

Company Registration No. 200712261K

Allgreen Treasury Pte. Ltd.

Annual Report
For the financial year ended 31 December 2021



Allgreen Treasury Pte. Ltd.

General Information

Directors

Kuok Oon Kwong
Lee Yew Kwung
Teo Keng Chiong
Tho Leong Chye

Company Secretary

Ooi Pooi Teng

Registered Office

1 Kim Seng Promenade
#07-01 Great World City
Singapore 237994

Banker

DBS Bank Limited

Auditor

Ernst & Young LLP

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Allgreen Treasury Pte. Ltd.

Directors' Statement

The directors present their statement to the member together with the audited financial statements of Allgreen Treasury Pte. Ltd. (the "Company") for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021, and the financial performance, changes in equity and cash flow of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Kuok Oon Kwong
Lee Yew Kwung
Teo Keng Chiong
Tho Leong Chye

In accordance with Article 116 of the Company's Constitution, Kuok Oon Kwong, Lee Yew Kwung and Teo Keng Chiong retire from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 124 of the Company's Constitution, Tho Leong Chye retires from the Board at the Annual General Meeting and being eligible, offers himself for re-election.

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 164 of the Companies Act 1967, none of the directors who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of the related corporations either at the beginning or at the end of the financial year.

Allgreen Treasury Pte. Ltd.

Directors' Statement

Options

No options were granted during the financial year to take up unissued shares of the Company.

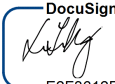
No shares were issued by virtue of the exercise of options.

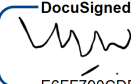
There were no unissued shares of the Company under option at the end of the financial year.

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors:

DocuSigned by:

E2F3612D231549F...
Lee Yew Kwung
Director

DocuSigned by:

E6FF790CDF92417...
Teo Keng Chiong
Director

Singapore
5 May 2022

Allgreen Treasury Pte. Ltd.

**Independent Auditor's Report
For the financial year ended 31 December 2021**

Independent Auditor's Report to the Member of Allgreen Treasury Pte. Ltd.

Report on Audit of the Financial Statements

Opinion

We have audited the financial statements of Allgreen Treasury Pte. Ltd. (the Company), which comprise the balance sheet of the Company as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flow of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Allgreen Treasury Pte. Ltd.

**Independent Auditor's Report
For the financial year ended 31 December 2021**

Independent Auditor's Report to the Member of Allgreen Treasury Pte. Ltd.

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 FRSs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Allgreen Treasury Pte. Ltd.

**Independent Auditor's Report
For the financial year ended 31 December 2021**

Independent Auditor's Report to the Member of Allgreen Treasury Pte. Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
5 May 2022

Allgreen Treasury Pte. Ltd.**Balance Sheet
As at 31 December 2021**

	Note	2021 \$	2020 \$
ASSETS			
Non-current asset			
Loans to related companies	5	249,161,500	249,161,500
Current assets			
Amount owing from related companies	6	3,691,686	3,691,686
Amount owing from immediate holding company	6	38,520	–
Prepayments		325,315	432,315
Cash and cash equivalents	7	351,546	326,898
		4,407,067	4,450,899
Total assets		253,568,567	253,612,399
EQUITY AND LIABILITIES			
Equity			
Share capital	8	500,000	500,000
Accumulated losses		(583,658)	(539,612)
Total equity		(83,658)	(39,612)
Non-current liability			
Long-term borrowing	9	250,000,000	250,000,000
		250,000,000	250,000,000
Current liabilities			
Interest payable		3,646,233	3,646,233
Accruals		5,992	5,778
		3,652,225	3,652,011
Total liabilities		253,652,225	253,652,011
Total equity and liabilities		253,568,567	253,612,399
Net current assets		754,842	798,888
Net liabilities		(83,658)	(39,612)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Allgreen Treasury Pte. Ltd.**Statement of Comprehensive Income
For the financial year ended 31 December 2021**

	Note	2021 \$	2020 \$
Interest income		7,973,168	7,667,348
Administrative expenses		(142,214)	(267,470)
Finance costs		(7,875,000)	(7,572,945)
Loss before taxation	10	(44,046)	(173,067)
Taxation	11	–	–
Loss for the year, representing total comprehensive loss for the year		(44,046)	(173,067)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Allgreen Treasury Pte. Ltd.**Statement of Changes in Equity
For the financial year ended 31 December 2021**

