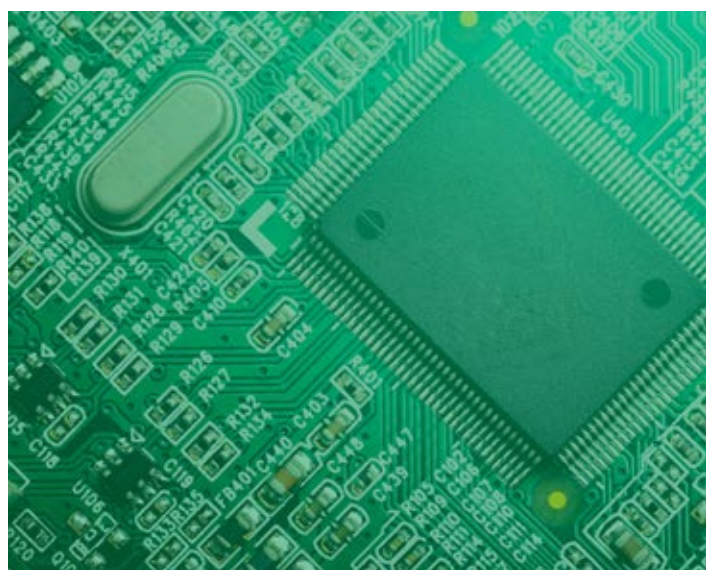




ACCRELIST LTD.
亚联盛控股公司

UNEARTHING TOMORROW'S GEM
发掘光辉 开创未来



ANNUAL
REPORT 2022



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This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

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

The contact person for the Sponsor is: Mr Mah How Soon, Registered Professional, RHT Capital Pte. Ltd., 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.

CORPORATE PROFILE

Accrelist Ltd. (“**Accrelist**”) seeks to create long-term value for our shareholders and business partners by unlocking and adding value to the companies we invest in. The Group continues to actively pursue new opportunities with a growing focus on medical aesthetics.

The Group’s wholly owned subsidiary corporations include the Accrelist Medical Aesthetics Group of Companies, branded as A.M Aesthetics, and A.M Skincare Pte. Ltd. (“**A.M Skincare**”).

A.M Aesthetics operates a chain of registered medical aesthetics clinics in Singapore and Malaysia which use state-of-the-art equipment and clinically proven solutions to deliver a wide range of highly reliable and effective treatments.

A.M Skincare is principally involved in the retail sale of pharmaceutical and medical goods. It develops and distributes its own original design manufacturer clinical skincare products (“**ODM**”) with support from South Korean dermatologists alongside other non-ODM products.

In addition, Accrelist holds a 53.15% controlling stake in Jubilee Industries Holdings Ltd. (“**Jubilee**”), a one-stop service provider with two main business segments:

1. Mechanical Business Unit (“**MBU**”) which is engaged primarily in precision plastic injection moulding and mould design and fabrication services; and
2. Electronics Business Unit (“**EBU**”) which distributes integrated electronic components.

Headquartered in Singapore, Jubilee’s production facilities span across Malaysia and Indonesia. Jubilee’s products are sold to customers in Singapore, Malaysia, Indonesia, Vietnam, India, the People’s Republic of China, the United States and various European countries.



MISSION STATEMENT

At Accrelist, our mission is to uncover new business opportunities and build sustainable businesses by developing creative strategies to unlock value and maximise long-term shareholder returns.

BUSINESS PHILOSOPHY

People are an integral part of our business and they are at the core of our business philosophy.

Led by a strong leadership team and guided by sound business ethics, we aim to deliver value for all our stakeholders.

VISION

Our vision is to deliver long-term value for shareholders through:

- Focused management expertise
- Excellent market knowledge
- An entrepreneurial spirit

CHAIRMAN'S MESSAGE

Dear Shareholders,

“ On behalf of Accrelist Ltd. (“Accrelist” or the “Company”, together with its subsidiary corporations, the “Group”), I am pleased to present the Group’s latest annual report for the financial year ended 31 March 2022 (“FY2022”). ”



EMERGING STRONGER FROM THE COVID-19 PANDEMIC

The Group faced significant challenges during the darkest period of the COVID-19 pandemic, when mobility restrictions, supply chain disruptions and labour shortages impacted the Singapore economy. By the first quarter of 2022, the skies are clearer, and we have not only emerged relatively unscathed but also stronger.

We will continue to actively seek out new business opportunities, invest in those that have potential, and employ innovative strategies to create long-term value for shareholders. A diversified portfolio is a key component of our strategy for mitigating the impact of industry and product life cycles, as well as short-term economic downsides.

The Electronic Business Unit’s (“EBU”) integrated electronic components distribution business and the Mechanical Business Unit’s (“MBU”) injection moulding and tooling services have long-term fundamental value as they stand to benefit from ASEAN’s and China’s rapid growth in trade and manufacturing.

ASEAN is China’s largest trading partner and the full resumption of economic activity in ASEAN is expected to boost EBU and MBU revenue. They will also benefit

from economies of scale as their output grows. However, their products are susceptible to industry and product life cycles, which may have a short-term impact on revenue and earnings.

We will strengthen the resilience of our investment portfolio by focusing on growing our Accrelist Medical Aesthetics Group of Companies (“A.M Aesthetics”), as we remain optimistic of the segment’s long-term growth prospects, linked closely to the modern urban lifestyle, rising disposable income, and increased demand for wellness products and services.

A.M Aesthetics’ brand recognition allows it to capture a larger share of a still-growing demand for aesthetic medical services. To accommodate the increased number of customers, we have expanded the capacity of our clinics at SingPost Center and Bedok Mall by more than double during the year.

Our Raffles City clinic is the forerunner of our strategy to expand beyond the heartlands into the city center. We continued to pursue this strategy with the opening of our 8th and 9th clinics at Orchard Central and Clarke Quay respectively, expanding our customer base and further strengthening our brand image.

CHAIRMAN'S MESSAGE

OVERVIEW OF FY2022 FINANCIALS

For FY2022, the Group reported revenue of S\$241.2 million, an increase of S\$89.9 million or 59.4% from S\$151.3 million for the financial year ended 31 March 2021. ("FY2021").

A.M Aesthetics revenue increased by S\$3.9 million or 61.9% from S\$6.3 million in FY2021 to S\$10.2 million in FY2022. The increase was primarily due to the addition of new locations, expanded capacity and improved marketing. A.M Aesthetics' gross profit increased by S\$1.6 million from S\$4.2 million in FY2021 to S\$5.8 million in FY2022.

MBU revenue increased by S\$5.3 million or 21.1% from S\$25.1 million in FY2021 to S\$30.4 million in FY2022. This is mainly attributed to higher sales of products for the consumer industry and products for the construction industry, as well as an increase in tool fabrication from the Group's manufacturing operations in Malaysia and Indonesia.

EBU revenue increased by \$80.8 million from S\$119.9 million in FY2021 to S\$200.7 million in FY2022, attributed primarily to higher global demand for semiconductors, particularly in the Group's key market of China. The EBU is well positioned to benefit from the long-term growth trend in demand for semiconductors, given its extensive product portfolio and strong presence throughout Asia.

The MBU's gross profit declined by S\$1.4 million from S\$2.2 million in FY2021 to S\$0.8 million in FY2022, while the EBU's gross profit increased by S\$1.1 million from S\$5.3 million in FY2021 to S\$6.4 million in FY2022. A.M Aesthetics' gross profit of S\$5.8 million on S\$10.2 million in revenue reflected its high margins. Overall, the Group's gross profit increased by S\$1.4 million between FY2021 and FY2022, rising from \$11.7 million to S\$13.1 million.

OUTLOOK AND PLANS FOR THE FUTURE

The lifting of Covid-19 restrictions in Singapore and the ASEAN region paves the way for full resumption of economic activities. However, the outlook for the global economy is still cloudy and fraught with uncertainties. Global inflationary pressures and geopolitical tensions such as the war in Ukraine, and rising US-China trade tensions, as well as China's adherence to a zero-Covid policy threaten to derail the full resumption of economic activity in the ASEAN region.

Global inflationary pressures have raised the cost of doing business, from financing to labour and raw materials. While central banks attempt to tame inflation by raising interest rates on a regular basis, there is a real risk that the high interest rate environment will lead to a recession. There are already signs of a slowing in demand for consumer and industrial goods and services in Europe and the United States.

Accrelist's diverse investment portfolio will experience varying degrees of impact. A further escalation of

geopolitical tensions could affect the EBU as the majority of its business is with China. Furthermore, demand for semiconductors may fluctuate in the near-term in line with the prevailing economic conditions.

The MBU's business is less volatile, and we expanded the MBU's customer base by entering the construction industry with a range of products and services tailored to the industry. The MBU is well positioned to capitalise on new opportunities as more companies shift their supply chains to the ASEAN region as a means of reducing their risk exposure to rising trade tensions between the United States and China.

In the coming years, A.M Aesthetics will continue to expand its network of medical aesthetic clinics. The medical aesthetics segment is expected to contribute more to the Group's revenue and EBITDA.

While the business environment for the year ahead is fraught with uncertainties on the economic and geopolitical front, I am confident that by focusing on our long-term value creation strategy for shareholders, we will be able to weather any short-term downsides. We will maintain financial prudence and improve operational efficiency while focusing on products and services with higher growth potential and longer product life cycles.

A NOTE OF APPRECIATION

Despite the daunting challenges in the economic and business environment, the Group's resilient performance in FY2022 could not have been achieved without the contributions of many people. My heartfelt gratitude goes to the Board of Directors for guiding the Group through another difficult year.

On behalf of the Board, I'd also like to thank our partners and customers for their assistance during this trying time. My gratitude also extends to our Shareholders for their faith in our ability to overcome the challenges.

Last but not least, I would like to thank all management and staff for their sacrifices, dedication, and hard work throughout the year as we worked as one family to emerge stronger in FY2022, and ready to face the next year with confidence and enthusiasm.

Thank you.

Dr Terence Tea

Executive Chairman and Managing Director
Accrelist Ltd.

FINANCIAL AND OPERATIONS REVIEW

Financial Performance

For the financial year ended 31 March 2022 (“FY2022”), Accrelist Ltd. (“**Accrelist**” and together with its subsidiary corporations, the “**Group**”) recorded a revenue of S\$241.2 million, representing an increase of S\$89.9 million or 59.4% as compared to S\$151.3 million for the financial year ended 31 March 2021 (“FY2021”).

Accrelist Medical Aesthetics group of companies’ (“**A.M Aesthetics**”) revenue increased by S\$3.9 million or 61.9% from S\$6.3 million for FY2021 to S\$10.2 million for FY2022 due to the opening of new clinics, expansion of two existing clinics and enhanced marketing.

Subsidiary, Jubilee Industries Holdings Ltd’s (“**Jubilee**”) total revenue increased by S\$86.1 million or 59.4% from S\$145.0 million for FY2021 to S\$231.1 million for FY2022 largely due to an increase in sales from Jubilee’s Electronics Business Unit (“EBU”).

Revenue from Jubilee’s EBU increased by S\$80.8 million or 67.4% from S\$119.9 million for FY2021 to S\$200.7 million for FY2022 propelled by higher global demand for semiconductors, particularly in Hong Kong and China, following a post-covid recovery of manufacturing activity.

Revenue from Jubilee’s Mechanical Business Unit (“**MBU**”) increased by S\$5.3 million or 21.1% from S\$25.1 million for FY2021 to S\$30.4 million for FY2022. The increase was due to higher sales of consumer and construction products as well as tool fabrication across the Group’s manufacturing operations in Malaysia and Indonesia.

The Group’s gross profit increased by S\$1.4 million or 12.0% from S\$11.7 million for FY2021 to S\$13.1 million for FY2022 while gross profit margin declined from 7.7% for FY2021 to 5.4% for FY2022, largely due to higher costs for labour, raw materials, transportation, and logistics.

The Group recorded other losses of S\$1.6 million for FY2022 as compared to other gains of S\$2.5 million for FY2021, mainly due to impairment loss on financial assets of S\$1.2 million and impairment loss on intangible assets of S\$8.5 million.

Operating expenses increased by S\$2.9 million or 20.6% from S\$14.1 million for FY2021 to S\$17.0 million for FY2022. Marketing and distribution expenses increased by S\$0.6 million or 85.7% from S\$0.7 million for FY2021 to S\$1.3 million for FY2022 in line with increased efforts to enhance A.M Aesthetics’ brand recognition through social media marketing.



Administrative expenses increased by S\$2.7 million or 21.6% from S\$12.5 million for FY2021 to S\$15.2 million for FY2022 due to higher staff-related costs and professional fees associated with the EBU. Finance costs decreased by S\$0.3 million or 33.3% from S\$0.9 million for FY2021 to S\$0.6 million for FY2022 due to lower interest rates across all trade facilities in FY2022 compared with FY2021 and a decrease in the usage of letter of credit/trust receipts financing and factoring.

As a result of the above, the Group’s net loss widened from S\$1.2 million for FY2021 to S\$15.4 million for FY2022 amidst the challenging environment. However, the Group’s loss for FY2022 would be lower at S\$4.7 million after excluding non-operating expenses relating to the impairment loss on intangible assets of S\$8.5 million and fair value loss on financial assets at fair value of S\$2.2 million.

The impairment loss on intangible assets of S\$8.5 million comprises impairment charges of S\$4.5 million and S\$4.0 million in relation to the EBU’s customer relationships and A.M Aesthetics’ goodwill respectively. Excluding the impairment loss on intangible assets, the EBU’s net profit would be S\$0.3 million while A.M Aesthetics would achieve a net profit of S\$1.8 million.

Financial Position

The Group’s non-current assets decreased by S\$7.4 million from S\$27.7 million as at 31 March 2021 to S\$20.3 million as at 31 March 2022. The decrease was mainly due to the S\$10.4 million reduction in intangible assets as a result of impairment charges recognised in relation to the EBU’s customers relationships and A.M Aesthetics’ goodwill. This was offset by the increase in property, plant and equipment of S\$3.0 million.

FINANCIAL AND OPERATIONS REVIEW

Current assets decreased by S\$1.3 million from S\$58.8 million as at 31 March 2021 to S\$57.5 million as at 31 March 2022. This was mainly attributable to the reduction in trade and other receivables of S\$4.8 million due to a sudden change in purchasing activity following new COVID-19 lockdowns in China which resulted in lower demand. In addition, the Group recorded a loss on financial assets at fair value through profit or loss of S\$2.2 million due to an investment loss from the valuation of EG Industries Bhd. These were offset by the increase in inventories of S\$4.7 million, including buffer stocks across the MBU, EBU and A.M Aesthetics. In addition, cash and cash equivalents increased by S\$1.0 million due to proceeds from new placement of shares and the conversion of exercised warrants to equity.

Cash Flow Statement

Net cash used in operating activities for FY2022 was S\$0.3 million, comprising operating cash flows before working capital changes of S\$2.1 million and working capital outflow of S\$1.9 million. The working capital outflow was mainly due to the increase in inventories of S\$6.6 million, offset by trade and other receivables and contract assets of S\$4.8 million. Income taxes paid of S\$0.5 million also added to the working capital outflow.

Net cash used in investing activities of S\$1.8 million for FY2022 was mainly due to the acquisition of property, plant and equipment.

Net cash generated from financing activities of S\$2.9 million was largely due to the proceeds from the recent new placement shares and conversion of exercised warrants to equity, and drawdown of borrowings.

As a result of the above, the Group's cash and cash equivalents increased by S\$0.8 million from S\$6.4 million as at 31 March 2021 to S\$7.2 million as at 31 March 2022.



Non-current liabilities decreased by S\$0.9 million from S\$5.7 million as at 31 March 2021 to S\$4.8 million as at 31 March 2022 due to the repayment of borrowings.

Current liabilities increased by S\$3.1 million from S\$40.0 million as at 31 March 2021 to S\$43.1 million as at 31 March 2022 due to the increase in drawdown on the Group's credit lines.

The Group's working capital decreased by S\$4.5 million from S\$18.9 million as at 31 March 2021 to S\$14.4 million as at 31 March 2022. The decrease was mainly due to the decrease in trade and other receivables and increase in borrowings.

As a result of the above, the Group's net assets decreased by S\$11.0 million from S\$40.9 million as at 31 March 2021 to S\$29.9 million as at 31 March 2022.



BOARD OF DIRECTORS



MR TERENCE TEA YEOK KIAN, 54

Executive Chairman & Managing Director

Academic and professional qualifications:

Ph.D. in Business Administration (Honorary) from Honolulu University
Diploma in Electronics and Electrical Engineering from Singapore Polytechnic

Date of first appointment as director: 11 March 2013

Date of last re-election as director: 26 November 2020

Length of service: 9 years 0 months (as of 31 March 2022)

Served on the following Board Committee:

Member - Nominating Committee

Present Directorships in other listed companies

Executive Chairman and Chief Executive Officer – Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)

Present Principal Commitments

Executive Chairman and Managing Director - Accrelist Ltd.

Executive Chairman and Chief Executive Officer – Jubilee Industries Holdings Ltd.

Directorships in other listed companies held over the preceding five years

Executive Chairman – EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Background and experience:

Mr Terence Tea Yeok Kian (“Mr Tea”) is responsible for the overall growth of the Group and his main role is to determine the strategic direction of the Group, acquiring and nurturing new businesses with a view of taking them to greater heights.

Mr Tea brings to the Group a wealth of experience in the corporate world, providing key inputs to the Board and has been instrumental in advising on corporate matters. He drives the formulation and implementation of business plans and strategies for the Group.

Mr Tea’s comprehensive knowledge and experience of the industry has aided the Group to spot growth opportunities, especially during the restructuring period of 2013 to 2017. Mr Tea’s keen vision within the business model has allowed him a comparative advantage in the Group’s advancement. In addition, Mr Tea’s tenacity has been reflected in his leadership to harness the unrealised prospects of both Accrelist Ltd and Jubilee Industries Holdings Ltd. Both companies are still venturing to explore their fullest potentials.

Mr Tea is also an honorary patron of the Nee Soon East Constituency, Sembawang Citizen’s Consultative Committee and Singapore Productivity Association, and Chairman of Eng Yong Tong Tay Si Association. He was awarded the Public Service Medal (BBM) by the President of the Republic of Singapore, as well as the Long Service Award (MOE) by Singapore’s Ministry of Education. He is also the Singapore Small Medium Business Association TOP Entrepreneur. Mr Tea was also conferred the title of Dato.

BOARD OF DIRECTORS

**MR NG LI YONG, 50***Lead Independent Director***Academic and professional qualifications:**

Postgraduate Diploma in Singapore Law from National University of Singapore

Bachelor of Law from the University of Kent

Member of Law Society of Singapore

Member of Singapore Academy of Law

Date of first appointment as director: 11 June 2013

Date of last re-election as director: 30 July 2021

Length of service: 8 years 9 months (as at 31 March 2022)

Served on the following Board Committee:

Chairman – Nominating Committee

Chairman – Remuneration Committee

Member – Audit Committee

Present Directorships in other listed companies

Nil

Present Principal Commitments

Director – WNLEX LLC

Directorships in other listed companies held over the preceding five years

Director - C&G Environmental Protection Holdings Limited

Background and experience:

Mr Ng Li Yong is a lawyer with more than 20 years of experience and is currently a Director of WNLEX LLC, a full-service law firm. His area of practice includes corporate, commercial and intellectual property. Mr Ng sits on the board of various private companies.

BOARD OF DIRECTORS



MR LIM YEOW HUA, 60

Independent Non-Executive Director

Academic and professional qualifications:

Master of Business Administration, National University of Singapore

Bachelor of Accountancy, National University of Singapore

Fellow Member of Institute of Singapore Chartered Accountants

Accredited Tax Advisor of Singapore Chartered Tax Professionals

Member of Singapore Institute of Directors

Date of first appointment as director: 11 October 2017

Date of last re-election as director: 30 July 2021

Length of service: 4 year 5 months (as at 31 March 2022)

Served on the following Board Committee:

Chairman – Audit Committee

Member – Nominating Committee

Member – Remuneration Committee

Present Directorships in other listed companies

Director – KSH Holdings Limited

Director – NauticAWT Limited

Director – Oxley Holdings Limited

Present Principal Commitments

Nil

Directorships in other listed companies held over the preceding five years

Director – KTL Global Limited

Director – Ying Li International Real Estate Limited

Background and experience:

Mr Lim Yeow Hua is a chartered accountant and accredited tax advisor (income tax & GST) with more than 30 years of experience in taxation, financial services and business advisory. Mr Lim sits on the boards of various companies listed in the SGX.

BOARD OF DIRECTORS



DATO' ALEX KANG PANG KIANG, 50

Non-Independent and Non-Executive Director

Academic and professional qualifications:

Double degree in Bachelor of Commerce and Bachelor of Science from University of Auckland, New Zealand

Chartered Accountant of Malaysian Institute of Accountants

Associate Chartered Accountant of Chartered Accountant Association, New Zealand

Date of first appointment as director: 24 December 2019

Date of last re-election as director: 26 November 2020

Length of service: 2 years 3 months (as at 31 March 2022)

Served on the following Board Committee:

Member – Audit Committee

Member – Remuneration Committee

Present Directorships in other listed companies

EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Thong Guan Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Present Principal Commitments

CEO – EG Industries Berhad

Directorships in other listed companies held over the preceding five years

Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)

Background and experience:

DATO' Alex Kang Pang Kiang is the CEO of EG Industries Berhad and holds the helm for full responsibility on the overall planning and operations since July 2014. With more than 20 years of expertise in financial management, planning, corporate restructuring exercises, risk management and investor relations, he plays a key role in formulating and providing solutions for EG Industries Berhad's strategic positioning and business expansion.

For his outstanding entrepreneurship and enthusiasm, he has been awarded the Best Chief Executive Officer and Best Investor Relations Professional by Malaysian Investor Relations Association under the Micro-cap category of "The Investor Relations Awards 2015". On top of that, in appreciation of his dedication to the business and social community, he was conferred the title of datukship in 2018. Persatuan Kebajikan Keluarga Bekas Polis dan Tentera ("POLTERA") in 2019 appointed DATO' Kang as an honorable POLTERA life V.I.P in honor and appreciation of his kind support, cooperation and contribution towards POLTERA's goal achievements.

In 2020, he was also been appointed as a distinguished "Adjunct Professor" by AIMST University to share his business and industry insights with the future workforce and as the honorary advisor of Malaysia-China Chamber of Commerce in recognition for his rich expertise and experience in the manufacturing business globally.

In September 2022, Dato' Alex was honored to be appointed as the Honorary Advisor of Kelab Rekreasi Pekerja Dan Pedagang Cina Negeri Pulau Pinang.

CORPORATE MANAGEMENT

MR LOH ENG LOCK KELVIN

Chief Financial Officer

Accrelist Ltd.

Mr Loh Eng Lock Kelvin ("Mr Loh") is the Chief Financial Officer ("CFO") of the Company and is responsible for the finance department of the Group. He is also responsible for management reporting and oversees the financial and internal controls of the Group.

Mr Loh joined the Company, previously known as WesTech Group, in November 2008 as the Finance Manager and assisted the then CFO in the overall direction and control of the Group, including the financial and management of accounts, legal matters, credit control, internal and external auditing and financial planning and analysis. He was then promoted to Vice President of Finance on 2011 and subsequently to CFO on 2013 to oversee the Group's finance department. In October 2014, Mr Loh was appointed as CFO to Jubilee Industries Holdings Ltd. ("Jubilee"), a subsidiary listed company of Accrelist Ltd. Following the Company and Group's new plans for expansion and expertise required in November 2016, he was transferred back to Accrelist Ltd.

