year:

Group	United States		
	Thai Baht \$'000	Dollar \$'000	Total \$'000
<u>2020:</u>			
<u>Financial assets:</u>			
Cash and cash equivalent	-	11,237	11,237
Loans and receivables	-	1,246	1,246
Other financial assets	2,644	-	2,644
Total financial assets	2,644	12,483	15,127
<u>Financial liabilities:</u>			
Trade and other payables	-	(321)	(321)
Total financial liabilities	-	(321)	(321)
Net financial assets at end of the year	2,644	12,162	14,806

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

### 33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 33G. FOREIGN CURRENCY RISKS (CONT'D)

<u>Group</u>	<b>United States</b>		
	<b>Thai Baht</b>	<b>Dollar</b>	<b>Total</b>
<u>2019:</u>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Financial assets:</u>			
Cash and cash equivalent	-	14,050	14,050
Loans and receivables	-	366	366
Other financial assets	6,364	-	6,364
Total financial assets	6,364	14,416	20,780
<u>Financial liabilities:</u>			
Trade and other payables	-	(193)	(193)
Total financial liabilities	-	(193)	(193)
Net financial assets at end of the year	6,364	14,223	20,587

There is exposure to foreign currency risk as part of the group's normal business.

Sensitivity analysis:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the US\$ with all other variables held constant would have an adverse effect on pre-tax profit of	(1,106)	(1,293)
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Thai baht with all other variables held constant would have an adverse effect on other comprehensive income of	(240)	(579)

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at the end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 33. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 33H. EQUITY PRICE RISK

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the equity shares. The fair values of these equity shares are disclosed in notes 19 and 23.

## 34. CONTINGENT LIABILITY

During the reporting year, a subsidiary in the group received a letter from a law firm representing a software vendor in relation to a claim against the subsidiary for the infringement of intellectual property rights. No legal litigation has been initiated by the software vendor at the date of this report. Based on the advices of external legal counsels, management are of the view that the claim is without merit and management does not consider it probable that a loss will arise. Consequently, no provision for the claim and the related costs has been made in the financial statements.

## 35. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements except for SFRS (I) 16 Leases discussed below.

<u>SFRS (I) No.</u>	<u>Title</u>
SFRS (I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS (I) INT 23	Uncertainty over Income Tax Treatments
SFRS (I) 1-12	Improvements (2017) – Amendments: Income Taxes

### *SFRS (I) 16 Leases*

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee almost all leases are brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the entity has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year 2020 by the application of the new standard on leases are disclosed in Note 15. The reporting entity elected to apply the modified retrospective approach for this standard new standard on leases. Under the modified retrospective approach the comparative Information is not restated and therefore there is no presentation of a third column for the statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2020

## 36. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS (I) No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS (I) 3	Definition of a Business – Amendments	1 January 2020
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting	1 January 2020
SFRS (I) 16	Amendment to SFRS (I) 16: COVID-19 Related Rent Concessions	1 January 2020



## STATISTICS OF SHAREHOLDINGS

AS AT 20 AUGUST 2020

Issued and full paid-up capital (excluding treasury share):	S\$34,558,722.82
Number of ordinary shares in issue (including treasury shares):	35,802,796
Class of Share:	Ordinary Shares
Number of ordinary shares (excluding treasury shares):	34,953,156
Voting Rights:	One Vote per share

As at 20 August 2020, the total number of treasury shares held was 849,640. The treasury shares as a percentage of the total number of issued shares excluding treasury shares is 2.43%.

The Company does not have any subsidiary holdings.