	Share capital (Note 8) \$	Accumulated losses \$	Total \$
As at 1 January 2020	500,000	(366,545)	133,455
Loss for the year	–	(173,067)	(173,067)
Total comprehensive loss for the year	–	(173,067)	(173,067)
As at 31 December 2020	500,000	(539,612)	(39,612)
As at 1 January 2021	500,000	(539,612)	(39,612)
Loss for the year	–	(44,046)	(44,046)
Total comprehensive loss for the year	–	(44,046)	(44,046)
As at 31 December 2021	500,000	(583,658)	(83,658)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Allgreen Treasury Pte. Ltd.**Statement of Cash Flow
For the financial year ended 31 December 2021**

	2021	2020
	\$	\$
Cash flows from operating activities		
Loss before taxation	(44,046)	(173,067)
Adjustments for:		
Finance costs	7,875,000	7,572,945
Interest income from related companies	(7,973,168)	(7,667,348)
Operating cash flows before changes in working capital	(142,214)	(267,470)
Increase in amount owing from immediate holding company	(38,520)	–
Decrease/(increase) in prepayments	107,000	(432,314)
Increase/(decrease) in accruals	214	(24,182)
Cash flows used in operations	(73,520)	(723,966)
Interest received	7,973,168	3,975,661
Net cash generated from operating activities	7,899,648	3,251,695
Cash flow from investing activity		
Advance of loans to related companies	–	(249,161,500)
Net cash used in investing activity	–	(249,161,500)
Cash flow from financing activities		
Proceeds from loans and borrowings	–	250,000,000
Interest paid on loans and borrowings	(7,875,000)	(3,926,712)
Net cash (used in)/generated from financing activities	(7,875,000)	246,073,288
Net increase in cash and cash equivalents	24,648	163,483
Cash and cash equivalents at beginning of year	326,898	163,415
Cash and cash equivalents at end of year (Note 7)	351,546	326,898

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021**

1. Fundamental accounting concept

The Company is at a net total liabilities position of \$83,658 as at 31 December 2021 (2020: \$39,612). The financial statements of the Company have been prepared on a going concern basis because its immediate holding company, Allgreen Properties Limited, has agreed to provide continuing financial support to the Company to enable it to meet its financial obligations as and when they fall due.

2. Corporate information

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is a private limited company incorporated and domiciled in the Republic of Singapore. Its immediate and ultimate holding companies are Allgreen Properties Limited and Brookvale Investments Pte Ltd respectively. Both companies are incorporated and domiciled in the Republic of Singapore.

The registered office and principal place of business of the Company is located at 1 Kim Seng Promenade, #07-01 Great World City, Singapore 237994.

With effect from 20 February 2020, the Company has changed its principal activity from investment holding to providing treasury services.

3. Summary of significant accounting policies**3.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$).

3.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual period beginning on 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021****3. Summary of significant accounting policies (cont'd)****3.3 Standards issued but not yet effective**

The Company has not adopted the following standard applicable to the Company that has been issued but not yet effective:

Description	Effective for annual periods beginning on or after
<i>Amendments to FRS 103: References to the Conceptual Framework</i>	<i>1 January 2022</i>
<i>Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract</i>	<i>1 January 2022</i>
<i>Amendments to FRS 16: Proceeds before Intended Use</i>	<i>1 January 2022</i>
<i>Amendments to FRS 109: Financial Instruments and illustrative examples accompanying FRS 116: Leases</i>	<i>1 January 2022</i>
<i>Amendments to FRS 1: Classification of Liabilities as current or non-current</i>	<i>1 January 2023</i>
<i>Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies</i>	<i>1 January 2023</i>
<i>Amendments to FRS 8: Definition of Accounting Estimates</i>	<i>1 January 2023</i>
<i>Amendments to FRS 12: Deferred taxes related to Assets and Liabilities arising from a Single Transaction</i>	<i>1 January 2023</i>
<i>Amendments to FRS 110: Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or contribution of Assets between Investor and its Associate or Joint Venture</i>	<i>Date to be determined</i>

The directors expect that the adoption of the standard above will have no material impact on the financial statements in the period of initial application.

3.4 Financial instruments**Financial assets**Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

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

Subsequent measurement*Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.4 Financial instruments (cont'd)****Financial assets (cont'd)**Subsequent measurement

Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilitiesInitial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, which are subject to an insignificant risk of changes in value, and which form an integral part of the Company's cash management.

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.6 *Impairment of financial assets***

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.7 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflow that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021**

3. Summary of significant accounting policies (cont'd)**3.8 Taxes**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current income tax is recognised in profit or loss.