Mr Loh has more than 10 years of experience in audit and accounting and holds a Bachelor of Business (Accounting) from the Queensland University of Technology and is a member of CPA Australia.

MS SNG EE LIAN, ELIANE

Group Financial Controller

Jubilee Industries Holdings Ltd.

Ms Sng Ee Lian, Eliane ("Ms Sng") is the Group Financial Controller and heads the finance department for the daily finance functions of the Group. Ms Sng is a senior executive with 20 years of work experience in finance, public accounting, administration and costing in electronics contract manufacturing and wholesale electronics distribution industries. She held the position of Group Finance Manager of the Plexus Group and was a Senior Corporate Finance Controller with ACT Manufacturing Inc, a company then listed on NASDAQ.

Ms Sng holds a Bachelor of Accountancy from Bentley College, USA and LLB from University of London.

MR LEE SANG SUP

Senior Vice President

Jubilee Industries Holdings Ltd.

Mr Lee Sang Sup ("Mr Lee") joined the Group as Senior Vice President of WE Components Pte. Ltd. on 1 March 2018, heading the Electronics Business Unit (EBU) for the business operations, sales and marketing activities of the unit.

Mr Lee has more than 30 years of experience in the semiconductor industry in Asia holding key positions in sales and marketing roles with organizations such as SK Hynix - a global leader in the semiconductor market.

Mr Lee holds a bachelor degree in International Economics Law & English from HANKUK University of Foreign Studies in South Korea.

MILESTONES

FY2022

- A.M Aesthetics continued the expansion of its clinic network, doubling the capacity of selected clinics while opening its 6th and 7th clinics in Singapore

FY2020

- A.M Aesthetics expanded locally and regionally with the opening of new clinics in Singapore and Malaysia
- The Group ventured into the distribution of medical aesthetics products through A.M Skincare

FY2018

- Dr Terence Tea identified medical aesthetics as a new area of growth for the Group
- Accrelist increased its stake in Jubilee by converting the outstanding loan into Jubilee shares
- Jubilee returned to black, turnaround supported by Accrelist's strategic guidance

FY2016

- Dr Terence Tea ensured Accrelist's survival by arranging a placement of new shares which raised urgently needed funds to repay creditor banks

FY2021

- A.M Aesthetics bounced back from the initial impact of COVID-19 with increased revenue amidst continued demand for medical aesthetic services

FY2019

- Net profit for Accrelist and Jubilee more than tripled
- Accrelist acquired four medical aesthetics clinics in Singapore
- Medical aesthetics business rebranded as A.M Aesthetics, gross profit nearly doubles under the Group's management

FY2017

- Accrelist extended a convertible loan to Jubilee to support its growth

CORPORATE DIRECTORY

SINGAPORE

Accrelist Ltd. (Head Office)
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905

Jubilee Industries Holdings Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2968/6311 2969
Fax: (65) 65 6311 2905

Jubilee Industries (S) Pte. Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2968/6311 2969
Fax: (65) 65 6311 2905

WE Components Pte. Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 65 6311 2905
Email: SGP.sales@weh.sg

WE Microelectronics Pte. Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 65 6311 2905
Email: SGP.sales@weh.sg

Accrelist Medical Aesthetics (BM) Pte Ltd
311 New Upper Changi Road #B1-12,
Bedok Mall
Singapore 467360
Tel: (65) 6844 9768
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (LOT1) Pte Ltd
21 Choa Chu Kang Avenue 4 #02-26
Lot One Shoppers' Mall,
Singapore 689812
Tel: (65) 6219 9819
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (TPY) Pte Ltd
Block 500, Lorong 6 Toa Payoh #B1-30
HDB HUB
Singapore, 310500
Tel: (65) 6259 2860
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (SPC) Pte Ltd (f.k.a Accrelist Medical SPA Pte. Ltd.)
10 Eunos Road 8 #02-140/141,
Singapore Post Centre,
Singapore 408600
Tel: (65) 6741 1038
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (CM) Pte Ltd
3155 Commonwealth Avenue West #04-50,
The Clementi Mall,
Singapore 129588
Tel: (65) 6908 1917
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (Serangoon) Pte Ltd
Block 253 Serangoon Central Drive
#01-193 and #02-193
Singapore 550253
Tel: (65) 6241 3869
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (Raffles City) Pte Ltd
252 North Bridge Road,
Raffles City Shopping Centre, #B2-06/07
Singapore 179103
Tel: (65) 6255 6109
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (Orchard Central) Pte Ltd
181 Orchard Road,
Orchard Central, #05-33/36
Singapore 238896
Tel: (65) 6509 1200
Fax: (65) 6311 2905

Accrelist Medical Aesthetics (Central@Clarke Quay) Pte Ltd
6 Eu Tong Sen Street,
The Central #04-77 to #04-82
Singapore 059817
Tel: (65) 6592 0762
Fax: (65) 6311 2905

A.M Skincare Pte. Ltd.
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905

Honfoong Plastic Industries Pte Ltd
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905

MALAYSIA

JOHOR
WE Total Engineering Sdn. Bhd.
No. 10, Jalan Istimewa 7
Taman Perindustrian Cemerlang
81800 Ulu Tiram, Johor
Malaysia
Tel: (607) 861 3870
Fax: (607) 863 2750

PENANG
WE Components (Penang) Sdn. Bhd.
62-1 Persiaran Bayan Indah Bayan Bay
Sungai Nibong Penang 11900
Tel: (604) 646 9888
Fax: (604) 646 9298
Email: MAL.sales@weh.sg

WE Resources Sdn. Bhd.
62-1 Persiaran Bayan Indah Bayan Bay,
Sg. Nibong Penang 11900
Tel: (604) 646 9888
Fax: (604) 646 9298

WE Components Sdn. Bhd.
62-1 Persiaran Bayan Indah Bayan Bay
Sungai Nibong Penang 11900
Tel: (604) 646 9888
Fax: (604) 646 9298

Accrelist Medical Aesthetics (Penang) Sdn Bhd
88-N, Jalan Masjid Negeri,
11600 Greenlane, Penang.
Tel: (604) 658 8555

KUALA LUMPUR
Accrelist Aesthetics (KL) Sdn Bhd
NO 156, Jalan Maarof, Bangsar,
59000 Kuala Lumpur
Tel: (603) 2201 3337

Ozhean Accrelist Aesthetics Sdn Bhd
NO 156, Jalan Maarof, Bangsar,
59000 Kuala Lumpur
Tel: (603) 2201 3337

PEOPLE'S REPUBLIC OF CHINA

SHANGHAI
WE Components (Shanghai) Co. Ltd.
Room 1001A/10F, Desay Building
South No 1 Road, High-Tech Industrial Park
Nanshan District, Shenzhen
China, P.R.C 518057
Tel: (86) 7558 299 5835
Fax: (86) 7558 299 7055
Email: CHN.sales@weh.sg

SHENZHEN

WE Components (Shenzhen) Co. Ltd.
Room 1001A/10F, Desay Building
South No 1 Road, High-Tech Industrial park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 299 5835
Fax: (86) 7558 299 7055
Email: CHN.sales@weh.sg

WE Components (Hong Kong) Limited
Room 1001A/10F, Desay Building
South No 1 Road, High-Tech Industrial park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 299 5835
Fax: (86) 7558 299 7055
Email: CHN.sales@weh.sg

Kin Wai Technology Ltd.
Room 1001A/10F, Desay Building
South No 1 Road, High-Tech Industrial park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 304 8857
Fax: (86) 7558 304 8854

WUHAN

WE Components (Shenzhen) Co. Ltd.
Room 1001A/10F, Desay Building
South No 1 Road, High-Tech Industrial park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 304 8857
Fax: (86) 7558 304 8854
Email: CHN.sales@weh.sg

INDIA

BANGALORE

WE Components India Pvt. Ltd.
No. 20, Lakshmi, 2nd Floor,
Shankarmutt Road, Shankarpuram,
Basavanagudi,
Bangalore – 560004
Contact : 080 2667 7767
Email: IND.sales@weh.sg

DELHI

WE Components India Pvt. Ltd.
C-134 Ground Floor
Sector-19, Noida – 201301, U.P India
Tel: (91) 120 427 0600/02
Fax: (91) 120 427 0605
Enquiry: IND.sales@weh.sg

INDONESIA

PT. Honfoong Plastic Industries
Jalan Gaharu Lot 232 & 233,
Jalan Kenanga Lot 247
Batamindo Industrial Park,
Mukakuning Batam 29433,
Indonesia
Tel: (62) 77 611448
Fax: (62) 77 611260

THAILAND

WE Components Co. Ltd
19/1-2, FL 2nd A,B Wangdek Bld 2.
Viphavadee-Rangsit Rd,
Jomphol Jatujak, Bangkok 10900, Thailand
Tel: (662) 617 4267-70
Fax: (662) 617 4271
Email: THL.sales@weh.sg

VIETNAM

WE Components Pte. Ltd.
Room 1606, Floor 16, Daeha Building,
360 Kim Ma,
Ba Dinh, Hanoi, Vietnam
Tel: + 84 989 589 222
Email: quang.doan@weh.sg

CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Accrelist Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining a high standard of corporate governance. The Company understands that good corporate governance is an integral element of a sound corporation and enables it to be more transparent and forward-looking. In addition, sound corporate governance is an effective safeguard against fraud and dubious financial engineering, and hence helps to protect the interest of the Company’s shareholders. This also helps the Company to create long-term value and return for its shareholders. This report sets out the Group’s corporate governance practices (“**Report**”).

The Company is committed to uphold and adhere to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). This report outlines the Company’s corporate governance practices for the financial year ended 31 March 2022 (“**FY2022**”) with specific reference made to the principles and provisions of the Code issued on 6 August 2018, and the accompanying practice guidance, which formed part of the continuing obligations of the Listing Manual – Section B: Rules of the Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Company will continue to enhance its corporate governance practices in line with the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Catalist Rules.

For ease of reference, sections of the Code under discussion are specifically identified. However, this report should be read as a whole as other sections of this report may also have an impact on the specific disclosures.

BOARD MATTERS

THE BOARD’S CONDUCT OF AFFAIRS

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

The primary function of the Board is to protect and enhance long-term value and returns for its shareholders. The Board has put in place a code of conduct and ethics, appropriate tone-from-the top and desired organisational culture, and ensures proper accountability within the Group. Besides carrying out its statutory responsibilities, the Board oversees the formulation of the Group’s long-term strategic objectives and directions, reviews and approves the Group’s annual business and strategic plans and monitors the achievement of the Group’s corporate objectives. It also oversees the Management’s business affairs and conducts periodic reviews of the Group’s financial performance. Where the Director faces a conflict of interest, he would recuse himself from discussions and decisions involving the issues of conflict.

In addition to statutory duties and responsibilities, the Board’s principal functions include the following:

1. Reviewing and approving the Group’s strategic plans, key operational initiatives, major investments, divestments and funding requirements;
2. Reviewing and approving the annual budget, reviewing the performance of the business and approving the release of the financial results of the Group to shareholders;
3. Providing guidance in the overall management of the business and affairs of the Group;
4. Overseeing the processes for risk management, financial reporting and compliance;
5. Reviewing and approving major transactions including investments, divestments, acquisitions and capital expenditure;
6. Reviewing and approving corporate and/or financial restructuring and share issuance; and
7. Assuming responsibility for the corporate governance of the Group.

To ensure smooth operations, proper controls and to facilitate decision-making, the Board has established an Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively, “**Board Committees**”). Each Board Committee has its own defined terms of reference and operating procedures, which are reviewed on a regular basis by the Board. The effectiveness of each Board Committee is also constantly reviewed by the Board. The Board accepts that while the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board. In particular, the NC reviews the effectiveness of the Board, AC and RC, as well as each individual Director annually, while the Board reviews the effectiveness of the NC annually.

CORPORATE GOVERNANCE REPORT

The Board meets on a periodic basis or when necessary to address any specific matter. The Company's Constitution provides for the meetings to be convened via teleconferencing or videoconferencing. Where a decision has to be made before a Board meeting or Board Committees' meeting is convened, Directors' resolutions in writing are circulated in accordance with the Constitution of the Company and the Directors are also provided with all relevant information and documents to allow them to make informed decisions.

The Board has put in place internal guidelines for matters reserved for the Board's approval. Specifically, matters and transactions that require the Board's approval include, among others, the following:

- release of the half year and full year results announcements;
- annual report and financial statements;
- annual budgets and financial plans of the Company;
- business, strategy and capital expenditure budgets;
- convening of shareholders' meetings, circulars to shareholders and related announcements to be submitted to the SGX-ST;
- overall corporate strategy and changes to the corporate structure;
- acquisitions, investments and disposals of assets exceeding a certain threshold;
- share issuances;
- recommendation/declaration of dividends;
- appointment of Directors, key management personnel and Company Secretary of the Company;
- terms of reference for the Board Committees;
- review of Directors and key management personnel's performance and remuneration packages;
- interested person transactions;
- material regulatory matters or litigation; and
- compliance matters associated with the Catalist Rules, Securities and Futures Act or other relevant laws and regulations.

The number of Board, Board Committee meetings and all general meetings held during FY2022 and the attendance of each Director, where relevant, are as follows:

	Board	AC	RC	NC	Annual General Meeting ("AGM")
No. of meetings held	4	4	4	4	1
Name of Directors					
Mr Terence Tea Yeok Kian	4	4*	4*	4	1
Mr Ng Li Yong	4	4	4	4	1
Mr Lim Yeow Hua @ Lim You Qin	4	4	4	4	1
Mr Kang Pang Kiang	4	4	4	4*	1

*By invitation

A formal letter setting out the director's duties and obligations will be issued to newly appointed directors upon their appointment.

All newly appointed Directors are given briefings by the Management on the history, business operations and corporate governance practices of the Group. Newly appointed Directors also attend courses, seminars and trainings which may have a bearing on their duties and contributions to the Board, organised by the professional bodies and regulatory institutions, to keep themselves updated on the latest developments concerning the Group. Directors who have no prior experience as a director of a listed company will be provided training in areas such as accounting, legal and industry-specific knowledge as may be appropriate. There is no new director appointed during the year.

CORPORATE GOVERNANCE REPORT

To keep pace with regulatory changes, the Directors attend sponsored seminars conducted by external professionals, including any changes in legislation and financial reporting standards, government policies, and regulations and guidelines from SGX-ST that affect the Company and/or the directors in discharging their duties. The Directors are informed of developments relevant to the Group, including changes in laws, regulations and risks that may impact the Group. Directors can apply to the Company for funding for any such courses, conferences and seminars that they wish to attend. The Directors will also attend the training on sustainability matters prescribed by SGX-ST.

To enable the Directors to better understand the Group's business as well as for them to discharge their respective duties, Management will provide regular updates to the Directors during board meetings. In addition, in order to ensure that each Director is able to contribute in a meaningful manner during Board meetings, each Director is provided with complete and adequate information to be discussed at each Board meeting in a timely manner. The Management circulates copies of the minutes of the Board meetings to all members of the Board to keep them informed of on-going developments within the Group. Board papers are generally sent to Directors before each meeting and these would include financial management reports, reports on performance of the Group against the budget with notes on any significant variances, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues and strategic plans and developments in the Group.

The Board has separate and independent access to the Management and the Company Secretary at all times. Should the Directors, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the concurrence of the Chairman or the Chairman of the Board Committee requiring such advice) will be appointed at the Company's expense.

The Company Secretaries attend all Board meetings and is responsible for ensuring that Board procedures are followed. The Company Secretaries assist senior management in ensuring that the Company complies with rules and regulations which are applicable to the Company. The appointment and removal of the Company Secretary is decided by the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

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

The Board comprises of one (1) Executive Director, two (2) Independent and Non-Executive Directors and one (1) Non-Independent and Non-Executive Director, who as a group, provides core competencies and diversity of experience which enable them to effectively contribute to the Company. Majority of the Board is made up of Non-Executive Directors which is in compliance with Provision 2.3 of the Code.

As at the date of this report, the Board noted that Independent Directors do not make up a majority of the Board pursuant to Provision 2.2 of the Code as two of the four Directors are Independent Directors. The Board wishes to highlight that it is of the view that the appointment of Lead Independent Director ensures a sufficient balance of power and authority in the Board. In addition, the Board noted that the Independent Directors are experienced professionals with diverse expertise and skills, including strategic planning, management, legal, finance and accounting experience. Accordingly, the combined wealth and diversity of expertise and skills of all the Directors enable them to contribute effectively to the strategic growth and governance of the Group. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively. Notwithstanding the above, the Board may consider appointing one additional Independent Director when a suitable candidate is identified in the interest of embracing recommended best practices.

As at the date of this Report, the Board of Directors comprises of the following members:

Name of Directors	Designation	AC	RC	NC
Mr Terence Tea Yeok Kian	Executive Chairman and Managing Director	–	–	Member
Mr Ng Li Yong	Lead Independent Director	Member	Chairman	Chairman
Mr Lim Yeow Hua @ Lim You Qin	Independent and Non-Executive Director	Chairman	Member	Member
Mr Kang Pang Kiang	Non-Independent and Non-Executive Director	Member	Member	–

CORPORATE GOVERNANCE REPORT

The Board is supported by the Board Committees, namely, the NC, the AC and the RC, whose functions are described below. The Board is able to exercise objective judgement independently from the Management and no individual or small group of individuals dominate the decisions of the Board.

On an annual basis or upon notification by an Independent Director of a change in circumstances, the NC will review the independence of each Independent Director based on the criteria for independence defined in the Code and recommend to the Board as to whether the Director is to be considered independent.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules which effective from 1 January 2022, provides that a Director will not be independent if he has been a Director for an aggregate period of more than nine (9) years and his continued appointment as an Independent Director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the Directors and the Chief Executive Officer of the company and their respective associates (the **"Two-Tier Voting"**). Such resolutions may remain in force until the earlier of (i) the retirement or resignation of the Director, or (ii) the conclusion of the third AGM of the Company following the passing of the resolutions.

Although Mr Ng Li Yong has served on the Board for more than nine years from the date of his first appointment, the NC had rigorously reviewed his past contributions to the Company and considered that he is independent in character and judgement and there was no circumstance which would likely affect or appear to affect his independent judgement. The opinion was arrived at after careful assessment by the NC and the Board and the rigorous review comprised a review of, but not limited to, the following factors: (a) the length of services of Mr Ng Li Yong has not compromised the objectivity of Independent Director and his commitments and abilities to discharge his duties as Independent Director; (b) the abilities of Independent Director to continue exercising independent judgements in the best interests of the Company; (c) the abilities of Independent Director to express his objectives and independent views during Board and Board Committee meetings; and (d) Independent Director, through his years of involvements with the Company, has gained valuable insights and understandings of the Company's business and together with his diverse experience and expertise, has contributed and will continue to contribute effectively as Independent Director by providing impartial and autonomous views at all times. The Company would continue to build on the acquired experience and expertise by preserving continuity and stability through orderly succession.

Mr Ng Li Yong who has served the Board beyond 9 years had sought his continued appointment as Lead Independent Director from the shareholders at the AGM held on 30 July 2021 pursuant to Rule 406(3)(d)(iii) of the Catalist Rules.

Non-Executive Directors make up a majority of the Board. The Non-Executive Directors contribute to the Board by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide different perspectives to the Group's business. While challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions, involving conflicts of interest and other complexities. The Non-Executive Directors will meet to discuss on specific matter without the presence of Management and if necessary, to provide feedback to the Board. To ensure that Non-Executive Directors are well supported by accurate, complete and timely information, Non-Executive Directors have unrestricted access to Management.

The Board constantly examines its size and, with a view to determining the impact of the number upon effectiveness, decides what is considered an appropriate size for the Board, which facilitates effective decision-making. The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board, is appropriate for effective decision making. The Board noted that gender diversity on the Board of Directors is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although the Company has not adopted the board diversity policy, the Company has embraced all aspects of diversity in the current Board composition, including of right blend of skills and industry knowledge diversity. As there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

The NC is of the view that the Board comprises persons who, as a group, provide the necessary core competencies and includes experienced professionals with legal, accounting, business and management experience.

To-date, none of the Independent and Non-Executive Directors of the Company have been appointed as Director of the Company's principal subsidiaries, which is based in Singapore and overseas.

Information on the Board members is provided under the section "Board of Directors" in the Annual Report.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

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

Mr Terence Tea Yeok Kian is the Executive Chairman and Managing Director of the Company. As the Executive Chairman, Mr Terence Tea Yeok Kian:

- leads the Board to ensure its effectiveness on all aspects of its role;
- sets the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promotes a culture of openness and debate at the Board;
- ensures effective communication with shareholders;
- ensures constructive relations within the Board and between the Board and Management; and
- facilitates the effective contribution of Non-Executive Directors in particular.

As a Managing Director, Mr Terence Tea Yeok Kian has full responsibility over the business directions and operational decisions of the Group.

Although the roles of the Chairman and Managing Director are not separated, the AC, RC and NC are chaired by an Independent Director and Mr Terence Tea Yeok Kian's performance and remuneration are reviewed periodically by the NC and RC. In addition, Mr Ng Li Yong has been appointed as the Lead Independent Director of the Company in accordance to Provision 3.3 of the Code. He is available to shareholders should their concerns cannot be resolved through the normal channels of the Chairman or where such contact is inappropriate. As such, the Board believes that there are adequate safeguards and checks in place to ensure that the process of decision-making is independent and based on the collective decision-making of the Board without Mr Terence Tea Yeok Kian being able to exercise considerable concentration of power or influence. The Independent Directors meet at least once annually without the presence of the Executive Director and Management to discuss matters of significance, which are thereon reported to the Board and/or Chairman accordingly.

BOARD MEMBERSHIP AND BOARD PERFORMANCE

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.

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

Nominating Committee

The Company had established a NC to make recommendations to the Board on all board appointments. The NC comprises three (3) members, majority of whom, including the Chairman, are Independent and Non-Executive Directors. The Lead Independent Director, Mr Ng Li Yong is the Chairman of the NC.

As at the date of this Report, the NC comprises:

Mr Ng Li Yong	(Chairman)
Mr Terence Tea Yeok Kian	(Member)
Mr Lim Yeow Hua @ Lim You Qin	(Member)

The Chairman of the NC is neither a substantial shareholder of the Company nor is he directly associated with the substantial shareholder of the Company.

The NC is governed by the NC's terms of reference which describes the roles and duties of the NC.

CORPORATE GOVERNANCE REPORT

The NC is responsible for:

1. Making recommendations to the Board on all board appointments, including the development of a set of criteria for Director's appointments;
2. Reviewing the size of the Board with a view to determining the impact of the number upon Board's effectiveness;
3. Ensuring that the Directors have the required expertise and adequate competencies to discharge their respective functions and to ensure that there is a balance of competencies;
4. Re-nominating Directors having regard to the Director's contribution to the Group and his performance at Board meetings, for example, attendance, participation and critical assessment of issues deliberated upon by the Board;
5. Considering and determining on an annual basis, whether or not a Director is independent;
6. Deciding on how the Board's performance may be evaluated and propose objective performance criteria to the Board;
7. Reviewing the training and professional development programmes for the Board and its Directors;
8. Assessing the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board; and
9. Reviewing board succession plans for Directors and key management personnel.

The independence of each Director is reviewed annually by the NC based on Principle 2 of the Code. Following its annual review, the NC has endorsed the independence status of Mr Ng Li Yong and Mr Lim Yeow Hua @ Lim You Qin.