### DISTRIBUTION OF SHAREHOLDINGS

<u>SIZE OF SHAREHOLDINGS</u>	<u>NO. OF SHAREHOLDERS</u>	<u>%</u>	<u>NO. OF SHARES</u>	<u>%</u>
1 - 99	117	4.94	6,771	0.02
100 - 1,000	1,201	50.65	687,732	1.97
1,001 - 10,000	920	38.80	2,846,976	8.14
10,001 - 1,000,000	130	5.48	8,095,865	23.16
1,000,001 AND ABOVE	3	0.13	23,315,812	66.71
<b>TOTAL</b>	<b>2,371</b>	<b>100.00</b>	<b>34,953,156</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS

<u>NO.</u>	<u>NAME</u>	<u>NO. OF SHARES</u>	<u>%</u>
1	CHEN MUN	19,427,932	55.58
2	ANG BEE YAN	2,874,800	8.22
3	DBS NOMINEES (PRIVATE) LIMITED	1,013,080	2.90
4	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	707,580	2.02
5	LIM POH KENG (LIN BAOQING)	663,300	1.90
6	TAN KIAN CHUAN (CHEN JIANZHUAN)	660,000	1.89
7	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	388,200	1.11
8	TAN KOK CHING	350,000	1.00
9	HO SOON TECK	338,200	0.97
10	RAFFLES NOMINEES (PTE.) LIMITED	226,694	0.65
11	AH HOT GERARD ANDRE	185,300	0.53
12	ANG LAY HOON	180,000	0.51
13	HUANG PING K'NAR	176,000	0.50
14	ABN AMRO CLEARING BANK N.V.	148,900	0.43
15	SEAH CHYE ANN (XIE CAI'AN)	141,000	0.40
16	SIM WEE MING	139,100	0.40
17	LUO FENG	134,200	0.38
18	CHIN KHAN HEE @CHIN KIAN HEE	130,000	0.37
19	IFAST FINANCIAL PTE. LTD.	112,400	0.32
20	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	102,721	0.29
	<b>TOTAL</b>	<b>28,099,407</b>	<b>80.37</b>

# STATISTICS OF SHAREHOLDINGS

AS AT 20 AUGUST 2020

## Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

<u>Name of Shareholders</u>	<u>Direct Interest</u>	<u>%</u>	<u>Deemed Interest</u>	<u>%</u>
Dr. Chen Mun	19,427,932	55.58	0	0.00
Ang Bee Yan	2,874,800	8.22	0	0.00

## Percentage of Shareholdings in Public Hands

35.47% of the Company's shares are in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

# NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

## POWERMATIC DATA SYSTEMS LIMITED

(Company Registration No. 198900414E)  
(Incorporated In the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that the Thirty First Annual General Meeting of **POWERMATIC DATA SYSTEMS LIMITED** (the "Company") will be held by electronic means on Tuesday, 29 September 2020 at 11.00 a.m. (of which there will be a live webcast), to transact the following businesses:

### AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and Audited Financial Statements of the Company for the financial year ended 31 March 2020 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Dr. Lye Kin Mun as Director of the Company retiring pursuant to Article 99 of the Constitution of the Company. **(Resolution 2)**

Dr. Lye Kin Mun will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee and will be considered independent.

3. To re-appoint Ms. Ang Bee Yan as Director of the Company pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited. **(Resolution 3)**

Ms. Ang Bee Yan will, upon re-appointment as Director of the Company, remain as Executive Director of the Company and will be considered non-independent.

4. To approve the payment of Directors' Fees of S\$52,000 for the financial year ended 31 March 2020. (FY2019: S\$52,000). **(Resolution 4)**

5. To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

### AS SPECIAL BUSINESS

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

#### 7. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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

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



# NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 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 to be issued other than on a pro rata basis to 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 Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares 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 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; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Notes]

**[Resolution 6]**

By Order of the Board

Wong Yoen Har  
Secretary  
Singapore, 7 September 2020

**Explanatory Notes:**

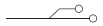
The Ordinary Resolution 6 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied 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, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 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 total number of issued shares (excluding treasury shares and subsidiary holdings) 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 Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards and any subsequent bonus issue, consolidation or subdivision of shares.