3.9 Foreign currency

Monetary assets and liabilities in foreign currency are remeasured into Singapore dollars at rates closely approximating those ruling at the reporting date. Transactions in foreign currency are remeasured at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recognised in profit and loss in the period which they arise.

3.10 Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

4. Significant accounting estimates and judgments

Management is of the opinion that the instances of application of estimates and judgments are not expected to have a significant effect on the amounts recognised in the financial statements.

5. Loans to related companies

Loans were advanced to related companies for 5 years commencing from 16 January 2020 at an interest of 3.2% (2020: 3.2%) per annum. They are unsecured and repayable on demand. The Company classified it as a non-current asset as it is not expected to be called within the next 12 months.

6. Amount owing from related companies and immediate holding company

Amount owing from related companies are interest income receivable in relation to the loans to related companies (Note 5). The amount is unsecured and repayable on demand.

Amount owing from immediate holding company is unsecured, interest-free and repayable on demand.

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021****7. Cash and cash equivalents**

	2021	2020
	\$	\$
Cash at bank	351,546	326,898
Add:		
Loans to related companies (Note 5)	249,161,500	249,161,500
Amount owing from related companies (Note 6)	3,691,686	3,691,686
Amount owing from immediate holding company (Note 6)	38,520	–
Total financial assets carried at amortised cost	253,243,252	253,180,084

8. Share capital

	2021	2020
	\$	\$
Issued and fully paid:		
500,000 (2020: 500,000) ordinary shares	500,000	500,000

The holder of the ordinary share is entitled to receive dividends as declared from time to time and is entitled to one vote per share at shareholder meetings. The ordinary share has no par value.

9. Borrowings

On 16 January 2020, the Company issued \$250 million in aggregate principal amount of notes, under its \$2 billion multicurrency debt issuance programme, which was established on 5 November 2019. The notes will mature in 2025 and bear an interest of 3.15% per annum payable in arrears.

	2021	2020
	\$	\$
Long-term note (Maturity in 2025)	250,000,000	250,000,000
Interest payable	3,646,233	3,646,233
	253,646,233	253,646,233
Amount payable within one year	3,646,233	3,646,233
Amount payable after one year	250,000,000	250,000,000

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021****10. Loss before taxation**

The following item has been included in arriving at loss before taxation:

	2021	2020
	\$	\$
Finance costs	7,875,000	7,572,945

This relates mainly to interests incurred on medium term notes issued on 16 January 2020 by the Company, as issuer, pursuant to the \$2 billion multicurrency debt issuance programme established on 5 November 2019 (Note 9).

11. Taxation

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December is as follow:

	2021	2020
	\$	\$
Loss before taxation	(44,046)	(173,067)
Tax at statutory rate of 17% (2020: 17%)	(7,488)	(29,421)
Adjustment:		
Non-deductible expenses	7,488	29,421
Income tax expense recognised in profit or loss	—	—

12. Significant related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Company with its related parties at negotiated rates.

	2021	2020
	\$	\$
Interest income from related companies	7,973,168	7,667,348
Accounting and secretarial fees paid/payable to immediate holding company	12,840	77,040

Allgreen Treasury Pte. Ltd.**Notes to the Financial Statements
For the financial year ended 31 December 2021**

13. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. Management continually monitors the Company's risk management process to ensure that appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

There have been no changes to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk is the risk of a financial loss that may arise on outstanding financial instruments should a counter-party defaults on its obligation.

Besides loans to the immediate holding company, cash and cash equivalents are placed with financial institution which is regulated and reputable.

The maximum exposure or credit risk is represented by the carrying amount of each class of financial assets in the balance sheet

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Company monitors its liquidity needs by closely monitoring its cash outflow due to day-to-day operations, as well as ensuring the availability of sufficient cash and cash equivalents.

As at 31 December 2021 and 2020, all of the Company's financial assets and liabilities are due to mature in less than one year based on their respective carrying values in the financial statements.

14. Fair values of financial instruments

The carrying values of the Company's financial assets and financial liabilities approximate their fair values due to their short-term nature. The total financial assets carried at amortised cost is as reported in Note 7, while the total financial liabilities carried at amortised cost is represented by the total liabilities as reported in the balance sheet.

15. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may issue new shares, adjust the amount of dividend payment or reduce its capital, subject to the provisions of the Company's Constitution, and the Companies Act 1967.