New Directors are presently appointed by way of resolutions after the NC has reviewed and nominated them for appointment.

In identifying suitable candidates, the NC mainly taps on the Directors' personal contacts and recommendations. After shortlisting the candidates, the NC shall:

- (a) Consider and interview all candidates on merit against objective criteria, taking into consideration the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and add value to the Groups' business in line with its strategic objectives; and
- (b) Evaluate and agree on a preferred candidate for recommendation to and appointment by the Board.

The Group also releases announcements on the appointment and cessation of Directors via SGXNET.

The NC has assessed the current Board's performance and is of the view that the performance of the Board as a whole has been satisfactory. Although some of the Directors have other board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. The NC has noted that the respective Board Committee members have contributed significantly in terms of time, effort and commitment during FY2022.

At present, the Board does not intend to set a maximum number of listed company board representations a Director may hold as it is of the view that the effectiveness of a Director should be evaluated by a qualitative assessment of his contributions to the Company's affairs taking into account his other commitments including his directorships in other listed companies. The NC considers that the multiple board representations held presently by some Directors do not currently impede their respective performances in carrying out their duties to the Company.

The NC sets objective performance criteria for evaluating the Board's performance as a whole. The Board's performance is a function of the experience and expertise that each of the Director brings with them. The NC has implemented a Board Evaluation Form which consists of a board assessment checklist which takes into consideration factors such as the Board's understanding of its role and responsibilities, the Board's composition and effectiveness as a whole, clear goals and actions, and proceedings to assess and enhance the overall effectiveness of the Board. The Board Committees' assessment is incorporated into board assessment as a whole. The NC has decided unanimously, that the Directors shall not be evaluated individually, as each member of the Board contributes in different areas to the success of the Company. Therefore, it would

CORPORATE GOVERNANCE REPORT

be more appropriate to assess the Board as a whole. Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors for the current year include the contribution of such Directors to the effectiveness of the Board, the Directors' participation and involvement in Board meetings and Board Committee meetings and the qualification and experience of such Directors. The results of the evaluation for the Board's performance are considered by the NC, which is responsible for setting the performance criteria to assess the effectiveness of the Board, and used constructively to identify areas for improvements and recommend the necessary action to be taken by the Board. No external facilitators were used in the assessment of the Board's performance.

The NC, in recommending the re-election or re-appointment of Directors, who are subject to retirement at the AGM in accordance with the Company's Constitution or the Companies Act 1967 of Singapore (the "**Companies Act**"), had taken into consideration the contribution of such Directors to the effectiveness of the Board, their participation and involvement in the Board meetings and Board Committee meetings, qualification and experience as well as their directorships and major appointments in other companies.

Currently, there is no alternate director on the Board.

Each member of the NC shall abstain from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolutions in respect of the assessment of his own performance or re-nomination as a Director.

Pursuant to Regulations 91 and 97 the Constitution of the Company:

- (a) One-third (1/3) of the Directors except the Managing Director retire from office at every AGM; and
- (b) Directors appointed during the course of the year must submit themselves for re-election at the next AGM of the Company.

Pursuant to Rule 720(4) of the Catalist Rules, all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years.

The NC recommended to the Board that Mr Kang Pang Kiang be nominated for re-election pursuant to Regulation 91 of the Company's Constitution at the forthcoming AGM.

Mr Kang Pang Kiang, while eligible for re-election, has expressed his intention not to seek re-election and will retire at the forthcoming AGM. Mr Kang Pang Kiang, will upon retirement as a Director of the Company, cease as a Non-Independent and Non-Executive Director of the Company and member of AC and RC. The NC will endeavour to fill the vacancy in the Board and Board Committees upon the retirement of Mr Kang Pang Kiang to constitute and foster a strong and balance Board and Board Committees within two (2) months, but in any case, not later than three (3) months to be in compliance with the Code, Catalist Rules and Companies Act.

CORPORATE GOVERNANCE REPORT

Details of the Directors' academic and professional qualifications and directorships for both present and those held over the preceding five (5) years in other listed companies and other principal commitments are set out on pages 6 to 9 and below:

Name of Directors	Designation	Date of initial appointment/last re-election	Directorships in other listed companies	
			Current	Past 5 Years
Mr Terence Tea Yeok Kian	Executive Chairman and Managing Director	11 March 2013/ 26 November 2020	Jubilee Industries Holdings Ltd.	EG Industries Berhad
Mr Ng Li Yong	Lead Independent Director	11 June 2013/ 30 July 2021	–	C&G Environmental Protection Holdings Limited
Mr Lim Yeow Hua @ Lim You Qin	Independent and Non-Executive Director	11 October 2017/ 30 July 2021	KSH Holdings Limited NauticAWT Limited Oxley Holdings Limited	KTL Global Limited Ying Li International Real Estate Limited
Mr Kang Pang Kiang	Non-Independent and Non-Executive Director	24 December 2019/ 26 November 2020	EG Industries Berhad Thong Guan Industries Berhad	Jubilee Industries Holdings Ltd.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

As at the date of this Report, the RC comprises three (3) members, the majority of whom, including the Chairman, are Independent and Non-Executive Directors, save for Mr Kang Pang Kiang who is a Non-Independent and Non-Executive Director:

Mr Ng Li Yong	(Chairman)
Mr Lim Yeow Hua @ Lim You Qin	(Member)
Mr Kang Pang Kiang	(Member)

The RC is governed by the RC's terms of reference which describes the duties and powers of the RC.

The RC is responsible for:

1. Reviewing and recommending to the Board in consultation with the Management and the Managing Director, a framework for remuneration and determine the specific remuneration packages and terms of employment for each of the Executive Director and Senior Executive/Divisional Director of the Group including those employees related to the Executive Directors and/or controlling shareholders of the Group and to ensure that it is appropriate to attract, retain and motivate them to run the Group successfully. The RC may engage experts in the field of executive compensation whenever required;
2. Reviewing the fairness and reasonableness of the termination clauses of the service agreements of each Executive Director and Senior Executive/Divisional Director of the Group to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with an aim to be fair and avoid rewarding poor performance;

CORPORATE GOVERNANCE REPORT

3. Reviewing on a yearly basis, the remuneration packages for each Executive Director, which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share based incentives and awards, and benefits in kind;
4. Recommending the payment of fees to Non-Executive Directors and to ensure that the quantum commensurate with the Non-Executive Directors' contribution to the Board and the Company; and
5. Overseeing and administering share award scheme.

The RC may seek professional advice from external consultants on remuneration matters whenever required. No remuneration consultants were engaged by the Company in FY2022.

LEVEL AND MIX OF REMUNERATION

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

In setting remuneration packages, the RC takes into account the performance of the Group as well as the Directors and key management personnel aligning their interests with those of the shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. The review of remuneration packages takes into consideration the long-term interests of the Group. The review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. The payment of Directors' fees is subject to the approval of shareholders at the AGM.

The RC recommends the compensation for Independent and Non-Executive Directors, taking into account factors such as time spent, level of contribution and the responsibility of the Directors, the current market circumstances, long-term interests and risk policies of the Company, and the need to attract directors of experience and standing. The Independent and Non-Executive Directors' fees is compared against market standards to ensure that they are in line with market norms and to ensure their independence are not compromised.

The Directors do not participate in any discussion concerning their own remuneration.

Upon the expiry of Accrelist Share Awards Scheme ("ASAS") which was adopted on 25 May 2010, the Company will be seeking shareholders' approval at the forthcoming AGM for the adoption of new Accrelist Performance Share Plan.

Information on the Company's new Accrelist Performance Share Plan are set out under the Appendix of this Annual Report.

DISCLOSURE ON REMUNERATION

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

The remuneration of the Directors and the key management personnel for FY2022, are disclosed below. The disclosure is to enable shareholders to understand the link between remuneration paid to the Directors and key management personnel and their performances.

The Company has disclosed the remuneration of the Directors and the key management personnel in the bands of S\$250,000. In view of the competitive pressures in the talent market, it would be not in the best interest of the Company to disclose the exact amount paid to the Directors and key management personnel.

CORPORATE GOVERNANCE REPORT

The breakdown (in percentage terms) of each Director's and key management personnel's remuneration for FY2022 are as follows:

Remuneration for the Directors

Name	Salary	Bonus	Fringe Benefits	Directors' Fees	Total
	%	%	%	%	%
<u>Between S\$250,000 and S\$500,000</u>					
Mr Terence Tea Yeok Kian	72	12	16	0	100
<u>Below S\$250,000</u>					
Mr Ng Li Yong	0	0	0	100	100
Mr Lim Yeow Hua @ Lim You Qin	0	0	0	100	100
Mr Kang Pang Kiang	0	0	0	100	100

Remuneration of the top key management personnel*

Name	Salary	Bonus	Fringe Benefits	Total
	%	%		%
<u>Between S\$250,000 and S\$500,000</u>				
Lee Sang Sup (Senior Vice President)	68	4	28	100
<u>Below S\$250,000</u>				
Mr Loh Eng Lock, Kelvin (Chief Financial Officer and Joint Company Secretary)	80	7	13	100
Sng Ee Lian Eliane (Group Financial Controller)	91	8	1	100

*There were only three (3) key management personnel during FY2022

The Company does not have any employees who is an immediate family member of a Director, the Executive Chairman and Managing Director or a substantial shareholder, and whose remuneration for FY2022 exceeds S\$100,000.

For the purpose of Rule 704(10) of the Catalist Rules, the Company hereby confirms that there are no persons occupying managerial position who are related to Director, Executive Chairman and Managing Director or a substantial shareholder of the Company.

The share award given to a selected person will be determined at the discretion of the RC. The RC will take into account factors such as the selected person's capability, scope of responsibility, skill and his/her vulnerability to leaving the employment of the Group. In deciding on a share award to be granted to a selected person, the RC will also consider all aspects of the compensation and/or benefits given to the selected person and such other share-based incentive schemes of the Company, if any. The RC may also approve the specific criteria and performance targets for each of its business units set by the Management, taking into account factors such as the business goals and directions of the Company and the Group for each financial year, the actual job scope and responsibilities of the selected person and the prevailing economic conditions.

During the reporting year, there was no ASAS granted to Directors, key management personnel and employees of the Group.

Further details of the ASAS are set out in the Directors' Statement on page 51 of this Annual Report.

The remuneration package of Executive Director and the compensation structure of the key management personnel comprises of a fixed salary, bonus and other benefits. The bonus component is based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of the shareholders and link rewards to corporate and individual performance so as to promote long-term sustainability of the Group.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

In presenting the annual financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's and the Group's performance, position and prospects. The Management currently provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a monthly basis.

The Board has received assurance from the Managing Director and Chief Financial Officer:

- (1) that the financial records for financial year ended 31 March 2022 have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (2) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

The Board ensures that all relevant compliance and regulatory updates are highlighted from time to time to ensure adequate compliance with the regulatory requirements.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

As at the date of this Report, the AC comprises three (3) members, the majority of whom, including the Chairman, are Independent and Non-Executive Directors, save for Mr Kang Pang Kiang who is a Non-Independent and Non-Executive Director:

Mr Lim Yeow Hua @ Lim You Qin	(Chairman)
Mr Ng Li Yong	(Member)
Mr Kang Pang Kiang	(Member)

The AC members collectively have many years of experience in accounting, audit, business and financial management. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

In accordance with Provision 10.3 of the Code, the AC does not comprise of former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be partner of the auditing firm or director of the auditing corporation; and in the case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC has its own written terms of reference. Specifically, the AC meets on a periodic basis to perform the following functions:

1. Review with the internal and external auditors, the scope, audit plans, and the results of their examinations and evaluation of the Group's system of internal accounting controls or internal audit procedures;
2. Review the adequacy of the Group's financial and management reporting system including the effectiveness of material internal financial controls, operational and compliance controls, and risk management policies;
3. Review the financial statements of the Group to ensure integrity before submission to the Board for approval and the external auditors' report on those financial statements, if any;
4. Review any related significant findings and recommendations of the internal and external auditors together with Management's responses thereto;
5. Review interested person transactions, if any, in accordance with the Catalist Rules;

CORPORATE GOVERNANCE REPORT

6. Review legal and regulatory matters that may have a material impact on the financial statements;
7. Review the half-yearly and annual announcements as well as the related press releases on the results of the Group;
8. Review the independence of external auditors on an annual basis;
9. Review the arrangements by which staff of the Group may, in confidence raise concerns about the possible improprieties in matters of financial reporting and other matters;
10. Review the assistance given by the Management to internal and external auditors;
11. Generally, undertake such other functions and duties as may be required by statute or the Catalist Rules (as thereafter defined), or by such amendments as may be made thereto from time to time;
12. Review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where findings are material, announced immediately via the SGXNET;
13. Ensure that the internal audit function is adequately resourced and has appropriate standing within the Company. For the avoidance of doubt, the internal audit function can be either in-house, outsourced to a reputable accounting/auditing firm or performed by a majority shareholder, holding company, parent company or controlling enterprise with an internal audit staff. (The internal auditor's primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Managing Director. The internal auditors should meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice set by The Institute of Internal Auditors);
14. Review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit function annually;
15. Ensure that a review of the effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management is conducted annually;
16. Reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
17. Making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors; and
18. Reviewing whistle-blowing report.

The AC is also authorised to investigate any matter within its terms of reference and obtain independent professional advice if it deems necessary to discharge its responsibilities. Such expenses are to be borne by the Company. It has full access to and the co-operation of the Management and the full discretion to invite any Director or key management personnel to attend its meetings as well as reasonable resources to enable it to discharge its functions properly. During FY2022, the AC has met with the external auditors and internal auditors separately without the presence of the Management to review any area of concerns for FY2022. Ad-hoc AC meetings may be conducted from time to time when necessary.

The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The AC had undertaken a review of all non-audit services provided by the external auditors, CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation) to the Group in relation to the proposed acquisitions of new investments and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of external auditors.

The external auditors, CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation), has expressed their intention for not seeking re-appointment as external auditors of the Company at the forthcoming AGM. The Company is in the midst of identifying a suitable auditing firm and will make further announcement(s) when the new auditors has been identified and convene an extraordinary general meeting to obtain shareholders' approval for the appointment of a new auditors in due course, in any case not more than 3 months after the date of the external auditors' resignation.

CORPORATE GOVERNANCE REPORT

The aggregate amount of fees paid to the external auditors, CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation), for FY2022 amounted to approximately S\$325,000 for audit services and S\$39,000 for non-audit services.

The significant matters considered by AC during the financial year ended 31 March 2022 are detailed below, alongside the action taken by the AC to address these matters.

Significant Matters	Action
<p>Impairment assessment on goodwill (Refer to Note 2.9(a), 3(b) and 13(b) to the financial statements)</p> <p><u>Area of focus</u></p> <p>The Group has recognised goodwill with a carrying amount of Nil (2021: S\$3,948,000) arising from business combinations of aesthetics medical group and allocated the goodwill to respective cash-generating units (“CGUs”). The goodwill is assessed for impairment annually and whenever there is indication that the goodwill may be impaired. Management applies the value-in-use method to determine the recoverable amount of goodwill.</p> <p>In preparation of cash flow projections, significant judgement is used to assess the recoverable amounts of the CGUs which are highly dependent on management’s forecasts and estimates which include, but are not limited to, discount rate, growth rate, future projected cash flows and assumptions that are affected by future market and economic conditions.</p> <p>In consideration of recent rising global inflation rates and increasing interest rates which has created a high level of uncertainty to the near-term global economic prospects, the management has adopted discounted cash flow approach to determine the value-in-use for the CGUs of the aesthetics medical group operations. Management has considered various factors to evaluate the possible expectation on consumer reaction towards the new normal caused by COVID-19.</p> <p>Accordingly, an impairment charge to goodwill of S\$3,948,000 (2021: Nil) was recognised in the profit or loss.</p> <p>We focused on this area as the impairment assessment performed by management involves significant judgments and estimates used in computing the recoverable amounts of the CGUs.</p>	<p>The AC considered the approach and methodology used by management to determine the recoverable amount of goodwill complies with SFRS(I) 1-36 Impairment of Assets and assessed the reasonableness of the growth rate and discount rate used, the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit (including the potential impact from COVID-19).</p> <p>The above was also an area of focus by the independent auditor. The independent auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2022, as referred to page 54 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Significant Matters	Action
<p>Revenue recognition (Refer to Notes 2.2 and 4 to the financial statements)</p> <p><u>Area of focus</u></p> <p>The Group's revenue is primarily generated from:</p> <ul style="list-style-type: none"> (i) sale of electronic components and provision of precision plastic injection moulding services which is recognised when the Group satisfied its performance obligation by transferring the control of the promised goods to the customers, which is when the goods are delivered to the destination specified by the customers, typically refers to the incoterms specified in the contract; and (ii) provision of design, fabrication and sale of precision plastic injection moulds where the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has enforceable right to payment for performance completed to-date, revenue is recognised over time based on percentage of completion which is measured by reference to the stages of mould manufacturing process completed to-date. (iii) rendering of aesthetic medical services and sales of aesthetic medical products to customers. <p>During the financial year ended 31 March 2022, the Group recognised revenue of S\$241,949,000 (2021: S\$151,265,000) from the above revenue segments.</p> <p>We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group. The potential existence of management override controls and large volume of transactions also increase the inherent risk of material misstatement in the amount of revenue reported.</p>	<p>The AC considered the approach used in determining the reliability of the key controls over revenue recognition are in place designed by the Group to prevent and detect fraud and errors in revenue recognition. Proper revenue recognition was also an area of focus by the independent auditor. The independent auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2022, as referred to page 54 of this Annual Report.</p>

CORPORATE GOVERNANCE REPORT

Significant Matters	Action
<p>Valuation of inventories (Refer to Note 2.16, Note 3(c) and Note 18 to the financial statements)</p> <p><u>Area of focus</u></p> <p>As at 31 March 2022, the carrying amount of inventories amounted to S\$20,051,000 (2021: S\$15,406,000), representing approximately 26% (2021: 18%) of the Group's total assets.</p> <p>In determining the net realisable value ("NRV") of the inventories, management based on the recent selling price of the transacted sales and orders received from customers. In addition, management also considered the future outlook of the economic environment. Accordingly, the Group recorded an inventory write-down of S\$1,965,000 as at 31 March 2022 (2021: S\$667,000).</p> <p>We focused on this area as the estimation of the net realisable value ("NRV") of inventories involved management judgement. The determination of the net realisable value of inventories is based on current market conditions and historical sales experience. This requires significant management's judgement in assessing the market positioning of the Group's products which are dependent on factors such as customer specification requirements, demands and price competition in response to the industry life cycles.</p>	<p>The AC considered the Group's costing approach and the appropriateness of the costing methods used for each type of inventory (raw materials, work-in-progress and trading goods).</p> <p>The AC reviewed the management's estimation and judgement of the net realisable value ("NRV"). The determination of the NRV of inventories is based on current market conditions and historical sales experience.</p> <p>The independent auditor has included this item as a key audit matter in its audit report for the financial year ended 31 March 2022, as referred to page 54 of this Annual Report.</p>

The AC has designated and implemented an independent whistle-blowing policy (the "**Policy**") for the Group to investigate whistleblowing reports made in good faith and ensures that the identity of the whistleblower is kept confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The Policy is to enable persons employed by the Group with a channel to report any suspicions of non-compliance with regulations, policies and fraud etc., to the appropriate authority for resolution, without any prejudicial implications for these employees. In this regard, a designated email address has been set up which is accessible only by the designated members of the AC.

The AC exercises the overseeing function over the administration of the Policy. On a case-by-case basis and upon the receipt of complaints, an email would be directly sent to the AC members. The AC Members would discuss the number and nature of complaints received, the results of the investigation, follow-up actions and the unresolved complaints. There was no whistle blowing report received during FY2022.

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems. The AC assists the Board in providing oversight of risk management in the Company. It is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance and IT controls and reporting to the Board annually its observations on any matters under its purview including risk management, internal controls or financial and management matters as it considers necessary and makes recommendations to the Board as it thinks fit.

The AC ensures that a review of effectiveness of the Company's internal controls is conducted at least once annually. The AC has met with the external and internal auditors without management during the year.

The Board recognises the importance of maintaining a system of internal control processes to safeguard shareholders' investments and the Group's business and assets. The Board noted that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The annual conduct of audits by the internal auditors assesses the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

CORPORATE GOVERNANCE REPORT

The Board has received assurance from the Managing Director and CFO in relation to financial records of the Group for FY2022 has been properly maintained and the financial statements give a true and fair view of the Group's operations and finances. In addition, the Managing Director and the key management personnel who are responsible have also given assurance to the Board that the risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also noted that no form of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

The Board understands that it may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies. The Company does not have a separate board risk committee and will look into the need of establishment for a separate board risk committee at a relevant time.

The Board recognises the importance of maintaining an internal audit function to maintain a sound system of internal control within the Group to safeguard shareholders' investments and the Company's assets. Regular reviews of these controls are conducted by the Company's internal and external auditors and any recommendations for improvement are reported to the AC.

The role of the internal auditors is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct internal audit review of areas assessed as higher risk.

The Company outsources its internal audit functions to a Certified Public Accounting firm, Deloitte Business Advisory Sdn. Bhd. which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditors would carry out regular cyclical review in phases based on regional presence of the Group with specific focus on sales transactions, inventories and overall effectiveness of the internal controls and reports to the Chairman and AC.

The AC has reviewed the internal audit plan and the internal auditor's evaluation of the system of internal controls, their audit findings and management's processes to those findings. The AC is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group. The AC will also approve the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation to which the internal audit function of the Company is outsourced.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

ENGAGEMENT WITH SHAREHOLDERS

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

The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to shareholders of the Company, in compliance with the requirements set out in the Catalist Rules with particular reference to the Corporate Disclosure Policy set out therein. In this respect, the Company announces its results to shareholders on a half yearly basis.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released before the Company meets with investors or analysts.

CORPORATE GOVERNANCE REPORT

Information is disseminated to shareholders on a timely basis through:

- SGXNET announcements and news release; and
- Annual Report prepared and issued to all Shareholders.

Half year and full year results as well as Annual Reports are announced and issued within the mandatory period via SGX-ST website. All shareholders could view the announcements of the Company via SGX-ST website.

The Company's Constitution allows a member of the Company to appoint not more than two (2) proxies to attend and vote on behalf of the member. For the time being, the Board is of the view that this is adequate to enable shareholders to participate in the general meetings of the Company and is not proposing to amend their Constitution to allow votes in absentia.

Due to concerns over the authentication of shareholders' identity information and other related security issue, the Company is not implementing absentia voting methods such as voting via mail, facsimile or email until security integrity and other pertinent issues are satisfactory resolved.

The Board noted that with the Companies (Amendment) Act 2014, with effect from 3 January 2016, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967. At the forthcoming AGM, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM.

Resolutions are passed through a process of voting and shareholdings are entitled to vote in accordance with established voting rules and procedures. In this regard, shareholders of the Company are informed of the rules, including voting procedures that govern general meetings of shareholders. The voting results will be screened at the general meeting and announced via SGXNET after the meeting.

All Directors and Management are present at the AGM or EGM. At all general meetings, shareholders are given the opportunity to address their views and ask Directors or Management questions regarding the Group. The external auditors are invited to attend the AGM to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report.

The attendance of Directors for the AGM held on 30 July 2021 is disclosed on page 14.

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 (as amended from time to time), the AGM of the Company held in respect of FY2021 was convened and held by electronic means on 30 July 2021. Alternative arrangements relating to attendance at the AGM 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 in advance of the AGM, addressing of substantial and relevant questions at or prior to the AGM and voting by appointing the Chairman of the AGM as proxy, was put in place for the AGM FY2021 of the Company.