**Notes:**

- (1) The Annual General Meeting ("the Meeting") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

# NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING



(2) Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Meeting, addressing of substantial and relevant questions at the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in **"Instructions to Shareholders for the Thirty First Annual General Meeting 2020 and Extraordinary General Meeting"**.

(3) **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**

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

Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes **by 11.00 a.m. on 17 September 2020**.

(4) The Chairman of the Meeting, as proxy, need not be a member of the Company.

(5) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

- (a) if submitted by post, be lodged with the Company's registered office at No. 9, Harrison Road, #05-01, Singapore 369651; or
- (b) if submitted electronically, be submitted via email to [agm@powermatic.com.sg](mailto:agm@powermatic.com.sg).

in either case, **at least 48 hours before the time for holding the Meeting**.

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

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

(6) The Company shall be entitled to, and will, treat any valid instrument appointing the Chairman of the Meeting as proxy(ies) which was delivered by a member to the Company before 11.00 a.m. on 27 September 2020 as a valid instrument appointing the Chairman of the Meeting as the member's proxy to attend, speak and vote at the Meeting if:

- (a) the member had indicated how he/she/it wished to vote for or vote against or abstain from voting on each resolution; and
- (b) the member has not withdrawn the appointment.

(7) A member may withdraw an instrument appointing the Chairman of the Meeting or other person(s) as proxy(ies) by sending an email to [agm@powermatic.com.sg](mailto:agm@powermatic.com.sg) to notify the Company of the withdrawal, at least 48 hours before the time for holding the Meeting.

(8) Submission by a member of a valid instrument appointing the Chairman of the Meeting as proxy at least 48 hours before the time for holding the Meeting will supersede any previous instrument appointing a proxy(ies) submitted by that member.

## **IMPORTANT**

The following documents can be accessed at <https://powermatic.com.sg/> or on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>:

- Annual Report for the financial year ended 31 March 2020 ("2020 Annual Report")
- Instructions to Shareholders for the Thirty First Annual General Meeting 2020 and Extraordinary General Meeting
- Proxy Form
- Request Form for hardcopy of 2020 Annual Report and / or Circular

## **Personal Data Privacy:**

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 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.

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name		Dr. Lye Kin Mun	Ms. Ang Bee Yan
Date Of Appointment	:	1 February 1993	1 July 2011
Age	:	68	56
Country Of Principal Residence	:	Singapore	Singapore
Date of last re-appointment (if applicable)	:	25 July 2017	25 July 2017
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	:	The Board, having considered the recommendation of the Nominating Committee, is of the view that Dr. Lye Kin Mun has the requisite knowledge and experiences to assume the responsibilities as the Independent Director of the Company	The Board, having considered the recommendation of the Nominating Committee, is of the view that Ms. Ang Bee Yan has the requisite knowledge, experiences and leaderships in the Group to assume the responsibilities as Executive Director of the Company
Whether appointment is executive, and if so, the area of responsibility	:	Non-Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	:	Independent Non-Executive Director, Chairman of NC and member of AC and RC	Executive Director
Professional qualifications	:	B.Sc. University of Alberta, Canada, M.Eng. University of Singapore, Ph.D., University of Hawaii, Manoa, U.S.A.	Diploma in Chemical Process Technology
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)	:	No	No
Working experience and occupation(s) during the past 10 years	:	Boards of Singapore Polytechnic and Ngee Ann Polytechnic  Director of Cellonics Inc.	Director of Powermatic Data Systems Limited  General Manager of Complex Systems Pte Ltd
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Rule 720(1))	:	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	:	No	Yes

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name		Dr. Lye Kin Mun	Ms. Ang Bee Yan
Shareholding Details	:	Not Applicable	Refer to Directors' Statement of this Annual Report
<b>Other Principal Commitments Including Directorships</b>			
Past (for the last 5 years)	:	Directorships: Nil Principal Commitments: Chief Risk Officer, Agency for Science, Technology and Research (A*STAR)	Directorships: Nil Principal Commitments: Nil
Present	:	Directorships: Nil Principal Commitments: Nil	<u>Non-listed companies</u> Compex System Pte Ltd Compex Technologies Pte Ltd Compex Technologies Sdn Bhd.  Principal Commitments: Nil
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
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
Whether there is any unsatisfied judgment against him?	:	No	No