By the same token and the Company's efforts to minimise physical interactions and the transmission risk to a minimum, the Company anticipates that the forthcoming AGM of the Company to be held in respect of FY2022 will be convened and 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. Alternative arrangements relating to attendance at the AGM 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 in advance or "live" at the AGM, addressing of substantial and relevant questions "live" or prior to the AGM and voting (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as a proxy to vote on the member's behalf at the AGM, will be put in place for the forthcoming AGM of the Company.

The Company prepares and publishes minutes of general meetings incorporating the substantial and relevant queries from shareholders and responses from the Board and the Management. The Company will publish the minutes of the forthcoming AGM within one (1) month from the AGM in accordance with the guidance on the conduct of general meetings amid evolving COVID-19 situation issued jointly by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation. Such minutes are also available to shareholders on its corporate website as soon as practicable.

CORPORATE GOVERNANCE REPORT

The Company does not have a policy on payment of dividends. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate. The Board would consider a dividend policy at an appropriate time.

The Company had engaged Waterbrooks Consultants Pte. Ltd. ("**Investor Relations**") as dedicated investor relation teams to handle investor queries and assist on all matters related to investor relations.

To enhance and encourage communication with shareholders and investors, the Company provides the contact information of its Investor Relations in its press releases. Shareholders and investors can send their enquiries to the Company's Investor Relations who can be reached by email or telephone.

MANAGING STAKEHOLDERS RELATIONSHIP

ENGAGEMENT WITH STAKEHOLDERS

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

The Company has identified key stakeholder groups which have a significant influence and interest in the Company's operations and business, and will engage these stakeholders actively to understand their views, concerns and objectives. The key stakeholders identified are vendors, employees, investees, investors, business partners and the government and relevant regulators of countries in which the Group operates in.

In the Sustainability Report section on page 32, there are also details reported about the strategy and key areas of focus in relation to the management of stakeholders' relationships during the reporting period.

The Company maintains a corporate website at <http://www.accrelist.com.sg> to communicate and engage with stakeholders.

ADDITIONAL INFORMATION

Dealings in Securities

In line with Rule 1204(19) of the Catalist Rules, the Company has in place a code of conduct on share dealings by the Directors and its employees. The Directors, the Management and employees of the Group are not permitted to deal in the Company's shares during the period commencing one (1) month before the announcement of the Company's half year and full year financial results and ending on the date of announcement of such financial results, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Directors, the Management and employees of the Group are discouraged from dealing in the Company's shares on short-term considerations.

The Directors, Management and employees of the Group are expected to observe all applicable insider trading laws at all times even when dealing in securities within permitted trading period.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons ("**IP**") are reported in a timely manner to the AC and transactions are conducted on arm's length basis and are not prejudicial to the interests of shareholders. The Board and the AC will review all interested person transactions to be entered to ensure that the relevant rules under Chapter 9 of Catalist Rules are complied.

There were no interested person transactions which were more than S\$100,000 entered into during FY2022. The Group does not have any general mandate from shareholders pursuant to Rule 920 of the Catalist Rules of the current financial year.

CORPORATE GOVERNANCE REPORT

Material Contracts

There were no material contracts of the Company or its subsidiaries involving the interests of the Managing Director, any Director or controlling shareholders either still subsisting as at 31 March 2022 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

In accordance with Rule 1204(21) of the Catalist Rules, there was no non-sponsor fee paid to the Sponsor, RHT Capital Pte. Ltd., by the Company for FY2022.

Use of Proceeds from Share Placement

On 30 August 2021, the Company issued 22,000,000 of new ordinary shares which entitles one share to one warrant share in the capital of the Company by way of new placement at a placement price of S\$0.07371 cents per ordinary share and an exercise price of S\$0.08 cents per warrant share, raising a net proceed of approximately S\$1.6 million. 1,925,000 warrant shares had been converted raising a further net proceed of approximately \$0.1 million.

As at the date of this Report, the Company has fully utilised the net proceeds as follows:

Use of Proceeds from Share Placement	S\$'000
Net proceeds from placement	1,736
Amount utilised as at the date of this Report	
Expansion of the current medical aesthetic outlets to larger units and opening of a new outlet	964
Staff cost	466
Directors' fees	80
Professional fees	226
	<hr/>
	1,736
Balance proceeds	<hr/> <hr/> 0

SUSTAINABILITY REPORT



ACCRELIST LTD.
UNEARTHING TOMORROW'S GEM



SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the “**Board**”) of Accrelist Ltd. (“**Accrelist**” or the “**Company**”, or “**We**”, and together with its subsidiaries, the “**Group**”) is pleased to present our fifth annual sustainability report for the financial year ended 31 March 2022 (“**FY2022**”). This report sets out our sustainability performance over the financial year, and showcases our efforts to diversify our product portfolio and customer mix across all business units, thus enhancing the financial, organisational, social, and environmental resilience of the Group.

In our journey to maximise value for our stakeholders and business partners, the Board remains diligent in monitoring emergent risks and opportunities, and prioritises our regulatory and compliance efforts. The Board remains committed to partnering with our stakeholders and responding to their concerns relating to climate change, economic volatility, business ethics and trust, social needs and changing consumer expectations on the role of businesses. Together with senior management, we will continue to assess, manage, and monitor the materiality of various Economic, Environmental, Social, and Governance (“**EESG**”) factors. To ensure the long-term viability of our business operations, we are also mindful of the need to integrate material EESG considerations with the Group’s strategic objectives.

In FY2022, the Group had an overall turnover of S\$241.2 million, signifying a year-on-year increase of S\$89.9 million. Our strong economic performance can be attributed to the steady growth of Accrelist’s electronics and mechanical business units, and we continue to explore new business opportunities in these fields while working closely with existing suppliers and customers. Recovering from the effects of the COVID-19 pandemic, the Group has been able to expand our service offerings under the Accrelist Medical Aesthetics group of companies (“**A.M Aesthetics**”) by opening a new outlet in Raffles City, and increasing the clinic capacity at SingPost Centre and Bedok Mall. Our subsidiary A.M. Skincare Pte. Ltd. (“**A.M Skincare**”) is also looking into broadening our capabilities by branching into product sales to consumers.

As we forge ahead in our sustainability journey, we would like to express our sincere gratitude towards all our stakeholders for their unwavering support. We look forward to achieving new highs in the future together.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

SUSTAINABILITY REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option and in compliance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist (“Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), with reference to SGX-ST’s sustainability reporting guide under Practice Note 7F of the Catalist Rules.

We have adopted the GRI Standards for its international recognition, universal applicability, and comprehensive guidelines. In putting together this report, we have applied GRI’s Reporting Principles of accuracy, balance, clarity, comparability, reliability, and timeliness to ensure the quality of reported information.

We have relied on internal verification to ensure the accuracy of the data and information presented in this report. We have not sought external independent assurance for this report, and we may consider doing so as we move forward in our sustainability journey.

REPORTING PERIOD AND SCOPE

The report covers the Group’s sustainability performance from 1 April 2021 to 31 March 2022 (“FY2022”), with a specific focus on our three core business segments - Medical Aesthetics Business under A.M Aesthetics and A.M Skincare, as well as our Electronics and Mechanical Business Units under Jubilee Industries Holding Ltd. (“Jubilee”), which Accrelist currently holds a 53.15% controlling stake in.

REPORTING BOUNDARIES

Stakeholder Inclusiveness: responding to stakeholder’s expectations and interests

Sustainability Context: presenting performance in the wider context of sustainability

Materiality: focusing on issues that impact business growth; and are of utmost importance to stakeholders

Completeness: including all information that is of significant economic, environmental, and social impact

ACCESSIBILITY AND FEEDBACK

We are fully committed to engaging with all stakeholders on sustainability matters. We welcome all feedback and comments on our sustainability report and initiatives at enquiries@weh.sg.

SUSTAINABILITY REPORT

CORPORATE PROFILE

As an investment holding company headquartered in Singapore, Accrelist seeks to create long-term value for our shareholders and business partners by unlocking and adding value to the companies we invest in.

Despite challenges posed by the COVID-19 pandemic, A.M Aesthetics has successfully grown its network of clinics over the years. From having just four local clinics when it was first acquired in 2018, we now operate seven licensed medical clinics across Singapore, with another two overseas branches in Kuala Lumpur and Penang, Malaysia.

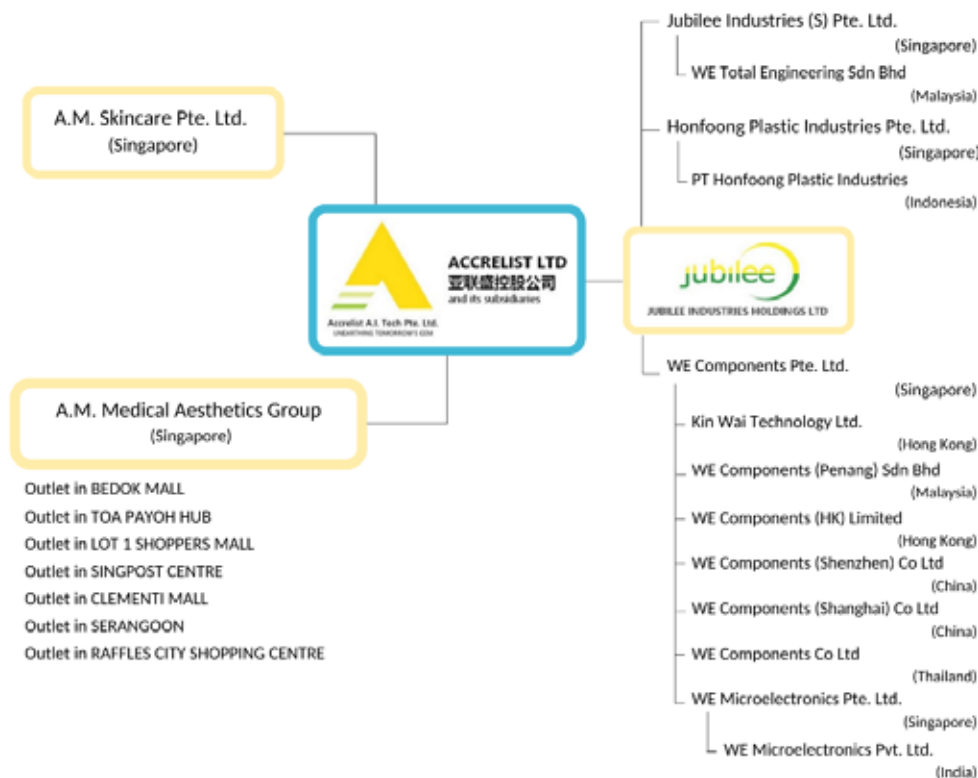
The Group is also expanding our business on clinical skin care products, under our wholly owned subsidiary, A.M Skincare. On top of developing its own line of Original Design Manufacturer (“ODM”) products, A.M Skincare has set up an online retail shop carrying renowned skincare brands from Korea.

In addition, Accrelist holds a 53.15% controlling stake in Jubilee Industries Holdings Ltd. (“Jubilee”), a one-stop service provider with two main business segments:

1. Mechanical Business Unit (“MBU”) which is engaged primarily in precision plastic injection moulding and mould design and fabrication services; and
2. Electronics Business Unit (“EBU”) which distributes integrated electronic components.

Headquartered in Singapore, Jubilee’s production facilities span across Malaysia and Indonesia. Jubilee’s products are sold to customers in Singapore, Malaysia, Indonesia, Vietnam, India, the People’s Republic of China, the United States of America and various European countries.

As of 31 March 2022, our Group Structure is as follows:



Please refer to the corporate websites of our key subsidiaries for more information.

- A.M Aesthetics: <https://www.amaesthetics.com.sg/>
- A.M Skincare: <https://am-skincare.com/>
- Jubilee: <https://www.jihldgs.com/>

SUSTAINABILITY REPORT

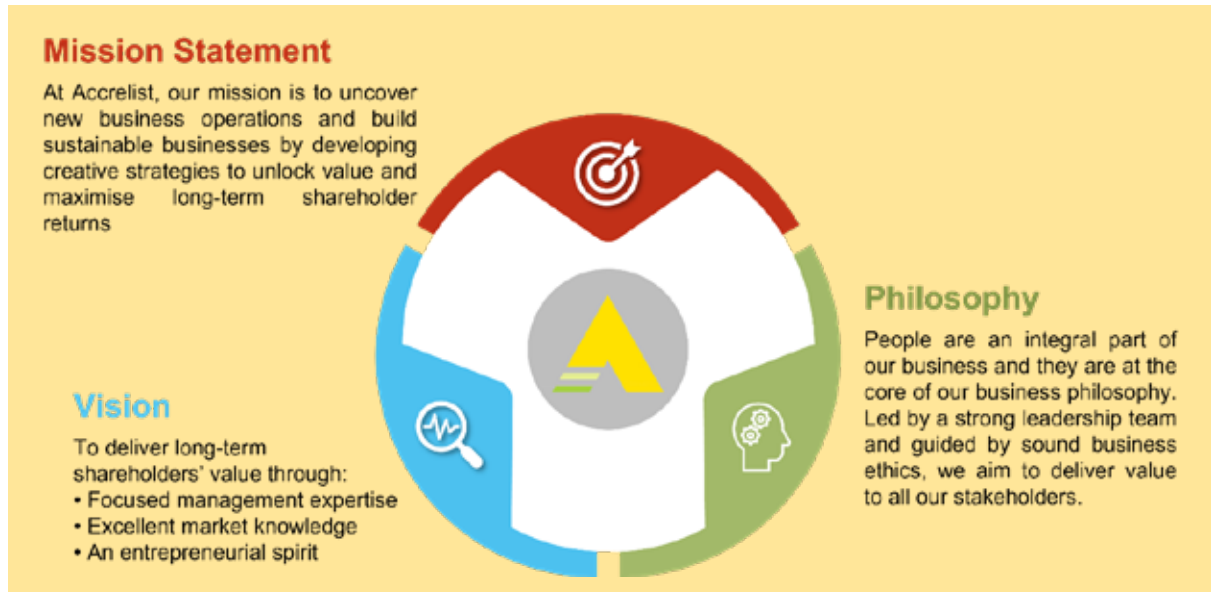
OUR APPROACH TO SUSTAINABILITY

At Accrelist, we are committed to ensuring sustainable value-creation for all our stakeholders.

To these ends, we have developed a robust and effective sustainability governance structure, where the Board works closely with senior management to implement sustainability strategy across all business units, manage target-setting and reporting processes, strengthen relations with external stakeholders, and ensure overall accountability.



We remain firm in our vision of sustaining profitable growth by conducting our business operations in a way that affords foremost consideration to our environmental and social impact.










The Group is committed to doing our part as a responsible corporate citizen. In FY2022, Accrelist donated to the Sian Chay Medical Institution, a Social Service Agency registered with the Ministry of Health that provides free Traditional Chinese Medicine consultation, low-cost medicine and treatment for the community. In addition, we sponsored three (3) virtual seats for the Society of Aesthetic Medicine Conference held in November 2021. Moving forward, the Group will continue to seek new opportunities to give back to the community.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

Since we first embarked on our sustainability journey, we have sought to sustain insightful two-way engagement with internal and external stakeholders across our value chain. Understanding and managing the concerns of our stakeholders helps us effectively anticipate and respond to emerging EESG challenges. Thus, the Group is committed to maintaining a close relationship with our stakeholders, and we regularly seek their feedback on EESG topics through various engagement channels.

STAKEHOLDERS		ENGAGEMENT CHANNELS	EXPECTATIONS
	EMPLOYEES	<ul style="list-style-type: none"> • Induction and orientation program • Staff appraisal • Internal memo • Training 	<ul style="list-style-type: none"> • Staff rights and welfare • Career progression and personal development • Good and safe working environment
	CUSTOMERS	<ul style="list-style-type: none"> • Frontline interaction at the clinics • Enquiry and feedback channel • Customer service hotlines 	<ul style="list-style-type: none"> • Quality of services and products • After sales service • Fair sales practices • Safe and hygienic practices
	SUPPLIERS	Enquiry and feedback channel	<ul style="list-style-type: none"> • High standard of business ethics • Minimise downtime of technological and structural support
	INVESTORS	<ul style="list-style-type: none"> • Annual General Meeting • Circulars to shareholders 	<ul style="list-style-type: none"> • High standard of corporate governance • Transparency and timely reporting • Profitability and sustainable returns
	INVESTEES	Frequent discussions and meetings	Adequacy of funding support
	BUSINESS PARTNERS	Frequent discussions and meetings	<ul style="list-style-type: none"> • Partnership for opportunities and inorganic growth through expansions • High standard of business ethics
	GOVERNMENT & REGULATORS	<ul style="list-style-type: none"> • Periodic notices • Discussions 	<ul style="list-style-type: none"> • Timely reporting and resolution of issues • Compliance with relevant regulatory regulations

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

After collating and reviewing all feedback gathered from our stakeholders over this past financial year, Accrelist has identified a total of seven (7) sustainability topics to be prioritised for disclosure in this report. The materiality of each sustainability topic was assessed by considering the extent to which stakeholders' expectations can be integrated with and/or has an influence on our business strategy and operations. We will continue to review and evaluate the relevance of these material topics on a yearly basis.

The table below summarises the sustainability issues that mattered most to Accrelist and our shareholders in FY2022.

TOPICS	WHY IT MATTERS	OUR TARGETS
Economic Performance (GRI 201)	Our stakeholders are concerned about the economic value we generate as a business and how it is distributed among communities.	To generate positive returns for our investors, while expanding upon our product and service offerings.
Anti-Corruption (GRI 205)	The internal controls we have put in place help uphold high standards of corporate governance and demonstrate our commitment to ethical and responsible business practices. This is key to safeguarding our stakeholders' interests.	To maintain our zero record in corruption and step up on our anti-corruption practices.
Employment (GRI 401)	Our employment policies reflect how we value and listen to our employees, and we are invested in providing our employees with a safe, supportive, and inclusive working environment.	To maintain low turnover rates and continue our efforts in cultivating a good working environment for all employees.
Customer Health & Safety (GRI 416)	The Group strictly adheres to customer health and safety regulations and ethical standards in all that we do. Protecting our customers' interests is of utmost importance to us.	To fully comply with regulatory requirements by the Ministry of Health ("MOH") and the Health Sciences Authority ("HSA")
Customer Privacy (GRI 418)	We are committed to safeguarding our customers' personal information and maintaining the privacy and security of their data. Maintaining our customers' trust in us is key to our long-term growth as an organisation.	To ensure 100% compliance rate with relevant personal data protection legislations, and to enhance our data privacy policies.
Energy & Water (GRI 302)	We recognise the importance of striking a balance between delivering profitable growth to our stakeholders and reducing the environmental impact of our operations.	To continue monitoring our annual electricity and water consumption and to maximise our energy conservation efforts.
Waste & Effluents (GRI 306)	Properly disposing of all waste materials help us mitigate potential health threats posed to our employees and customers, the community, and the environment at large.	To improve our data collection procedures to include the tracking of different waste streams.

In preparation for the adoption of the revised GRI Universal Standards from FY2023 onwards, we have included GRI 419 on Socioeconomic Compliance as part of our general disclosures. In addition, we have identified a total of four (4) new material topics, namely Customer Health & Safety, Customer Privacy, Energy and Water, and Waste & Effluents, to include in our report this year.

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

Economic sustainability requires that a business use resources efficiently and responsibly so that it can grow in a sustainable manner. The Group demonstrates good economic governance by adhering to the provisions of the Companies Act (the “**Act**”) and the Singapore Financial Reporting Standards, as has been verified by independent auditors. Beyond mere compliance, Accrelist has put in place a comprehensive risk management strategy to maintain our financial stability even amidst market fluctuations.

In line with our goals for FY2022, Accrelist has continued to generate positive returns for our stakeholders. Registering an overall turnover of S\$241.2 million in FY2022, the Group achieved a 59.4% increase in revenue from the previous financial year (“**FY2021**”). Across the Group, our medical aesthetics and electronic business units recorded particularly high growth rates following business and economic disruptions in FY2021, with the former being driven by Accrelist’s business expansion strategy and the latter being propelled by higher global demand for semiconductors. The Group will redouble our efforts to seek new business opportunities across different geographic markets while maintaining close working relations with existing suppliers and customers, and we hope to continue reaping positive results across all business units.

ECONOMIC VALUE GENERATED				
Business Segments	Revenue		Gross Profit	
	FY2022 (S\$'000)	FY2021 (S\$'000)	FY2022 (S\$'000)	FY2021 (S\$'000)
A.M Aesthetic	10,157	6,269	5,846	4,183
MBU	30,423	25,140	838	2,172
EBU	200,650	119,856	6,438	5,313
Others	9	–	9	–
Total	241,239	151,265	13,131	11,668

Owing to higher operational costs for labour, raw materials, transportation and logistics, the Group’s gross profit margin declined by 2.3% from 7.7% in FY2021 to 5.4% in FY2022. In addition, there has been a reduction in the amount of grants Accrelist and its subsidiaries has received under government schemes to support businesses amid the COVID-19 pandemic, from S\$0.7 million in FY2021 to S\$0.2 million in FY2022.

For the foreseeable future, Accrelist will focus on maintaining a diversified customer mix and product portfolio for our MBU and EBU, while continuing to expand upon the medical aesthetic products and services we provide to consumers, thus broadening our revenue streams. Please refer to our Annual Report 2022 for a detailed breakdown of our economic performance.

SUSTAINABILITY REPORT

ANTI-CORRUPTION

A high standard of corporate governance is necessary to protect the interests of all stakeholders and to promote investors' confidence. At Accrelist, we adopt a zero-tolerance stance towards corruption, fraud, and all other dishonest practices by designing robust internal controls in all our business processes.

In line with our commitment towards good corporate governance, business ethics and transparency, our Group has put in place the following policies:

Whistleblowing Policy

Internal and external stakeholders can report any suspicion of wrongdoings, fraud, and/or non-compliance with regulations and policies, by sending an email to a designated email address, accessible only by the Independent Directors, without any prejudicial implications. Overseeing the administration of the whistleblowing policy, members of the Audit Committee will, upon receipt of complaints, discuss the nature of the complaints, initiate investigation, and review the results of the investigation and all related follow-up actions.

Code of Business Conduct

Information on the above policies, along with other expectations on employee work behaviour, are included in employee handbooks that have been distributed to all employees, including Board members, management personnel, and officers.

In FY2022, we maintained our record of zero complaints of employee misconduct through the whistleblowing channel or any other line of communication. In addition, there have been no reported or confirmed incidents of non-compliance relating to laws and regulations related to anti-corruption, bribery, extortion, fraud, and unethical actions. Over the next financial year, the Group targets to maintain a zero record in corruption and other misdemeanours. To these ends, we will periodically review our corporate governance practices and ensure the good conduct of all employees.

The Group would also like to provide an update on investigations by the Singapore Corrupt Practices Investigation Bureau ("CPIB") relating to certain expenses incurred and a payment made by HonFoong Plastics Industries Pte Ltd, a 70% owned subsidiary of Jubilee in February 2020. In January 2022, Executive Chairman and Managing Director, Mr. Terence Tea Yeok Kian has been discharged from bail. Please refer to Accrelist and/or Jubilee's Company Announcements dated 11 January 2022, 3 March 2020 and the response to SGX-ST queries dated 18 January 2022, 17 January 2022, 6 March 2020 and 5 March 2020 for more details. Accrelist and Jubilee will provide further updates on the matter in a timely manner to all stakeholders via SGX-ST, and our employees will continue to fully cooperate with the CPIB on this matter.