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	Dr. Lye Kin Mun	Ms. Ang Bee Yan
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
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
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
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
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

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	Dr. Lye Kin Mun	Ms. Ang Bee Yan
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
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
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
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

## ADDITIONAL INFORMATION

ON DIRECTORS SEEKING FOR RE-ELECTION AND/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	Dr. Lye Kin Mun	Ms. Ang Bee Yan
<b>Disclosure applicable to the appointment of Director only</b>		
<p>Any prior experience as a director of an listed issuer listed on the Exchange?</p> <p>If No, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)</p>	<p>:</p> <p>Not Applicable</p>	<p>Not Applicable</p>

# POWERMATIC DATA SYSTEMS LIMITED

(Company Registration No. 198900414E)  
(Incorporated In the Republic of Singapore)

## PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. The Annual General Meeting ("the Meeting") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), registration for live webcast, submission of questions in advance of the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the Instructions to Shareholders for the Thirty First Annual General Meeting 2020 and Extraordinary General Meeting.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
4. Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes **by 11.00 a.m. on 17 September 2020**. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 September 2020.

**Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Meeting.**

I/We, ..... (Name),

NRIC/Passport No./Registration No. .... of

..... (Address)

being a member/members of Powermatic Data Systems Limited (the "Company"), hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty First Annual General Meeting (the "Meeting") of the Company **to be held by electronic means on Tuesday, 29 September 2020 at 11.00 a.m.** and at any adjournment thereof. I/We direct my/our proxy to vote for or against or abstain from voting the resolutions to be proposed at the Meeting in the spaces provided hereunder.

No.	Resolutions relating to:	For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1	To adopt the Statement by Directors and Audited Financial Statements for the financial year ended 31 March 2020 together with the Independent Auditor's Report thereon			
2	To re-elect Dr. Lye Kin Mun as Director of the Company			
3	To re-appoint Ms. Ang Bee Yan as Director of the Company			
4	To approve of Directors' Fees of S\$52,000 for the financial year ended 31 March 2020			
5	To re-appoint Messrs RSM Chio Lim LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
6	To authorise Directors to allot and issue shares			

If you wish the Chairman of the Meeting as your proxy to cast all your votes **For** or **Against** a resolution, please tick (✓) within the box in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box in respect of that resolution.

If you wish the Chairman of the Meeting as your proxy to Abstain from voting on a resolution, please tick in the Abstain box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the Abstain box in respect of that resolution.

In the absence of specific directions, the appointment of the Chairman of the Meeting as your proxy will be treated as invalid.

Dated this ..... day of ..... 2020

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

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





**Notes:**

1. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.** This proxy form may be accessed at the Company's website at <https://powermatic.com.sg> and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
2. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289)), 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 Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
4. The Chairman of the Meeting, as proxy, need not be a member of the Company.
5. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and SRS Operators to submit their votes by **11.00 a.m. on 17 September 2020**.
6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing Chairman of the Meeting as proxy 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 Chairman of the Meeting as proxy 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.
7. The duly completed and signed instrument appointing the Chairman of the Meeting as proxy must either be submitted by:
  - (a) mail to the Company's registered office at No. 9, Harrison Road, #05-01, Singapore 369651; or
  - (b) email to [agm@powermatic.com.sg](mailto:agm@powermatic.com.sg).as soon as possible, in either case, not less than forty-eight (48) hours before the time appointed for holding the Meeting.  
In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms personally or by post, members are strongly encouraged to submit completed proxy forms electronically via email.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 September 2020.

**GENERAL:**

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy 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. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Co. Reg.No.: 198900414E

[www.powermatic.com.sg](http://www.powermatic.com.sg)