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EMPLOYMENT

As a people-centric organisation, our employees form the core of our Group's long-term success. Our strong performance this past year was made possible by the dedication, commitment, and professionalism our employees demonstrated. In turn, we are invested in providing our employees with a safe, supportive, and inclusive working environment that helps them grow.

As part of our commitment to the adoption of fair and progressive employment practices, the Group regularly reviews our hiring, recruitment, retention, and employment-related policies to ensure that they are aligned with recommendations by the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP). All employees are also expected to contribute to an inclusive workplace by adhering to the code of conduct we have put in place. In FY2022, we maintained our track record of zero incidents of reported workplace discrimination. Moving forward, we will sustain our efforts to cultivate a safe and enjoyable working environment for all.

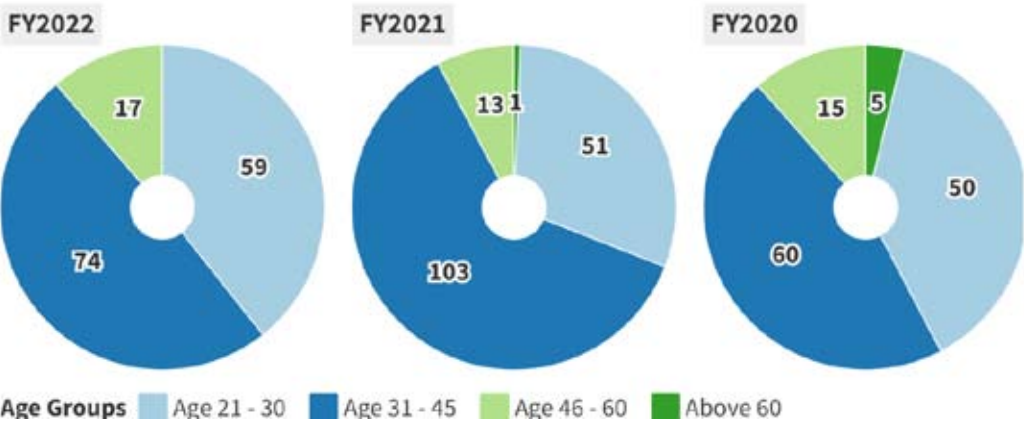
Amid the outbreak of Covid-19 pandemic, the Group has implemented Safe Management Measures in the workplace that are aligned with the government's advisories. To minimise the risk of infection, we allow our employees to work from home on a scheduled arrangement and we have split our employees into teams to allow for 50% of employees working from home to return to the office.

As of 31 March 2022, our employee numbers totalled to 1,855 across the Group, and we recorded an overall turnover rate of 12.2%, up from 7.1% the previous year. Though we saw an increase in employee hiring rate at A.M Accrelist, we simultaneously saw an increase in employee turnover rate in key subsidiary firms under Jubilee.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER						
	FY2022		FY2021		FY2020	
	Female	Male	Female	Male	Female	Male
Total No. of Employees	854	1001	815	1,082	854	982
No. of New Hires	121	29	47	121	61	56
Hiring Rate	14.2%	2.9%	5.8%	11.2%	7.1%	5.7%
No. of Resignees	113	114	91	44	49	46
Turnover Rate	13.2%	11.4%	11.2%	4.1%	5.7%	4.7%

SUSTAINABILITY REPORT

New Hires by Age Group



To attract and retain the best talents, Accrelist firmly believes in offering competitive, performance-based remuneration packages to our employees. Staff who have met or exceeded their key performance indicators may even be issued with shares in the company. Across the Group, all full-time employees are entitled to basic life insurance, accessible healthcare options, and parental leave. In FY2022, we had a total of one female employee returning to work after her parental leave ended, and she was still employed 12 months after her return to work. This marks a return to work and retention rate of 100% among employees that have taken parental leave.

The Group is committed to promoting a culture of diversity and equal opportunity in our workplace, and over the coming years, we will continue to strive towards lowering our employee turnover rates, by constantly communicating with our employees on how we can better meet their needs and expectations.

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CUSTOMER HEALTH AND SAFETY

With the expansion of our medical aesthetics business units, under A.M Aesthetics and A.M Skincare, protecting our customers' health and safety remains a key priority across Accrelist's operations. We act with the highest standards of quality and safety in mind as we seek to help our customers achieve their beauty goals, and we hope to remain their trusted partners in their journey towards better skin and greater personal well-being.

A.M Aesthetics operates a chain of registered aesthetic medical clinics in Singapore and Malaysia which use state-of-the-art equipment and clinically proven solutions to deliver a wide range of highly reliable and effective treatments. Our employees undergo weekly training sessions by accredited medical professionals and branch managers to learn how to administer the latest aesthetic treatments and operate new equipment, helping them to better cater to customers' needs and preferences. All employees are also expected to maintain good hygiene and high standards of cleanliness in the workplace.

A.M. Skincare is principally involved in the sale and distribution of pharmaceutical and medical goods. As part of our supplier evaluation process, we carefully assess the health and safety impacts of each product and service across their life cycle. We have also ensured that all proprietary skincare products follow the Health Products (Cosmetic Products-ASEAN Cosmetic Directive) Regulations 2007 and have been approved for distribution in the local market by HSA.

In recognition of its quality management systems, our subsidiary firm, Jubilee, has also achieved ISO9001:2000 certification for their precision plastic injection moulding, and mould design & fabrication services.

The Group strictly adheres to customer health and safety regulations under the relevant authorities (such as the Health Sciences Authority and MOH) and we seek to maintain high ethical standards in all that we do. In FY2022, Accrelist has had zero cases of non-compliance revolving around health and safety impacts pertaining to the products and services we offer, and we aim to maintain a blemish-free record in this aspect in the years to come.

SUSTAINABILITY REPORT

CUSTOMER PRIVACY

We are committed to safeguarding our customers' personal information and maintaining the privacy and security of their data. Protecting our customers' interests and maintaining their trust in us is key to our long-term growth as an organisation.

Over the course of our business operations, particularly that of A.M Aesthetics, our employees often come in possession of our customers' sensitive information, like their Singapore National Registration Identity Card ("**NRIC**") or passport numbers, medical records and financial information. To protect individuals' personal data against misuse, we have sent out a notice letter to all employees to ensure their full compliance with the Personal Data Protection Act 2012 ("**PDPA**") as part of their contract of employment.

A Data Protection Officer has also been internally appointed to implement best practices in data protection across the Group. In addition, we have also contracted a third-party firm to help implement marketing campaigns for A.M Aesthetics without breaching customer confidentiality in any way.

In FY2022, we did not receive any substantiated complaints concerning breaches of customer privacy or violations of the PDPA. We have recorded an incident where a customer provided feedback over a call that she would prefer certain personal data not to be included in an SMS confirmation of their appointment at a clinic. In response, we have reviewed our data protection policies and SMS communications to ensure that all personal information will be handled in a responsible and secure manner, especially when communicating with our stakeholders.

We seek to continue maintaining a good track record in the coming year, and we will also periodically assess the viability of appointing a third-party consultant to implement more comprehensive Data Protection policies for A.M Aesthetics and across the Group. In recognition of the importance of promoting the proper management of personal data, we hope to further enhance our data privacy and security measures over the coming years.

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ENERGY & WATER

As an environmentally-conscious and socially-responsible company, we are steadfast in our commitment to reduce the impact that our business operations have on the environment, while sustaining profitable growth and creating long-term value for our stakeholders. To these ends, we have made considered decisions to minimise our ecological footprint over the past financial year and begun our efforts to monitor our annual electricity and water consumption.

The Group recognises the importance of monitoring and reporting on our climate-related performance and for the first time, we are disclosing information on our Group's resource consumption rates.

Headquartered in Singapore, but with major production facilities based in Johor and Penang, Malaysia and other subsidiary firms in Indonesia, Thailand, China, and India, the Group purchases all its electricity from each jurisdiction's respective national grid. In FY2022, the total electricity usage of the Group's major operations (excluding A.M Skincare) was approximately 11,478,705 kWh and our water consumption totalled to 123,302 m³. Since A.M Skincare's products are sourced from third-party suppliers and sold on e-commerce platforms, it does not consume a significant amount of water or electricity in its day-to-day operations, and we have thus excluded this business unit from our disclosure(s).

ENERGY AND WATER CONSUMPTION		
	Energy Usage (kWh)	Water Usage (m ³)
Business Units	FY2022	FY2022
Jubilee	11,416,731	123,045
A.M Aesthetics	61,974	257

The above disclosure(s) serve as baseline figures which we could use to evaluate our environmental sustainability performance the next financial year. While there has been an increase in energy and water consumption for Jubilee's operations between FY2021 and FY2022, this can largely be attributed to the resumption of manufacturing activity as industries recover from the COVID-19 pandemic.

Over the past year, we have progressively integrated more eco-friendly practices in our corporate strategy and operations. We strongly encourage all employees to engage in energy-saving habits, and it is the standard practice for staff to switch off all lights and energy-intensive equipment when rooms are not in use. We have also put in place standard operating procedures for our manufacturing units to ensure that machines are running efficiently with minimal water and electricity wastage.

Moving forward, we will continue to prudently monitor our water and energy consumption levels each month, and we seek to maximise our energy conservation efforts, thus bolstering the Group's environmental performance in the next few years.



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WASTE

As a Group, we adhere closely to all environmental laws and regulations in the jurisdictions we operate in, which also entails ensuring the proper disposal of all waste materials produced over the course of our business operations.

Most of the general waste generated across our Singapore-based operations are sent to local waste-to-energy incineration plants, and the Group has engaged an authorised third-party vendor, licensed by the National Environmental Agency (NEA), to handle the medical waste generated in our clinics.

We are cognizant of how the proper management and disposal of medical waste material is important to prevent any potential health threats posed to our employees, our customers, the community, and the environment at large. As a result, we have trained all our clinic staff on how to properly dispose of needles and other biohazardous materials in their respective branch’s sharps container. In FY2022, a total of fifteen (15) 6L sharps containers filled with surgical needles were disposed of by Asia Medical Enviro Services Pte. Ltd.

Looking ahead, the Group has plans to improve our data collection procedures to include the tracking and disclosure of other waste streams, as we continue to prioritise handling our waste in a safe and responsible manner.



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102-2 Activities, brands, products, and services	Corporate Profile, page 35
102-3 Location of headquarters	Corporate Profile, page 35
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102-5 Ownership and legal form	Corporate Profile, page 35
102-6 Markets served	Corporate Profile, page 35
102-7 Scale of the organisation	Corporate Profile, page 35 Economic Performance, page 39 Employment, page 41
102-8 Information on employees and other workers	Employment, page 41
102-9 Supply chain	Corporate Profile, page 35
102-10 Significant changes to the organisation and its supply chain	No significant changes
102-11 Precautionary principle or approach	Our Approach to Sustainability, page 36
102-12 External initiatives	Our Approach to Sustainability, page 36
102-13 Membership of associations	Member of the Association of Listed Companies
STRATEGY	
102-14 Statement from senior decision maker	Board Statement, page 33
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102-16 Values, principles, standards, and norms of behaviour	Our Approach to Sustainability, page 36
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102-18 Governance structure	Our Approach to Sustainability, page 36
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102-40 List of stakeholder groups	Stakeholder Engagement, page 37
102-41 Collective bargaining agreements	Not applicable
102-42 Identifying and selecting stakeholders	Stakeholder Engagement, page 37
102-43 Approach to stakeholder engagement	Stakeholder Engagement, page 37
102-44 Key topics and concerns raised	Stakeholder Engagement, page 37
REPORTING PRACTICE	
102-45 Entities included in the consolidated financial statements	Notes to Financial Statements – Investments in Subsidiary Corporations, page 97
102-46 Defining report content and topic boundaries	About This Report, page 34
102-47 List of material topics	Materiality Assessment, page 38
102-48 Restatements of information	There was no restatement.
102-49 Changes in reporting	There was no change.
102-50 Reporting period	1 April 2021 to 31 March 2022
102-51 Date of most recent report	15 July 2021
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	About This Report, page 34
102-54 Claims of reporting in accordance with the GRI Standards	About This Report, page 34
102-55 GRI content index	GRI Content Index, pages 47
102-56 External assurance	About This Report, page 34

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103-3 Evaluation of the management approach	
201-1 Direct Economic value generated and distributed	
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103-2 The management approach and its components	
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306-1 Waste generation and significant waste-related impacts	
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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Accrelist Ltd. (the "Company") and its subsidiary corporations (the "Group") for the financial year ended 31 March 2022 and the balance sheet of the Company as at 31 March 2022.

In the opinion of the directors,

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

Directors

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

Mr Terence Tea Yeok Kian
 Mr Lim Yeow Hua @ Lim You Qin
 Mr Ng Li Yong
 Mr Kang Pang Kiang

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	<u>Holdings registered in name of</u> <u>director or nominee</u>		<u>Holdings in which director is</u> <u>deemed to have an interest</u>	
	At 31 March 2022	At 1 April 2021	At 31 March 2022	At 1 April 2021
Company				
<u>(No. of ordinary shares)</u>				
Mr Terence Tea Yeok Kian	64,436,056	64,436,056	2,271,900	2,271,900

Terence Tea Yeok Kian, who by virtue of his deemed interest of not less than 20% of the issued capital of the Company, is deemed to have interests in the shares of all subsidiary corporations, which is derived through shares held by his spouse in the Company.

As at 21 April 2022, Mr Terence Tea Yeok Kian's direct and deemed interests of the Company were the same as those as at 31 March 2021.

DIRECTORS' STATEMENT

Directors' interests in shares or debentures (continued)

Performance shares

The Company had a share award scheme known as Accrelist Share Award Scheme ("ASAS") approved and adopted by its members at an Extraordinary General Meeting held on 25 May 2010. ASAS had a duration of 10 years commencing from the date of adoption, which was on 25 May 2010 and expired on 24 May 2020. The Company proposes to implement a new share plan, namely, the Accrelist Performance Share Plan 2022 ("Accrelist PSP 2022"). The Company is conducting an Extraordinary General Meeting on 28 November 2022 seeking shareholders' approval for the Accrelist PSP 2022.

In line with the current rules of the SGX-ST, the total number of shares over which options may be granted shall not exceed 15% of the total issued share capital of the Company at anytime. If approved, the Accrelist PSP 2022 will be adopted with effect from 28 November 2022 and for a duration of 10 years.

Accrelist PSP 2022 will be administered by a committee which consists of directors of the Company. The purpose of the Accrelist PSP 2022 is to provide an opportunity for the Group's employees and directors who have met the performance targets to be remunerated not just through cash bonuses but also by an equity stake in the Company. The Accrelist PSP 2022 is also extended to the Group non-executive directors.

The directors believe that the retention of outstanding employees within the Group is paramount to the Group's long-term objective of pursuing continuous growth and expansion in its business and operations. The Group also acknowledges that it is important to preserve financial resources for future business developments and to withstand difficult times. As such, one of the Group's strategies is to contain the remuneration of its employees and executives that is a major component of the Group's operating costs.

The Accrelist PSP 2022 is formulated with those objectives in mind. It is hoped that through the Accrelist PSP 2022, the Group would be able to remain an attractive and competitive employer and better able to manage its fixed overhead costs without compromising on performance standards and efficiency.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares were issued during the financial year by virtue of the exercise of an option to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

Audit committee

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

Mr Lim Yeow Hua @ Lim You Qin	(Chairman of Audit Committee, Non-Executive and Independent Director)
Mr Ng Li Yong	(Lead Independent Director)
Mr Kang Pang Kiang	(Non-Independent and Non-Executive Director)

DIRECTORS' STATEMENT

Audit committee (continued)

The AC performs the functions specified by section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2022 before their submission to the Board of Directors (the "Board").

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 the independent auditor's objectivity and independence is safeguarded where the independent auditor provides non-audit services.

CLA Global TS (formerly known as Nexia TS Public Accounting Corporation) will not be seeking re-appointment as Independent Auditor of the Company.

On behalf of the directors

.....
Terence Tea Yeok Kian
Director

.....
Ng Li Yong
Director

11 November 2022

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Report on the Audit of the Financial Statements

Our Opinion

We have audited the accompanying financial statements of Accrelist Ltd. (the "Company") and its subsidiary corporations (the "Group") which comprise the balance sheets of the Group and the Company as at 31 March 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Impairment assessment on goodwill

(Refer to Note 2.9(a), 3(b) and 13(b) to the financial statements)

Area of focus

The Group has recognised goodwill with a carrying amount of S\$3,948,000 arising from business combinations of aesthetics medical group and allocated the goodwill to respective cash-generating units ("CGUs"). The goodwill is assessed for impairment annually and whenever there is indication that the goodwill may be impaired. Management applies the value-in-use method to determine the recoverable amount of goodwill.

In preparation of cash flow projections, significant judgement are used to assess the recoverable amounts of the CGUs which are highly dependent on management's forecasts and estimates which include, but are not limited to, discount rate, growth rate, future projected cash flows and assumptions that are affected by future market and economic conditions.

Accordingly, an impairment charge to goodwill of S\$3,948,000 (2021: Nil) was recognised in the profit or loss.

We focused on this area as the impairment assessment performed by management involves significant judgments and estimates used in computing the recoverable amounts of the CGUs.

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Key Audit Matters (continued)

Impairment assessment on goodwill (continued)

How our audit addressed the area of focus

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

- With the assistance of our valuation specialist, critically evaluated whether the model and methodology used by management to determine the recoverable amount of goodwill complies with SFRS(I) 1-36 Impairment of Assets and assessed the reasonableness of the growth rate and discount rate used;
- Analysed the future projected cash flows used in the model to determine whether they are reasonable and supportable given the current economic climate and expected future performance of the cash-generating unit;
- Evaluated the reasonableness and challenged the appropriateness of key assumptions used by the management, by comparing them against historical forecasts and performance, as well as publicly available market data; and
- Reviewed management's disclosures in the consolidated financial statements.

Revenue recognition

(Refer to Notes 2.2 and 4 to the financial statements)

Area of focus

The Group's revenue is primarily generated from:

- (i) sale of electronic components and provision of precision plastic injection moulding services which is recognised when the Group satisfied its performance obligation by transferring the control of the promised goods to the customers, which is when the goods are delivered to the destination specified by the customers, typically refers to the incoterms specified in the contract;
- (ii) provision of design, fabrication and sale of precision plastic injection moulds where the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has enforceable right to payment for performance completed to-date, revenue is recognised over time based on percentage of completion which is measured by reference to the stages of mould manufacturing process completed to-date; and
- (iii) rendering of aesthetic medical services and sales of aesthetic medical products to customers.

During the financial year ended 31 March 2022, the Group recognised revenue of S\$241,239,000 (2021: S\$151,265,000) from the above revenue segments.

We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group. The potential existence of management override controls and large volume of transactions also increase the inherent risk of material misstatement in the amount of revenue reported.

How our audit addressed the area of focus

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

- Obtained samples of contracts with customers and reviewed the terms and conditions, along with discussion with management, to assess the Group's revenue recognition policy in accordance with SFRS(I) 15, in particular the identification of performance obligations, and the timing of revenue recognition (i.e. at a point in time or over time);
- Discussed with management on the processes involved in the sales cycle for each revenue stream and performed walkthrough tests to consolidate our understanding;
- Performed test of controls over the sales cycle to ascertain the effectiveness of such key controls;
- Performed test of details and sales cut-off tests to ascertain that the sales have been accurately taken up in the correct financial year;
- Performed substantive procedures, including the review of the utilisation of aesthetics enhancement treatments during the year, to ascertain that contract liabilities have been appropriately recorded;
- Performed analytical review by comparing the current financial year performance to prior financial year; and
- Reviewed the adequacy of disclosures in the notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

Key Audit Matters (continued)

Valuation of inventories

(Refer to Note 2.16, Note 3(c) and Note 18 to the financial statements)

Area of focus

As at 31 March 2022, the carrying amount of inventories amounted to S\$20,051,000 (2021: S\$15,406,000), representing approximately 26% (2021: 18%) of the Group's total assets.

In determining the net realisable value ("NRV") of the inventories, management based on the recent selling price of the transacted sales and orders received from customers. In addition, management also considered the future outlook of the economic environment. Accordingly, the Group recorded an inventory write-down of S\$1,965,000 as at 31 March 2022 (2021: S\$667,000).

We focused on this area as the estimation of the NRV of inventories involved management judgement. The determination of the net realisable value of inventories is based on current market conditions and historical sales experience. This requires significant management's judgement in assessing the market positioning of the Group's products which are dependent on factors such as customer specification requirements, demands and price competition in response to the industry life cycles.

How our audit addressed the area of focus

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

- Attended and observed the physical inventory counts made by the Group, including obtaining confirmations from third party warehouse;
- Reviewed the Group's costing approach and the appropriateness of the costing methods used for each type of inventory (raw materials, work-in-progress and trading goods);
- Performed NRV test by checking subsequent selling prices to the carrying amounts of inventories as at year end to ascertain that inventory is not stated in excess of its NRV; and
- Reviewed that appropriateness of the Group's policy for identifying slow-moving or obsolete inventories and the adequacy of the allowance for inventory obsolescence.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report and sustainability 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.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

to the Members of ACCRELIST LTD.

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

to the Members of ACCRELIST LTD.

Report on Other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Lim Wei Chen, Samuel.

CLA Global TS Public Accounting Corporation
(Formerly known as Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants
Singapore

11 November 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2022

	Note	2022 S\$'000	2021 S\$'000
Revenue	4	241,239	151,265
Cost of sales	6	(228,108)	(139,597)
Gross profit		13,131	11,668
Other gains and losses			
- Impairment loss on financial assets	17	(1,162)	(770)
- Impairment loss on intangible assets	13	(8,482)	-
- Others	5	(1,602)	2,510
Expenses			
- Marketing and distribution	6	(1,294)	(695)
- Administrative	6	(15,177)	(12,538)
- Finance	8	(555)	(903)
		(15,141)	(1,215)
Share of loss of associated companies	15	-	(350)
Loss before tax		(15,141)	(1,078)
Income tax expense	9(a)	(236)	(98)
Net loss		(15,377)	(1,176)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains	23(a)	(450)	(525)
- Reclassification due to deemed disposal of associated company	23(a)	-	(174)
Share of associated company's fair value gains/(losses) on financial assets, at fair value through other comprehensive income ("FVOCI")	23(b)	-	194
- Reclassification due to deemed disposal of associated company	23(b)	-	(131)
		(450)	(636)
Items that will not be reclassified subsequently to profit or loss:			
- Re-measurement of defined benefits obligation	25	-	(89)
- Fair value gain/(loss) on financial assets, at FVOCI (equity instruments)	23(b)	-	507
		(450)	(218)
Other comprehensive loss, net of tax		(450)	(218)
Total comprehensive loss		(15,827)	(1,394)
Net loss attributable to:			
Equity holders of the Company		(12,734)	(579)
Non-controlling interests		(2,643)	(597)
		(15,377)	(1,176)
Total comprehensive loss attributable to:			
Equity holders of the Company		(13,184)	(797)
Non-controlling interests		(2,643)	(597)
		(15,827)	(1,394)
Loss per share for loss attributable to equity holders of the Company (cents per share)			
- Basic	10	(4.34)	(0.21)
- Diluted	10	(4.17)	(0.21)

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

BALANCE SHEETS

As at 31 March 2022

		Group	
	Note	2022 S\$'000	2021 S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	18,648	15,600
Intangible assets	13	1,630	11,965
Trade and other receivables	17	–	52
Financial assets, at fair value through other comprehensive income	20	47	47
Total non-current assets		20,325	27,664
Current assets			
Other assets	16	1,370	1,334
Trade and other receivables	17	19,197	23,966
Inventories	18	20,051	15,406
Financial assets, at fair value through profit or loss ("FVPL")	19	7,070	9,263
Contract assets	4(b)	64	28
Cash and cash equivalents	21	9,757	8,843
Total current assets		57,509	58,840
Total assets		77,834	86,504
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	74,315	72,491
Accumulated losses		(60,160)	(47,426)
Other reserves	23	2,113	2,563
		16,268	27,628
Non-controlling interests	14	13,633	13,231
Total equity		29,901	40,859
Non-current liabilities			
Deferred income tax liabilities	9(b)	978	998
Borrowings	24	3,810	4,680
Total non-current liabilities		4,788	5,678
Current liabilities			
Borrowings	24	11,321	7,930
Trade and other payables	25	29,714	29,937
Contract liabilities	4(b)	1,567	1,343
Income tax payable		543	757
Total current liabilities		43,145	39,967
Total liabilities		47,933	45,645
Total equity and liabilities		77,834	86,504

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

BALANCE SHEETS

As at 31 March 2022

		Company	
	Note	2022	2021
		S\$'000	S\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	–	–
Intangible assets	13	–	–
Investments in subsidiary corporations	14	31,906	31,906
Investments in associated companies	15	–	–
Other assets	16	–	–
Total non-current assets		31,906	31,906
Current assets			
Other assets	16	9	210
Trade and other receivables	17	8,707	8,837
Cash and cash equivalents	21	476	255
Total current assets		9,192	9,302
Total assets		41,098	41,208
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	115,006	113,182
Accumulated losses		(79,470)	(78,130)
Total equity		35,536	35,052
Current liabilities			
Trade and other payables	25	5,562	6,156
Loan payable	26	–	–
		5,562	6,156
Total liabilities		5,562	6,156
Total equity and liabilities		41,098	41,208

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2022

	Note	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2022							
Beginning of financial year		72,491	(47,426)	2,563	27,628	13,231	40,859
Loss for the financial year		–	(12,734)	–	(12,734)	(2,643)	(15,377)
Other comprehensive loss for the financial year		–	–	(450)	(450)	–	(450)
Total comprehensive loss for the financial year		–	(12,734)	(450)	(13,184)	(2,643)	(15,827)
Issuance of shares	22	1,824	–	–	1,824	3,045	4,869
End of financial year		74,315	(60,160)	2,113	16,268	13,633	29,901
2021							
Beginning of financial year		72,491	(45,696)	1,606	28,401	13,852	42,253
Loss for the financial year		–	(579)	–	(579)	(597)	(1,176)
Other comprehensive loss for the financial year		–	(89)	(129)	(218)	–	(218)
Total comprehensive loss for the financial year		–	(668)	(129)	(797)	(597)	(1,394)
Reclassification upon disposal of financial assets, at FVOCI	23(b)	–	(1,062)	1,062	–	–	–
Acquisition of additional interest in a subsidiary	14(a), 23(c)	–	–	24	24	(24)	–
End of financial year		72,491	(47,426)	2,563	27,628	13,231	40,859

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	2022 S\$'000	2021 S\$'000
<u>Cash flows from operating activities</u>			
Net loss		(15,377)	(1,176)
Adjustments for:			
Dividend income	5	(9)	(91)
Interest income	5	(18)	(31)
Rental concession income	5	(177)	(59)
Gain on disposal of property, plant and equipment	5	(12)	(804)
Amortisation of intangible assets	6	1,873	1,902
Impairment loss on intangible assets	13	8,482	–
Inventory write-down	6	1,965	667
Depreciation of property, plant and equipment	6	2,701	2,308
Interest expense	8	555	903
Deemed loss on disposal in associated company	5	–	1,880
Fair value (loss)/gain on financial assets, FVPL	5	2,193	(2,675)
Loss on partial disposal of associated company	5	–	439
Income tax expense	9(a)	236	98
Share of loss of associated companies	15	–	350
Reclassification due to deemed disposal of associated company	5	–	(131)
Unrealised currency translation differences		(356)	(557)
		2,056	3,023
Change in working capital, net of effects from acquisition of subsidiary corporations:			
Inventories		(6,610)	(6,698)
Trade and other receivables and contract assets		4,785	1,993
Other assets		(36)	(142)
Trade and other payables and contract liabilities		(1)	9,026
Cash generated from operations		194	7,202
Interest received		18	31
Income tax paid		(470)	(213)
Net cash flows (used in)/ provided by operating activities		(258)	7,020
<u>Cash flows from investing activities</u>			
Additions to property, plant and equipment		(1,846)	(519)
Additions to intangible assets	13(a)	(20)	(38)
Disposal of investment in associated company		–	1,252
Dividend received		9	91
Proceeds from disposal of property, plant and equipment		61	412
Net cash flows (used in)/ provided by investing activities		(1,796)	1,198

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	2022 S\$'000	2021 S\$'000
Cash flows from financing activities			
Principal drawdown/(repayment) of borrowings		421	(5,402)
Principal repayment of lease liabilities		(1,830)	(1,094)
Repayment of loan payable		–	(1,781)
Placement for new ordinary shares		4,869	–
Fixed deposits (pledged)/released		(28)	186
Interest paid		(555)	(903)
Net cash flows provided by/ (used in) financing activities		2,877	(8,994)
Net increase/ (decrease) in cash and cash equivalents		823	(776)
Cash and cash equivalents			
Beginning of financial year		6,383	7,156
Effects of exchange rate changes on cash and cash equivalents		2	3
End of financial year	21	7,208	6,383

Reconciliation of liabilities arising from financing activities:

	1 April 2021	Proceeds from borrowings	Principal and interest payments	Non-cash changes S\$'000			31 March 2022
	S\$'000	S\$'000	S\$'000	Addition during the year	Rental concession (Note 5)	Interest expense	S\$'000
Lease liabilities	2,406	–	(1,948)	4,016	(148)	120	4,446
Borrowings ^(a)	9,832	643	(658)	–	–	435	10,252

	1 April 2020	Proceeds from borrowings	Principal and interest payments	Non-cash changes S\$'000			31 March 2021
	S\$'000	S\$'000	S\$'000	Addition during the year	Rental concession (Note 5)	Interest expense	S\$'000
Loan payable	1,781	–	(1,821)	–	–	40	–
Lease liabilities	1,889	–	(1,202)	1,670	(59)	108	2,406
Borrowings ^(a)	15,234	–	(6,132)	–	–	730	9,832

^(a) excludes bank overdraft

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

1. General information

The Company is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited ("SGX-ST"), and incorporated and domiciled in Singapore.

The principal activities of the Company during the financial year were as distributor and manufacturers' representative of test equipment for the disk drive industry, acting as commission agents and commodities resources trading.

The principal activities of the subsidiary corporations and associated companies are described in Note 14 and Note 15 to these financial statements.

The registered office is 10 Ubi Crescent, Ubi Techpark, Lobby E, #03-95, Singapore 408564.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

Impact of COVID-19

In early 2022, lockdowns were imposed in certain regions of the People's Republic of China in response to localised outbreak of COVID-19. This resulted in retardation of demands which impacted one of the Group's business segments, the electronic components distributions business.

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

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remain appropriate;
- (ii) In 2022, the Group has received rental rebates. The effects of such rental concessions received are disclosed in Note 5; and
- (iii) The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 March 2022.

Going concern

During the financial year ended 31 March 2022, the Group incurred a net loss of S\$15,377,000 (2021: S\$1,176,000) and net cash used in operating activities of S\$258,000 (2021: net cash provided by operating activities of S\$7,020,000). The directors of the Company have assessed that the going concern basis of preparation for this set of financial statements remains appropriate due to the Group has sufficient cash to fund the operations of the Group as the Group is in net current assets position of S\$14,364,000 as at 31 March 2022.

Interpretations and amendments to published standards effective in 2022

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties. The Group assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Group recognises revenue when it satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The amount of revenue presented is the amount net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

(a) *Electronic components distribution business unit ("EBU")*

Sale of goods - distribution of electronic components

Revenue is recognised at point in time when the Group satisfied its performance obligation by transferring the control of the promised goods to the customer, which is when the goods are delivered to the destination specified by the customer, typically based on incoterms specified in the contract. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

(b) *Mechanical business unit ("MBU")*

(i) *Provision of precision plastic injection moulding services ("PPIM")*

Revenue is recognised at point in time when the Group satisfied its performance obligation by transferring the control of a promised goods to the customer, which is when the goods are delivered to the destination specified by the customer, typically refers to the incoterms specified in the contract. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

(ii) *Design, fabrication and sale of precision plastic injection mould ("MDF")*

The Group manufactures and supplies moulds for manufacturers. Due to the Group is restricted contractually from directing the moulds for another use as they are being produced and has enforceable right to payment for performance completed to-date, revenue is recognised over time, based on the stages of mould manufacturing process completed to-date.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified manufacturing milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has the received advanced payments from customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently recognised in profit or loss as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relate less the costs that relate directly to providing the goods and that have not been recognised as expense.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

(c) *Aesthetic medical services ("AMS")*

(i) *Rendering of services*

The Group renders aesthetic medical services to customers. Revenue is recognised when the services are rendered to the customers, either over time or at a point in time, depending on the contractual terms.

(ii) *Sale of products*

Revenue is recognised at point in time when the Group satisfied its performance obligation by transferring the control of the promised goods to the customer, which is when the goods are delivered and accepted by the customer. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

(d) *Commission income*

Commission income is recognised when services are rendered.

(e) *Interest income*

Interest income is recognised using the effective interest method.

(f) *Dividend income*

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

2.3 Government grants

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

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

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

2.4 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations* (continued)

(i) *Consolidation* (continued)

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

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

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

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

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations* (continued)

(iii) *Disposals*

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

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

Please refer to the Note 2.8 to the financial statements for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

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

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

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

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Depreciation

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

	<u>Useful lives</u>
Plant and machinery	2 - 10 years
Motor vehicles	5 years
Office equipment and tools	5 years
Furniture and electrical fittings	5 years
Renovations	3 - 5 years
Building premises	Over the respective lease terms of 2 to 3 years
Leasehold property	Over the lease term of 20 years
Medical equipment	3 - 10 years

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

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

(c) Subsequent expenditure

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

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses)".

2.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated company represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated company is included in the carrying amount of the investments.

Gains and losses on disposals of subsidiary corporations and associated companies include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.6 Intangible assets (continued)

(b) Other intangible assets

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 2 to 5 years.

Distribution rights acquired are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 2 years and 8 years, which is the shorter of their estimated useful lives and period of contractual rights.

Customer relationships are amortised to profit or loss using the straight-line method over their estimated useful lives of 10 years.

The amortisation period and amortisation method of intangible assets, other than goodwill, are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.8 Investments in subsidiary corporations

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

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

- (b) *Other intangible assets*
Property, plant and equipment
Investments in subsidiary corporations

Other intangible assets, property, plant and equipment and investments in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill 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 amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 Financial assets

- (a) *Classification and measurement*

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

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(a) *Classification and measurement (continued)*

At initial recognition

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

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

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

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains/(losses)"

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other credits/charges", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(b) Impairment

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

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

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

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

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

2.11 Offsetting of financial instruments

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

2.12 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Intra-group transactions are eliminated on consolidation.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.13 Borrowings

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

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

2.14 Trade and other payables

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

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

2.15 Leases

When the Group is the lessee:

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

- Right-of-use assets

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

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented within "Property, plant and equipment".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.15 Leases (continued)

When the Group is the lessee: (continued)

- Lease liabilities

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

Lease payments include the following:

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

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

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

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

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

- Short term and low value leases

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

- Variable lease payments

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value.

- (i) Cost of raw materials, work-in-progress, finished goods and trading goods are determined using the weighted average basis, except for cost of work-in-progress for MDF projects, which are determined on a specific identification basis.
- (ii) Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (iii) Cost of medical supplies are determined using the first-in, first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and applicable variable selling expenses. The amount of any write-down of inventories to net realisable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.17 Income tax

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

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

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

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

Deferred income tax is measured:

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

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

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.18 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group has 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. Provisions are not recognised for future operating losses.

A provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment 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 in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.19 Employee compensation

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

(a) *Defined contribution plans*

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

(b) *Share-based compensation*

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

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

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

(c) *Short-term compensated absences*

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

(d) *Defined benefit plans*

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.19 Employee compensation (continued)

(d) *Defined benefit plans (continued)*

The liability recognised in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date less than fair value of the plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency and the country in which the benefits will be paid, and have tenures approximately to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

2.20 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company and have been rounded to the nearest thousand ("S\$'000").

(b) *Transactions and balances*

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "other gains/(losses)".

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

2. Summary of significant accounting policies (continued)

2.20 Currency translation (continued)

(c) Translation of Group entities' financial statements

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

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

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

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.23 Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

2.24 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

3. Critical accounting estimates, assumptions and judgements

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

(a) *Impairment of trade receivables*

As at 31 March 2022, the carrying amount of trade receivables relating to the Group's different revenue segments is S\$17,122,000 (2021: S\$21,684,000). The Group has recognised loss allowance of trade receivables of S\$3,505,000 (2021: S\$2,369,000).

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The forecast economic conditions and Group's historical credit loss experience may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables are disclosed in Note 29(a) to the financial statements.

(b) *Impairment assessment of goodwill*

The Group has recognised an impairment charge on its goodwill of S\$3,948,000 (2021: Nil) during the financial year.

In performing the impairment assessment of goodwill, as disclosed in Note 13(b), the recoverable amounts of the cash-generating units ("CGUs") in which goodwill has been attributable to, are determined using value-in-use ("VIU") calculation.

Significant judgements are used to estimate the gross margin, weighted average growth rates and pre-tax discount rates applied in computing the recoverable amounts of different CGUs. In making these estimates, management has relied on past performance, its expectations of market developments in Singapore, the industry trends for aesthetics medical services industry. Specific estimates for impairment of goodwill are disclosed in Note 13(b) to the financial statements.

(c) *Write-down of inventories*

As at 31 March 2022, the carrying amount of inventory is S\$20,051,000 (2021: S\$15,406,000). Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Based on the assessment, the Group recorded inventories write-down of S\$1,965,000 (2021: S\$667,000) during the year after identifying the inventories which became obsolete due to technological advances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contract with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	At a point in time S\$'000	Over time S\$'000	Total S\$'000
2022			
<u>Electronic components distribution business unit ("EBU")</u>			
- United States of America	1,383	-	1,383
- People's Republic of China	137,393	-	137,393
- India	4,380	-	4,380
- Singapore	16,958	-	16,958
- Malaysia	4,861	-	4,861
- Other Asean			
- Indonesia	379	-	379
- Taiwan	12,169	-	12,169
- Thailand	10,066	-	10,066
- Vietnam	9,621	-	9,621
- Other countries	3,440	-	3,440
	200,650	-	200,650
<u>Mechanical business unit ("MBU")</u>			
- Singapore	8,944	191	9,135
- Malaysia	6,616	366	6,982
- Indonesia	12,624	-	12,624
- Other countries	1,600	82	1,682
	29,784	639	30,423
<u>Aesthetics medical services ("AMS")</u>			
- Singapore	-	9,889	9,889
- Malaysia	-	268	268
	-	10,157	10,157
<u>Others</u>			
- Singapore	9	-	9
	230,443	10,796	241,239
2021			
<u>Electronic components distribution business unit ("EBU")</u>			
- United States of America	426	-	426
- People's Republic of China	58,171	-	58,171
- India	7,713	-	7,713
- Singapore	13,746	-	13,746
- Malaysia	4,303	-	4,303
- Other Asean			
- Indonesia	435	-	435
- Thailand	9,236	-	9,236
- Vietnam	21,445	-	21,445
- Other countries	4,381	-	4,381
	119,856	-	119,856
<u>Mechanical business unit ("MBU")</u>			
- Singapore	6,734	84	6,818
- Malaysia	5,547	656	6,203
- Indonesia	10,790	157	10,947
- Other countries	1,101	71	1,172
	24,172	968	25,140
<u>Aesthetics medical services ("AMS")</u>			
- Singapore	-	6,269	6,269
	144,028	7,237	151,265

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

4. Revenue from contracts with customers (continued)

(b) Contract assets and liabilities

	Group	
	2022	2021
	S\$'000	S\$'000
Contract assets		
- MBU contracts	64	28
Contract liabilities		
- AMS contracts	1,567	1,343

Contract assets relate to MBU contracts decreased due to lesser uncompleted projects at year end.

Contract liabilities represents unutilised aesthetics enhancement treatments as at the balance sheet date. The related amounts are recognised as revenue when the Group fulfils its performance obligation under the contract with the customers which generally does not exceed one year.

(i) Revenue recognised in relation to contract liabilities

	Group	
	2022	2021
	S\$'000	S\$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
- AMS contracts	1,343	2,637

(ii) Unsatisfied performance obligations

	Group	
	2022	2021
	S\$'000	S\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 March		
- AMS contracts	1,567	1,343

Management expects that the transaction price allocated to unsatisfied performance obligations may be recognised as revenue in the next reporting periods as follows:

	2022	2023	Total
	S\$'000	S\$'000	S\$'000
Partial and fully unsatisfied performance obligations as at:			
31 March 2022	-	1,567	1,567
31 March 2021	1,343	-	1,343

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

5. Other gains and losses - Others

	Group	
	2022 S\$'000	2021 S\$'000
Sale of scrap and other materials	13	–
Dividend income from financial assets, at FVOCI	9	91
Service income	45	44
Foreign exchange gains/(losses) – net	128	(17)
Gain on disposal of property, plant and equipment	12	804
Government grants		
- Temporary Employment Credit	6	–
- Wage Credit Scheme	31	26
- Special Employment Credit	57	3
- Jobs Support Scheme ^(a)	40	635
- Jobs Growth Incentive	109	–
Interest income from bank deposits	18	31
Rental concession income	177	59
Miscellaneous income	172	365
	817	2,041
Miscellaneous expense	(16)	(18)
Deposit written off	(210)	–
Deemed loss on disposal in associated company (Note 15)	–	(1,880)
Fair value (loss)/gain on financial assets, at FVPL (Note 19)	(2,193)	2,675
Loss on partial disposal of associated company	–	(439)
Reclassification due to deemed disposal of associated company (Note 23(b))	–	131
	(1,602)	2,510

- (a) Grant income of S\$40,000 (2021: S\$635,000) was recognised during the financial year under the Jobs Support Scheme (the “JSS”). The JSS is a temporary scheme introduced in the Singapore Budget 2021 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

6. Expenses by nature

	Group	
	2022	2021
	S\$'000	S\$'000
Purchase of inventories	217,647	132,763
Amortisation of intangible assets (Note 13(a))	1,873	1,902
Depreciation of property, plant and equipment (Note 11)	2,701	2,308
Directors' fee: - directors of the company	282	159
- directors of subsidiary corporation	-	33
Commission expense	273	136
Donations	2	3
Employee compensation (Note 7)	16,928	12,927
Fees on audit services paid/payable to:		
- Auditor of the company	354	320
- Other auditors*	59	46
Fees on non-audit services paid/payable to auditor of the company	39	67
Freight charges	1,012	745
Inventory write-down (Note 18)	1,965	667
Packing materials	-	73
Professional fees	1,153	745
Rental expense (Note 12(d))	594	352
Sub-contractor fee	347	-
Travelling, transportation and equipment	371	381
Utilities	2,493	2,171
Workshop repairs and maintenance	765	1,066
Other expenses	2,331	2,664
Changes in inventories	(6,610)	(6,698)
Total cost of sales, marketing and distribution and administrative expenses	244,579	152,830

7. Employee compensation

	Group	
	2022	2021
	S\$'000	S\$'000
Employee compensation including directors:		
- Wages and salaries	15,420	11,913
- Employer's contributions to defined contribution plans including Central Provident Fund	770	665
- Defined benefits (Note 25)	115	(149)
- Other short-term benefits	623	498
	16,928	12,927

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

8. Finance expenses

	Group	
	2022	2021
	S\$'000	S\$'000
Interest expense:		
- loan payable	20	40
- bank overdraft	2	25
- bank loans	395	667
- loan from a non-related party	18	63
- lease liabilities (Note 12(c))	120	108
	555	903

9. Income taxes

(a) *Income tax expense*

	Group	
	2022	2021
	S\$'000	S\$'000
Tax expense attributable to loss is made up of:		
Loss for the financial year:		
Current income tax		
- Singapore	257	256
- Foreign	139	114
	396	370
- Deferred income tax	(20)	(271)
Over provision in prior years:		
- Current income tax	(140)	(1)
	236	98

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

9. Income taxes (continued)

(a) Income tax expense (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
Loss before tax	(15,141)	(1,078)
Share of loss of associated companies, net of tax	-	350
Loss before tax and share of loss of associated companies	(15,141)	(728)
Income tax expense at the statutory rate	(2,574)	(124)
Expenses not deductible for tax purposes	3,056	1,674
Income not subjected to tax	(467)	(1,164)
Effect of different tax rates in different countries	53	257
Deferred tax assets not recognised	652	439
Utilisation of previously unrecognised capital allowances and tax losses	(236)	(792)
Over provision of tax in prior years	(140)	(1)
Tax incentive	(96)	(94)
Others	(12)	(97)
	236	98

(b) Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

	Group	
	2022	2021
	S\$'000	S\$'000
Deferred tax liabilities	978	998

Movement in deferred income tax liabilities account is as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
Fair value gains, net:		
Beginning of financial year	998	1,269
Credited to profit or loss	(20)	(271)
End of financial year	978	998

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

9. Income taxes (continued)

(b) Deferred income tax (continued)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses, capital allowances and donations of approximately S\$69,453,000, S\$4,230,000 and S\$205,000 (2021: S\$69,680,000, S\$1,630,000 and S\$131,000), respectively at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date except for tax losses and capital allowances amounting to approximately S\$9,645,000 and S\$2,097,000 (2021: S\$9,283,000 and S\$2,147,000) which can only be carried forward up to 5 and 7 years respectively.

10. Loss per share

Basic and diluted loss per share

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

	Group	
	2022	2021
	S\$'000	S\$'000
Net loss for the year attributable to the equity holders of the Company (S\$'000)	(12,734)	(579)
Weighted average number of equity shares issued ('000)	293,422	279,142
Weighted average number of equity shares issued ('000)	305,082	279,142
Basic loss per share (in \$ cents)	(4.34)	(0.21)
Diluted loss per share (in \$ cents)	(4.17)	(0.21)

There were no potential dilutive ordinary shares for the financial years ended 31 March 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. Property, plant and equipment

Group	Plant and machinery S\$'000	Motor vehicles S\$'000	Office equipment and tools S\$'000	Furniture and electrical fittings S\$'000	Renovations S\$'000	Leasehold property S\$'000	Medical equipment S\$'000	Building premises S\$'000	Total S\$'000
<u>Cost:</u>									
At 1 April 2020	2,230	657	390	49	759	12,115	1,025	2,566	19,791
Currency translation differences	(84)	(2)	(12)	(4)	(19)	-	(2)	(7)	(130)
Additions	297	106	108	-	334	-	17	1,327	2,189
Disposal	(6)	(446)	-	-	-	-	-	-	(452)
Write-off	-	-	(31)	-	-	-	-	-	(31)
At 31 March 2021	2,437	315	455	45	1,074	12,115	1,040	3,886	21,367
Currency translation differences	(42)	(2)	(10)	(3)	(22)	-	(2)	(6)	(87)
Additions	945	82	94	28	666	-	1,427	1,949	5,191
Lease modification	-	-	-	-	-	-	-	618	618
Disposal	(105)	-	-	-	-	-	-	(670)	(775)
At 31 March 2022	3,235	395	539	70	1,718	12,115	2,465	5,777	26,314

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. Property, plant and equipment (continued)

Group	Furniture and									Total S\$'000
	Plant and machinery S\$'000	Motor vehicles S\$'000	Office equipment and tools S\$'000	electrical fittings S\$'000	Renovations S\$'000	Leasehold property S\$'000	Medical equipment S\$'000	Building premises S\$'000		
Accumulated depreciation:										
At 1 April 2020	1,050	368	244	28	246	967	119	1,042	4,064	
Currency translation differences	(83)	(1)	(10)	(3)	(21)	–	–	(4)	(122)	
Depreciation charge (Note 6)	370	83	83	4	207	437	120	1,004	2,308	
Disposal	(6)	(446)	–	–	–	–	–	–	(452)	
Written off	–	–	(31)	–	–	–	–	–	(31)	
At 31 March 2021	1,331	4	286	29	432	1,404	239	2,042	5,767	
Currency translation differences	(40)	(1)	(10)	(3)	(17)	–	–	(5)	(76)	
Depreciation charge (Note 6)	330	93	88	9	279	437	176	1,289	2,701	
Disposal	(56)	–	–	–	–	–	–	(670)	(726)	
At 31 March 2022	1,565	96	364	35	694	1,841	415	2,656	7,666	
Net book value:										
At 31 March 2021	1,106	311	169	16	642	10,711	801	1,844	15,600	
At 31 March 2022	1,670	299	175	35	1,024	10,274	2,050	3,121	18,648	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

11. Property, plant and equipment (continued)

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 12.

Bank loans and bank overdrafts are secured on leasehold property of the Group with carrying amount of S\$10,274,000 (2021: S\$10,711,000) (Note 24(a)).

Company	Plant and machinery S\$'000
<u>Cost:</u>	
At 31 March 2021 and 2022	245
<u>Accumulated depreciation:</u>	
At 31 March 2021 and 2022	245
<u>Net book value:</u>	
At 31 March 2021 and 2022	-

12. Leases – As a lessee

Nature of the Group's leasing activities

Building premises

The Group leases clinic and office premises, warehouse and dormitories for the purpose of aesthetic medical and back office operations and warehousing of MBU and EBU products. The lease arrangements prohibit the Group from subleasing the equipment to third parties.

Plant and machinery

The Group leases plant and machinery to fulfil the operation needs. There are no externally imposed covenants on these lease arrangements.

Medical equipment and motor vehicles

The Group leases medical equipment and motor vehicles for the purpose of daily operations.

There are no externally imposed covenants on these lease arrangements.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment

	Group	
	2022 S\$'000	2021 S\$'000
Building premises	3,121	1,844
Motor vehicles	273	279
Medical equipment	1,332	105
Plant and machinery	187	220
	4,913	2,448

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

12. Leases – The Group as a lessee (continued)

(b) Depreciation charge during the year

	Group	
	2022	2021
	S\$'000	S\$'000
Building premises	1,289	1,004
Motor vehicles	87	67
Medical equipment	42	13
Plant and machinery	31	31
	1,449	1,115

(c) Interest expense

	Group	
	2022	2021
	S\$'000	S\$'000
Interest expense on lease liabilities (Note 8)	120	108

(d) Lease expense not capitalised in lease liabilities

	Group	
	2022	2021
	S\$'000	S\$'000
Lease expense - short-term leases	262	176
- low-value leases	157	148
Variable lease payments which do not depend on an index or rate	175	28
	594	352

(e) Total cash outflow for all the leases was S\$2,540,000 (2021: S\$1,554,000).

(f) Addition of ROU assets during the year was S\$4,016,000 (2021: S\$1,670,000).

(g) Future cash outflow which are not capitalised in lease liabilities.

Extension options

The leases for certain retail stores, equipment and motor vehicles contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. Intangible assets

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Computer software (Note a)	13	39	–	–
Distribution rights (Note a)	1,617	2,586	–	–
Customer relationship (Note a)	–	5,392	–	–
Goodwill (Note b)	–	3,948	–	–
	1,630	11,965	–	–

(a) Computer software, distribution rights and customer relationships

Group	Computer software S\$'000	Distribution rights S\$'000	Customer relationships S\$'000	Total S\$'000
<u>Cost:</u>				
At 31 March 2020	278	6,587	8,865	15,730
Additions	38	–	–	38
Write-off	(34)	–	–	(34)
At 31 March 2021	282	6,587	8,865	15,734
Additions	20	–	–	20
At 31 March 2022	302	6,587	8,865	15,754
<u>Accumulated amortisation and impairment losses:</u>				
At 31 March 2020	230	3,033	2,586	5,849
Amortisation charge (Note 6)	47	968	887	1,902
Write-off	(34)	–	–	(34)
At 31 March 2021	243	4,001	3,473	7,717
Amortisation charge (Note 6)	17	969	887	1,873
Impairment loss	29	–	4,505	4,534
At 31 March 2022	289	4,970	8,865	14,124
<u>Net book value:</u>				
At 31 March 2021	39	2,586	5,392	8,017
At 31 March 2022	13	1,617	–	1,630

During the financial year ended 31 March 2022, the Group performed an internal exercise to assess the carrying values of its intangible assets based on the originating sources giving rise to the original value of the identifiable intangible assets. Consequent to the exercise, the Group identified impairment losses for computer software and customer relationships.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. Intangible assets (continued)

(a) Computer software, distribution rights and customer relationships (continued)

Computer software

The Group's intangible asset in relation to computer software which pertained to a project of the Group in the financial year ended 31 March 2018.

Based on the internal assessment performed during the financial year ended 31 March 2022, the Group found that the project was subsequently halted therefore rendering the software obsolete as it is no longer in use and did not serve any other purpose.

Accordingly, an impairment charge of S\$39,000 (2021: Nil) was recognised in the profit and loss for this amount of computer software which is categorised under the aesthetic medical services ("AMS") business unit segment as disclosed in Note 28.

Customer relationships

The Group's intangible asset in relation to customer relationships was recognised in the financial year ended 31 March 2017 based on a purchase price acquisition ("PPA") exercise for the Company's increase in shareholdings in its subsidiary. The PPA exercise determined that there was an identifiable asset in connection to the customer relationships which the subsidiary derived its revenue source from and due to this, the intangible asset in relation to customer relationships was determined on the basis of historical sales and billing records and from this, future projections were computed to give rise to the recognition of the intangible asset.

Based on the internal assessment performed during the year, the Group reviewed the historical data and assessed the projections which were the foundation of the intangible asset recognition and concluded that these customers will no longer continue to be customers of the Group going forward.

Accordingly, an impairment charge of S\$4,505,000 (2021: Nil) was recognised in the profit and loss for this amount of customer relationships which is categorised under the electronic components distribution ("EBU") business unit segment as disclosed in Note 28.

Amortisation charge is included in the statement of comprehensive income under administrative expenses.

Company	Computer software S\$'000
<u>Cost:</u>	
At 31 March 2020 and 2021	40
<u>Accumulated amortisation:</u>	
At 31 March 2020	36
Amortisation charge	4
At 31 March 2021	40
Amortisation charge	-
At 31 March 2022	-
<u>Net book value:</u>	
At 31 March 2021	-
At 31 March 2022	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. Intangible assets (continued)

(b) Goodwill

	Group	
	2022 S\$'000	2021 S\$'000
<u>Cost:</u>		
Beginning and end of financial year	5,890	5,890
<u>Accumulated impairment:</u>		
Beginning of financial year	1,942	1,942
Impairment loss (Note 6)	3,948	–
End of financial year	5,890	1,942
Net book value	–	3,948

The goodwill is allocated to aesthetics medical services segment, where the operations are held in Singapore, as follows:

	Group	
	2022 S\$'000	2021 S\$'000
Accrelist Medical Aesthetics (BM) Pte. Ltd.	–	1,647
Accrelist Medical Aesthetics (Lot1) Pte. Ltd.	–	1,516
Accrelist Medical Aesthetics (TPY) Pte. Ltd.	–	785
	–	3,948

Impairment test for goodwill

In assessing whether an impairment is required, the carrying amount of the CGU is compared with its recoverable amount. The recoverable amount of the CGU was determined based on value-in-use.

The management has adopted discounted cash flow approach to determine the value-in-use. Management has applied differing factors to accommodate the possible change in consumer purchase and consumption patterns post COVID-19. The factors include, but not limited to, the expected date for the resumption of activities and market recovery rate.

The cash flow projection covering a three-year period are based on budgets approved by management. Cash flows beyond the three-year period were extrapolated with the assumption of Nil terminal growth rate. These cash flows were discounted using a pre-tax discount rate that reflected current market assessment of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

13. Intangible assets (continued)

(b) Goodwill (continued)

Impairment test for goodwill (continued)

Key assumptions used for the prior year’s value-in-use calculations:

	2021 %
Growth rate ⁽¹⁾	3.3
Discount rate ⁽²⁾	10.9
⁽¹⁾ Average growth rate used for extrapolation of future revenue beyond the three-year period	
⁽²⁾ Pre-tax discount rate applied to pre-tax cash flow projection	

During the year, the Group performed an internal assessment to assess the carrying value of goodwill. As part of the assessment, the Group identified that the goodwill arose from its acquisition of 100% of the issued share capital of the originating aesthetics clinics known as the RLC Group in the financial year ended 31 March 2018. Based on the PPA exercise, the goodwill arising from the acquisition was identified and the factors which contributed to the goodwill recognition were the key management personnel, customer base and aesthetics machinery acquired.

Upon the Group’s assessment of the remaining carrying value of the goodwill arising from acquisition, it was noted that the initial factors which contributed to the goodwill amounts no longer existed in the current operations of the aesthetics clinics business due to resignations of the key management personnel, new marketing strategies developed by the Group in the recent years of operation which attracted a fresh customer base and new acquisitions of aesthetics machinery.

Accordingly, an impairment charge of S\$3,948,000 (2021: Nil) was recognised in the profit and loss for this amount of goodwill which is categorised under the aesthetic medical services (“AMS”) business unit segment as disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

14. Investments in subsidiary corporations

	Company	
	2022 S\$'000	2021 S\$'000
Equity investments at cost		
- Beginning of financial year	38,085	38,085
- Additions (Note (a))	-	-*
- At end of the financial year	38,085	38,085
Movements in allowance for impairment:		
- Beginning and end of the financial year	6,719	6,179
Net book value	31,906	31,906

* Less than S\$1,000

Notes:

(a) Additions

On 13 August 2020, The Company acquired an additional 150 ordinary shares in the share capital of WE Components Sdn. Bhd. from an existing shareholder at a cash consideration of RM1. This increased the shareholding of the Company from 84.9% to 99.9% after the transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

14. Investments in subsidiary corporations (continued)

The subsidiary corporations held by the Company and its subsidiary corporations are listed below:

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non- controlling interests	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
<u>Held by the Company</u>						
WE Components Sdn Bhd ^(b) (Audited by Moore Stephens Associates PLT) Malaysia Distributor and representative of electronic components and systems and equipment	99.9	99.9	99.9	99.9	0.1	0.1
A.M. Skincare Pte. Ltd. ^(a) Singapore Retail sale of pharmaceutical and medical goods	100	100	100	100	–	–
WesCal Electronics Trading (Shanghai) Co., Ltd ^(d) People's Republic of China Distributor and representative of electronic components and systems and equipment	100	100	100	100	–	–
WE Electronics Co., Ltd ^(d) Thailand Distributor and representative of electronic components and systems and equipment	100	100	100	100	–	–
WE Dragon Resources Pte Ltd ^(a) Singapore Petroleum, mining and prospecting services	100	100	100	100	–	–
Accrelist Medical Aesthetics (Serangoon) Pte. Ltd. ^(a) Singapore Aesthetic medical	100	100	100	100	–	–
WE Resources Sdn. Bhd. ^(b) (Audited by Moore Stephens Associates PLT) Malaysia Iron ore and coal trading	100	100	100	100	–	–

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For the financial year ended 31 March 2022

14. Investments in subsidiary corporations (continued)

The subsidiary corporations held by the Company and its subsidiary corporations are listed below: (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non- controlling interests	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
<u>Held by the Company</u> (continued)						
WE Technology (HK) Ltd. ^(d)	100	100	100	100	–	–
Hong Kong						
Distributor and representative of electronic components and systems and equipment						
WE Resources (Cambodia) Co. Ltd. ^(d)	100	100	100	100	–	–
Cambodia						
Iron ore and coal trading						
Accrelist Crowdfunding Pte. Ltd. ^(a)	100	100	100	100	–	–
Singapore						
Financial services						
Accrelist Medical Aesthetics (Raffles City) Pte. Ltd. ^(a)	100	100	100	100	–	–
Singapore						
Aesthetic medical						
Accrelist Medical Aesthetics (BM) Pte. Ltd. ^(a)	100	100	100	100	–	–
Singapore						
Aesthetic medical						
Accrelist Medical Aesthetics (LOT1) Pte. Ltd. ^(a)	100	100	100	100	–	–
Singapore						
Aesthetic medical						
Accrelist Medical Aesthetics (SPC) Pte. Ltd. ^(a)	100	100	100	100	–	–
Singapore						
Aesthetic medical						
Accrelist Medical Aesthetics (TPY) Pte. Ltd. ^(a)	100	100	100	100	–	–
Singapore						
Aesthetic medical						

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For the financial year ended 31 March 2022

14. Investments in subsidiary corporations (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non- controlling interests	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
<u>Held by the Company</u> (continued)						
Jubilee Industries Holdings Ltd. ("Jubilee") ^(a)	53.1	65.8	–	–	46.9	34.2
Singapore						
Investment holding						
<u>Held through Accrelist Medical Aesthetics (BM) Pte. Ltd.</u>						
Accrelist Medical Aesthetics (CM) Pte. Ltd. ^(a)	–	–	100	100	–	–
Singapore						
Aesthetic medical						
Accrelist Medical Aesthetics (KL) Sdn. Bhd. ^(d)	–	–	100	100	–	–
Malaysia						
Aesthetic medical						
Accrelist Medical Aesthetics (Penang) Sdn. Bhd. ^(d)	–	–	100	100	–	–
Malaysia						
Aesthetic medical						
<u>Held through Jubilee</u>						
Jubilee Industries (S) Pte Ltd ^(a)	–	–	53.1	65.8	46.9	34.2
Singapore						
Manufacturer and dealer precision plastic and metal mould						
E'mold Holding Pte Ltd ^(a)	–	–	53.1	65.8	46.9	34.2
Singapore						
Investment holding						
J Capital Pte Ltd ^(a)	–	–	53.1	65.8	46.9	34.2
Singapore						
Investment holding						
WE Components Pte Ltd ^(a)	–	–	53.1	65.8	46.9	34.2
Singapore						
Trading in electronic components						
WE Total Engineering Sdn Bhd ^(b)	–	–	53.1	65.8	46.9	34.2
(Audited by Soong & Associates)						
Malaysia						
Manufacturer and dealer of precision plastic and metal mould						

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For the financial year ended 31 March 2022

14. Investments in subsidiary corporations (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non- controlling interests	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
<u>Held through Jubilee</u> (continued)						
E'Mold Manufacturing (Kunshan) Co. Ltd ^(d) People's Republic of China Manufacturer and dealer of precision plastic and metal mould	–	–	53.1	65.8	46.9	34.2
WE Components (Shanghai) Co Ltd ^(b) (Audited by Shangzi Certified Public Accountants Co., Ltd) People's Republic of China Trading in electronic components	–	–	53.1	65.8	46.9	34.2
WE Components Co Ltd ^(b) (Audited by BZY Audit (Thailand) Limited) Thailand Trading in electronic components	–	–	53.1	65.8	46.9	34.2
WE Components (Hong Kong) Limited ^(b) (Audited by Fan Chan & Co) Hong Kong Trading in electronic components	–	–	53.1	65.8	46.9	34.2
WE Components (Shenzhen) Co Ltd ^(d) People's Republic of China Trading in electronic components	–	–	53.1	65.8	46.9	34.2
Kin Wai Technology Ltd ^(d) British Virgin Islands/People's Republic of China Trading in electronic components	–	–	53.1	65.8	46.9	34.2
WE Microelectronics Pte Ltd ^(a) Singapore Trading in electronic components	–	–	53.1	65.8	46.9	34.2
WE Components (Penang) Sdn Bhd ^(b) (Audited by Moore Stephens Associates PLT) Malaysia Trading in electronic components	–	–	53.1	65.8	46.9	34.2
WE Components India Pvt Ltd ^(b) (Audited by Arts & Co) India Trading in electronic components	–	–	53.1	65.8	46.9	34.2

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For the financial year ended 31 March 2022

14. Investments in subsidiary corporations (continued)

Name of Subsidiary Corporations, Country of Incorporation, Place of Operations and Principal Activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non- controlling interests	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
<u>Held through Jubilee</u> (continued)						
Honfoong Plastic Industries Pte. Ltd. ^(a)	–	–	46.0	46.0	54.0	54.0
Singapore						
Manufacturer and dealer of precision plastic and metal mould						
PT Honfoong Plastic Industries ^(b)	–	–	46.0	46.0	54.0	54.0
(Audited by Nexia KPS - Kanaka Puradiredia, Suhartono)						
Indonesia						
Manufacturer and dealer of precision plastic and metal mould						

^(a) Audited by CLA Global TS, Singapore, a member firm of CLA Global.

^(b) Audited by other independent auditors other than member firms of CLA Global. Their names are indicated as above.

^(c) Audited by CLA Global TS Singapore for consolidation purposes.

^(d) The subsidiary corporation is dormant and is not significant to the Group.

As required by Rule 715 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 auditors for its overseas subsidiary corporations would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

Significant Restrictions

Cash and short-term deposits of S\$504,000 (2021: S\$510,000) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Carrying value of non-controlling interests

	2022 S\$'000	2021 S\$'000
Jubilee Industries Holdings Ltd. ("Jubilee")	13,633	13,231
WE Components Sdn. Bhd. (with immaterial non-controlling interests)	–*	–*
	13,633	13,231

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

14. Investments in subsidiary corporations (continued)

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

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

Summarised balance sheet

	Jubilee Group	
	2022	2021
	S\$'000	S\$'000
<u>Current</u>		
Assets	64,976	68,522
Liabilities	(39,912)	(38,782)
Total current net assets	25,064	29,740
<u>Non-current</u>		
Assets	8,451	8,489
Liabilities	(269)	(2,354)
Total non-current net assets	8,182	6,135
Net assets	33,246	35,875

Summarised statement of comprehensive income

	Jubilee Group	
	2022	2021
	S\$'000	S\$'000
Revenue	231,073	144,996
Loss before income tax	(5,074)	(1,648)
Income tax expense	(118)	(121)
Net loss	(5,192)	(1,769)
Other comprehensive (loss)/income	388	74
Total comprehensive loss	(4,804)	(1,695)
Total comprehensive loss allocated to non-controlling interests	(2,643)	(597)

Summarised cash flows

	Jubilee Group	
	2022	2021
	S\$'000	S\$'000
Net cash (used in)/ provided by operating activities	(2,689)	5,514
Net cash (used in)/ provided by investing activities	(1,068)	1,278
Net cash provided by/ (used in) financing activities	2,620	(7,735)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

15. Investments in associated companies

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Equity investments at cost	-	-	-	-
Less: Impairment loss	-	-	-	-
	-	-	-	-
Movements during the financial year:				
Beginning of financial year	-	9,430	-	-
Additions (Note(a))	-	-	-	-
Reclassified from financial assets, at FVOCI (Note 20)	-	989	-	-
Disposals	-	(1,828)	-	-
Share of loss of associated companies, net	-	(350)	-	-
Share of other comprehensive income/(loss) of associated companies	-	194	-	-
Reclassified to financial assets, at FVPL (Note 19)	-	(6,555)	-	-
Deemed loss on disposal in associated company (Note 5)	-	(1,880)	-	-
End of financial year	-	-	-	-

Set out below are the associated companies of the Group as at 31 March 2022 and 2021.

Name of Company, Country of Incorporation, Place of Operations and Principal Activities

	% of ownership interest	
	2022	2021
	%	%
Held through Accrelist Medical Aesthetics (BM) Pte. Ltd.		
Ozhean Accrelist Aesthetics Sdn. Bhd. ^(a)	49	49
Malaysia		
Aesthetic medical		

^(a) The associated company is dormant and is not significant to the Group.

There were no contingent liabilities relating to the Group's interest in the associated companies.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

16. Other assets

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	1,215	1,175	–	210
Prepayments	155	159	9	–
	1,370	1,334	9	210

17. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current</u>				
<u>Trade receivables:</u>				
Non-related parties	20,627	24,053	–	–
Less: Loss allowance (Note 29(a))	(3,505)	(2,369)	–	–
	17,122	21,684	–	–
<u>Other receivables:</u>				
Subsidiary corporations	–	–	10,196	10,354
Less: Loss allowance (Note 29(a))	–	–	(1,611)	(1,624)
	–	–	8,585	8,730
Related party	546	526	–	–
Amount owing from director	25	–	15	–
Advance to suppliers	599	537	–	–
Other receivables – non-related parties ⁽¹⁾	3,564	3,762	107	107
Less: Loss allowance	(2,659)	(2,543)	–	–
	2,075	2,282	8,707	8,837
	19,197	23,966	8,707	8,837
<u>Non-current</u>				
Other receivables – non-related party ⁽²⁾	–	52	–	–

⁽¹⁾ This mainly pertains to refundable deposits placed to suppliers for the ordering of commodities to meet future demands.

⁽²⁾ This pertains to the remaining balance of the sales price relating to the sale of equipment to a third party which is unsecured, interest-free and repayable in 128 (2021:128) monthly instalments. The amount has been fully impaired.

The other receivables due from subsidiary corporations and related party are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

17. Trade and other receivables (continued)

The movement of the loss allowance is as follows:

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Trade receivables:				
Beginning of financial year	2,369	3,161	-	-
Foreign exchange adjustments	72	(8)	-	-
Charged to profit or loss (Note 5)	1,064	676	-	-
Written-off	-	(1,460)	-	-
End of financial year (Note 29(a))	3,505	2,369	-	-
Other receivables:				
Beginning of financial year	2,543	4,037	1,624	1,636
Foreign exchange adjustments	18	-	-	-
Charged to profit or loss (Note 5)	98	94	(13)	(12)
Written-off	-	(1,588)	-	-
End of financial year	2,659	2,543	1,611	1,624

18. Inventories

	Group	
	2022 S\$'000	2021 S\$'000
Raw materials	2,228	2,126
Work-in-progress	104	198
Finished goods	1,702	1,522
Trading goods	16,017	11,560
	20,051	15,406

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S\$226,222,000 (2021: S\$126,732,000). This includes inventory write-down of S\$1,965,000 (2021: S\$667,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

19. Financial assets, at fair value through profit or loss

	Group	
	2022 S\$'000	2021 S\$'000
Beginning of financial year	9,263	33
Reclassifications (Note 15)	–	6,555
Fair value (losses) / gains (Note 5)	(2,193)	2,675
End of financial year	7,070	9,263
Listed equity securities - Singapore	30	38
Listed equity securities - Malaysia	7,040	9,225
	7,070	9,263

The instruments are all mandatorily measured at fair value through profit or loss.

Part of the listed equity securities in Malaysia amounting to S\$5,210,000 (2021: S\$6,847,000) has been pledged as security for the Group's margin facility account (Note 24). Under the terms and conditions of the letter of offer, the Group and the Company are prohibited from disposing of the securities or subjecting it to further changes without furnishing a replacement security of similar value.

20. Financial assets, at fair value through other comprehensive income

	Group	
	2022 S\$'000	2021 S\$'000
Beginning of financial year	47	529
Fair value gains/(losses) recognised in other comprehensive income (Note 23(b))	–	507
Reclassified to investment in associated company (Note 15)	–	(989)
End of financial year	47	47

Financial assets, at fair value through other comprehensive income are analysed as follows:

	Group	
	2022 S\$'000	2021 S\$'000
Listed securities – Malaysia		
Non-current		
- Quoted equity securities (Note a)	47	47

- (a) The Group held (i) 15,300 (2021: 15,300) shares in a listed company in Malaysia, which is primarily involved in the manufacturing and marketing of steel coils and (ii) 342,000 (2021: 342,000) shares in a listed company in Malaysia, which is primarily involved in real estate development.

The Group has elected to measure the above financial assets at FVOCI due to management's intention to hold these financial assets for strategic investment purpose.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

21. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	7,641	6,755	476	255
Fixed deposits pledged	2,116	2,088	–	–
	9,757	8,843	476	255

Fixed deposits are pledged with financial institutions to secure certain banking facilities which will be utilised for funding of the working capital of the Group (Note 24).

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2022	2021
	S\$'000	S\$'000
Amount as shown above	9,757	8,843
Fixed deposits pledged	(2,116)	(2,088)
Bank overdraft (Note 24)	(433)	(372)
Cash and cash equivalents per consolidated statement of cash flows	7,208	6,383

22. Share capital

	Number of ordinary shares issued '000	Amount S\$'000
Group		
At 1 April 2020 and 2021	279,142	72,491
- Issuance of shares	22,660	1,670
- Warrants conversion	1,925	154
At 31 March 2022	303,727	74,315
Company		
At 1 April 2020 and 2021	279,142	113,182
- Issuance of shares	22,660	1,670
- Warrants conversion	1,925	154
Warrants conversion	303,727	115,006

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

Newly issued shares rank pari passu in all respects with the previously issued shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

22. Share capital (continued)

On 30 August 2021, the Company issued 22,000,000 of new ordinary shares which entitles one share to one warrant share in the capital of the Company by way of new placement at a placement price of S\$0.07371 cents per ordinary share and an exercise price of S\$0.08 cents per warrant share, raising a net proceed of approximately S\$1.6 million. 1,925,000 warrant shares had been converted raising a further net proceed of approximately S\$0.1 million.

The difference in amounts in the Group's and the Company's share capital is due to the reverse takeover exercise in the past.

23. Other reserves

	Group	
	2022	2021
	S\$'000	S\$'000
Foreign currency translation reserve (Note (a))	1,247	1,697
Fair value reserve (Note (b))	22	22
Capital reserve (Note (c))	844	844
	2,113	2,563

(a) Foreign currency translation reserve

	Group	
	2022	2021
	S\$'000	S\$'000
Beginning of financial year	1,697	2,396
Net currency translation differences of financial statements of:		
- foreign subsidiary corporations – gains	(450)	(525)
- reclassification due to deemed disposal of associated company	–	(174)
End of financial year	1,247	1,697

(b) Fair value reserve

	Group	
	2022	2021
	S\$'000	S\$'000
Beginning of financial year	22	(1,610)
Fair value gains/(losses) on financial assets, at FVOCI (Note 20)	–	507
Share of associated company's fair value gains/(losses) on financial asset, at FVOCI	–	194
Reclassification upon disposal of financial assets, at FVOCI	–	1,062
Reclassification due to deemed disposal of associated company (Note 5)	–	(131)
End of financial year	22	22

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

23. Other reserves (continued)

(c) Capital reserve

Capital reserve comprises of the following:

- The effect of changes in the ownership interest in Jubilee on the equity attributable to owners of the Company during the financial year ended 31 March 2019, amounting to S\$820,000. This represents the excess of deemed consideration received by equity owners of the Company resulting from deemed disposal of interest in a subsidiary corporation.
- Excess of carrying amount of non-controlling interest acquired over consideration paid to non-controlling interest resulting from disposal of interest in a subsidiary corporation during the financial year ended 31 March 2021 amounting to S\$24,000 (Note 14).

Other reserves are non-distributable.

24. Borrowings

	Group	
	2022 S\$'000	2021 S\$'000
<u>Non-current:</u>		
Bank loans I	1,260	1,261
Lease liabilities	2,100	1,419
Loans from non-related parties	450	2,000
	3,810	4,680
<u>Current:</u>		
Bank overdraft (Note 21)	433	372
Bank loans I	76	76
Bank loans II	6,466	6,045
Lease liabilities	2,346	987
Loans from non-related parties	2,000	450
	11,321	7,930
	15,131	12,610

Loans from non-related parties are unsecured, interest bearing from 2% and 8% per annum and are repayable in full on 23 August 2022 and 3 March 2025 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

24. Borrowings (continued)

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2022 S\$'000	2021 S\$'000
12 months or less	8,235	7,754

(a) Security granted

Bank loans I are secured by:

- (i) Legal mortgages of leasehold property of a subsidiary corporation (Note 11); and
- (ii) Corporate guarantee provided by the Company (Note 27(a)(i)).

Bank loans II are secured by the Group's financial assets, at FVPL of S\$5,210,000 (2021: S\$6,847,000) (Note 19 and 15), and secured by the corporate guarantee provided by the Company (Note 27(a)(i)).

(b) Fair value of non-current borrowings

	Group	
	2022 S\$'000	2021 S\$'000
Bank loans I	1,260	1,261
Loans from non-related parties	–	1,914

The fair values above are determined from the cash flow analyses, discounted at market borrowings rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2022 %	2021 %
Bank loans I	5.25	5.25
Loans from non-related parties	5.25	5.25

The fair value is within level 2 of the fair value hierarchy.

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For the financial year ended 31 March 2022

25. Trade and other payables

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<u>Trade payables:</u>				
Non-related parties	18,040	23,308	–	–
<u>Other payables:</u>				
Non-related parties	1,056	1,364	20	191
Accrued operating expenses	2,452	1,948	222	208
Defined benefits obligation (Note A)	1,778	1,624	–	–
Advances from customers	1,340	1,131	–	–
Loan from a director	519	562	–	–
Deposit received	4,529	–	–	–
Subsidiary corporations	–	–	5,320	5,757
	11,674	6,629	5,562	6,156
	29,714	29,937	5,562	6,156

Loan from a director is unsecured, interest-free and repayable on demand.

The amounts due to subsidiary corporations are unsecured, interest-free and repayable on demand.

The amount due to a related party is unsecured, bears interest of 4% per annum and repayable on demand.

Note A:

Defined benefits obligation

Obligation recognised in the balance sheet for:

	Group	
	2022 S\$'000	2021 S\$'000
Post-employment benefits	1,532	1,373
Other long-term employee benefits	246	251
	1,778	1,624
Expenses charged to profit or loss:		
Defined benefits (Note 7)	115	(149)
Re-measurement recognised in other comprehensive income for:		
Defined benefits	7	89
Present value of unfunded obligations/liability recognised in the balance sheet	1,778	1,624

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

25. Trade and other payables (continued)

- (i) The movement in the post-employment benefits obligation is as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
<u>Present value of obligation</u>		
Beginning of financial year	1,624	1,789
Currency translation differences	32	(105)
Current service cost	115	174
Past service cost	-	(323)
	115	(149)
Re-measurements:		
- Actuarial loss	7	89
End of financial year	1,778	1,624

The significant actuarial assumptions used are as follows:

	Group	
	2022	2021
Discount rate		
Salary growth rate	7.6%	7.8%
Mortality rate*	8.0%	8.0%
Disability rate	TMI 4 (2019)	TMI 4 (2019)
	10.0%	10.0%

* Based on Indonesia Mortality Table

The carrying amount of pension obligation will not have significant changes if the significant actuarial assumptions used has been higher or lower by 1% from management's estimates.

The above sensitivity analysis is based on a change in discount rate assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the reporting date) has been applied as when calculating the post-employment benefits liability recognised within the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

26. Contingencies

(a) Corporate guarantees

The Company has issued corporate guarantees to banks for borrowings of a subsidiary corporation (Note 24(a)). The management has evaluated the fair value of the corporate guarantees and is of the view that the consequential benefit derived from its guarantees to the bank with regards to the subsidiary corporation is minimal.

The Company is not required to fulfil any guarantee on the basis of default by the borrowers as at the balance sheet date.

Management estimated that the fair value of the corporate guarantees is negligible in the view that the consequential benefits to be derived from its guarantee are not material and therefore not recognised. It is considered unlikely that the Company will be held liable as a result of the corporate guarantees since there is no default in the payment of borrowings by the subsidiary corporations to which guarantees are provided.

(b) Financial support

The Company and one of its subsidiary corporations provide financial support to certain subsidiary corporations to enable these subsidiary corporations to operate as going concerns and to meet their liabilities as and when they fall due. No liabilities are recognised by the Company and its subsidiary corporation as it is considered unlikely that there will be significant outflows of resources made by the Company as a result of the financial support provided.

(c) Corrupt Practices Investigation Bureau investigation

On 25 February 2020, the Group's Executive Chairman and Chief Executive Officer, Mr Terence Tea, together with two other senior management personnel of the Group were requested by Corrupt Practices Investigation Bureau ("CPIB") to assist in investigation.

The investigation relates to certain expenses incurred and a payment made by Honfoong Plastic Industries Pte. Ltd., a 70% owned subsidiary corporation of Group.

The Board had taken Nominating Committee's recommendation and continues to be of the view that Mr Terence Tea and the management personnel should continue to discharge their responsibilities and duties in the operation of the Group's businesses to ensure business continuity. The Board will reassess its position where appropriate in due course.

On 11 January 2022, the Company announced that Mr Terence Tea, was informed by the CPIB that he has been discharged from bail. To date, no charges have been brought against him.

At the date of these financial statements, the Group is unable to estimate its financial impact as there have been no charges brought against the Group, Mr Terence Tea or the other two management personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

27. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchase of goods and services

Other related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

There is no sales and purchases of goods and services with related parties for both financial years.

Outstanding balances at 31 March 2022, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 17 and 25 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2022 S\$'000	2021 S\$'000
Wages, salaries and other short-term benefits	1,518	1,497
Employer's contribution to defined contribution plans, including Central Provident Fund	44	30
	1,562	1,527

The above amounts are included under employee compensation expense. Included in the above amounts are the following items:

	Group	
	2022 S\$'000	2021 S\$'000
Remuneration of directors of the Company	1,101	1,101

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee (“Exco”), which is the Group’s Chief Operating Decision Maker, that are used to make strategic decisions. The Exco comprises the Non-Executive Director, the Chief Financial Officer/the Financial Controller, and the department heads of each business within each geographical segment.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the five primary geographic areas: United States of America, Singapore, Malaysia, People’s Republic of China and Europe. The Group is organised into four major operating segments for the financial year: financial technology, electronic components distribution business unit (“EBU”), mechanical business unit (“MBU”) and aesthetic medical services (“AMS”). Such structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system.

The segments are as follows:

The EBU segment distributes and acts as a representative for a diversified range of active and passive electronic components throughout the Asia Pacific region.

The MBU segment provides mould design and fabrication services for consumer electronics, household appliances, automotive and computer peripherals, as well as precision plastic injection moulding services for their customers’ finished products.

The AMS segment offer a range of services related to aesthetic enhancements.

“Others” segment includes:

- (a) The system and equipment distribution segment provides engineering support services ranging from installation, calibration, integration and testing of systems, applications training to maintenance of systems. This business segment is dormant.
- (b) The commodities and resources segment provides supply chain management for natural materials and will be the driver for the Group’s forward growth through its integrated sourcing, marketing and transportation operations. This business segment is dormant and hence classified as others. This business segment is dormant.
- (c) The financial technology segment provides financial services such as crowdfunding to enable users to raise funds for their projects and electronic wallet services granting users an alternate mode of payment.
- (d) Investment holding segment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. Segment information (continued)

The segment information provided to the Exco for the reportable segments are as follows:

	EBU		MBU		AMS		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue										
Sales of goods	200,650	119,856	30,423	25,140	-	-	9	-	231,082	144,996
Service income	-	-	-	-	10,157	6,269	-	-	10,157	6,269
Sales to external parties	200,650	119,856	30,423	25,140	10,157	6,269	9	-	241,239	151,265
Gross profit	6,438	5,313	838	2,172	5,846	4,183	9	-	13,131	11,668
Other gains and losses										
- Impairment loss on financial assets	(490)	(270)	-	(34)	(289)	-	(383)	(466)	(1,162)	(770)
- Impairment loss on intangible assets	(4,505)	-	-	-	(3,977)	-	-	-	(8,482)	-
- Others	86	395	2	981	453	365	(2,143)	769	(1,602)	2,510
Expenses										
- Marketing and distribution	(162)	(206)	(315)	(159)	(773)	(289)	(44)	(41)	(1,294)	(695)
- Administrative	(5,232)	(4,314)	(2,525)	(2,187)	(3,255)	(1,969)	(4,165)	(4,068)	(15,177)	(12,538)
- Finance	(298)	(532)	(60)	(105)	(104)	(95)	(93)	(171)	(555)	(903)
Operating gain / (loss)	(4,163)	386	(2,060)	668	(2,099)	2,195	(6,819)	(4,327)	(15,141)	(1,078)
- Share of results of associated companies	-	-	-	-	-	-	-	(350)	-	(350)
Loss before income tax	(4,163)	386	(2,060)	668	(2,099)	2,195	(6,819)	(4,327)	(15,141)	(1,078)
Income tax expense	(3)	(114)	(113)	(27)	(115)	(227)	(5)	270	(236)	(98)
Net loss	(4,166)	272	(2,173)	641	(2,214)	1,968	(6,824)	(4,057)	(15,377)	(1,176)
Depreciation of property, plant and equipment	135	175	964	1,057	1,446	913	156	163	2,701	2,308
Amortisation of intangible assets	377	377	-	9	1,496	25	-	1,491	1,873	1,902
Impairment of intangible assets	4,505	-	-	-	3,977	-	-	-	8,482	1,902

* Amount less than S\$1,000.

As the amounts of total assets and liabilities for each reportable segment are not regularly provided to Exco, such information is not presented in the segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

28. Segment Information (continued)

Geographical Information:

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

	Group	
	2022	2021
	S\$'000	S\$'000
Singapore	35,991	26,833
Malaysia	12,111	10,506
People's Republic of China and Hong Kong	149,566	58,171
India	4,547	7,713
Indonesia	13,003	11,382
Thailand	10,066	9,236
Vietnam	9,621	21,445
United States of America	1,383	426
Other countries	4,951	5,553
	241,239	151,265

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

	Group	
	2022	2021
	S\$'000	S\$'000
<u>Non-current assets:</u>		
Singapore	12,942	20,674
Malaysia	914	1,166
Indonesia	6,367	5,807
Other countries	102	17
	20,325	27,664

The non-current assets are analysed by the geographical area in which the assets are located.

Revenue of approximately S\$64,071,000 (2021: S\$11,964,000) is derived from a single external customer. This revenue is attributable to the EBU segment in People's Republic of China (2021: EBU segment in People's Republic of China).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management

Financial risk factors

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

It is the Group's policy that no trading in derivative financial instruments shall be undertaken.

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risks.

The Board of Directors ("BOD") reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining cash deposits where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with the high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

The trade receivables of the Group comprise 4 debtors (2021: 3 debtors) that individually represented 5 - 10% (2021: 6 - 14%) of the Group's total trade receivables.

The credit risk for trade receivables and contract assets based on the information provided to key management is as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
<u>By geographical areas</u>		
Singapore	1,636	2,502
United States of America	1,006	1,362
Malaysia	3,232	3,011
People's Republic of China	2,841	3,792
India	397	2,125
Indonesia	569	1,141
Thailand	3,379	4,330
Vietnam	672	1,708
Other countries	3,454	1,741
	17,186	21,712
<u>By types of customers</u>		
Non-related parties		
- Multi-national companies	9,273	10,764
- Other companies	7,913	10,948
	17,186	21,712

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management (continued)

(a) Credit risk (continued)

Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written-off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises trade receivables and contract assets for potential write-off when the counterparty fails to make contractual payments more than 180 days past due. Where receivables are written-off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 31 March 2022 and 2021 are set out in the provision matrix as follows:

		← Past due →				
	Current	Within 30 days	1 to 3 months	4 to 6 months	Over 6 months	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2022						
Group						
Trade receivables and contract assets	12,704	3,028	794	286	3,879	20,691
Loss allowance (Note 17)	–	–	–	–	(3,505)	(3,505)
2021						
Group						
Trade receivables and contract assets	16,592	2,389	1,134	370	3,596	24,081
Loss allowance (Note 17)	–	–	–	–	(2,369)	(2,369)

Other receivables

The Group and the Company use the general approach for assessment of ECLs for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

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

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

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

As at 31 March 2022, the Group performed an assessment of impairment using the 12-month ECL basis on these financial assets. The Group concluded the loss allowance is adequate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management (continued)

(a) Credit risk (continued)

Non-trade receivables from subsidiary corporations

Non-trade receivables from subsidiary corporations are provided mainly for short term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Company concluded that the loss allowance provided for non-trade receivables from subsidiary corporations is adequate.

Cash and cash equivalents

The Group's and the Company held cash and cash equivalents with reputable licensed financial institutions with high credit-ratings and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to finance the Group and the Company's operations and development activities. The Group manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities. The Group's objective is to maintain a balance between continuing of funding and flexibility through the use of borrowings.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant:

Group	Less than 1 year S\$'000	1 - 2 years S\$'000	2 - 5 years S\$'000	Over 5 years S\$'000	Total S\$'000
<u>2022</u>					
Trade and other payables	28,374	–	–	–	28,374
Lease liabilities	2,555	1,587	578	–	4,720
Borrowings (excluding lease liabilities)	9,142	123	493	598	10,356
	40,071	1,710	1,071	598	43,450
<u>2021</u>					
Trade and other payables	28,806	–	–	–	28,806
Lease liabilities	1,181	1,097	567	–	2,845
Borrowings (excluding lease liabilities)	7,023	2,208	493	693	10,417
	37,010	3,305	1,060	693	42,068

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For the financial year ended 31 March 2022

29. Financial risk management (continued)

(b) Liquidity risk (continued)

<u>Company</u>	<u>Less than 1 year S\$'000</u>
<u>2022</u>	
Trade and other payables	<u>5,562</u>
<u>2021</u>	
Trade and other payables	<u>6,156</u>

(c) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's interest rate risk mainly arises from borrowings at variable rates

If the interest rates increase/decrease by 1% (2021: 1%) with all other variables including tax rate being held constant, net profit of the Group would have been lower/higher by S\$82,000 (2021: S\$78,000).

(d) Currency Risk

Entities in the Group provide services and sell goods in several countries, and as a result, transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD") and Ringgit Malaysia ("MYR"). To manage the currency risk, the Group relies on natural hedging as a risk management tool.

In addition, the Group is also exposed to currency translation risk to the net assets of the Group's foreign operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management (continued)

(d) Currency risk (continued)

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

	USD S\$'000	SGD S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
As at 31 March 2022					
Financial assets					
Cash and cash equivalents	2,982	3,886	1,811	1,078	9,757
Trade and other receivables and contract assets	12,520	4,967	1,071	104	18,662
Financial assets, at FVPL	–	30	7,040	–	7,070
Financial assets, at FVOCI	–	–	47	–	47
Other assets	–	813	245	157	1,215
	15,502	9,696	10,214	1,339	36,751
Financial liabilities					
Borrowings	(4,056)	(8,130)	(2,780)	(165)	(15,131)
Trade and other payables	(19,929)	(5,790)	(954)	(1,701)	(28,374)
	(23,985)	(13,920)	(3,734)	(1,866)	(43,505)
Net financial assets/(liabilities)	(8,483)	(4,244)	6,480	(527)	(6,754)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(284)	4,244	174	(2,570)	1,544
Currency exposure	(8,767)	–	6,654	(3,097)	(5,210)
As at 31 March 2021					
Financial assets					
Cash and cash equivalents	5,047	1,558	1,096	1,142	8,843
Trade and other receivables and contract assets	13,863	7,822	1,718	106	23,509
Financial assets, at FVPL	–	38	9,225	–	9,263
Financial assets, at FVOCI	–	–	47	–	47
Other assets	–	860	231	84	1,175
	18,910	10,278	12,317	1,332	42,837
Financial liabilities					
Borrowings	(3,764)	(6,724)	(2,102)	(20)	(12,610)
Trade and other payables	(20,882)	(5,264)	(1,605)	(1,055)	(28,806)
	(24,646)	(11,988)	(3,707)	(1,075)	(41,416)
Net financial assets/(liabilities)	(5,736)	(1,710)	8,610	257	1,421
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(258)	1,710	(278)	(2,762)	(1,588)
Currency exposure	(5,994)	–	8,332	(2,505)	(167)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management (continued)

(d) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows (continued):

	USD S\$'000	SGD S\$'000	Total S\$'000
As at 31 March 2022			
Financial assets			
Cash and cash equivalents	78	398	476
Trade and other receivables	–	8,707	8,707
Other assets	–	9	9
	78	9,114	9,192
Financial liabilities			
Trade and other payables	–	(5,562)	(5,562)
Net financial assets	78	3,552	3,630
Less: Net financial assets denominated in the functional currency of the Company	–	(3,552)	(3,552)
Currency exposure	78	–	78
As at 31 March 2021			
Financial assets			
Cash and cash equivalents	48	207	255
Trade and other receivables	–	8,837	8,837
Other assets	–	210	210
	48	9,254	9,302
Financial liabilities			
Trade and other payables	–	(6,156)	(6,156)
Net financial assets	48	3,098	3,146
Less: Net financial assets denominated in the functional currency of the Company	–	(3,098)	(3,098)
Currency exposure	48	–	48

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management (continued)

(d) Currency risk (continued)

If the USD and MYR change against the SGD by 3% (2021: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position to the financial performance of the Group will be as follows:

	Increase/(decrease)			
	Profit after tax			
	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
USD against SGD				
- Strengthened	(263)	(180)	2	1
- Weakened	263	180	(2)	(1)
MYR against SGD				
- Strengthened	200	250	-	-
- Weakened	(200)	(250)	-	-

(e) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets, at FVOCI and at FVPL. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio with the limits set by the BOD.

If prices for equity securities listed in Malaysia had changed by 10% (2021: 10%) with all other variables including tax rate being held constant, the effects would have been:

	Increase/(decrease)			
	Profit after tax		Other comprehensive income	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Listed in Malaysia				
- increased by	704	926	5	5
- decreased by	(704)	(926)	(5)	(5)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management (continued)

(f) Capital risk

Management monitors capital based on the debt-equity ratio. The Group has positive net assets and maintain low bank borrowings. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure.

The management monitors the capital based on the debt-to-equity ratio. This ratio is calculated as net debt/equity (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group		Company	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Net debt:				
Borrowings	15,131	12,610	–	–
Less: Cash and cash equivalents	(9,757)	(8,843)	(476)	(255)
Net debt/(cash)	5,374	3,767	(476)	(255)
Equity	29,901	40,859	35,536	35,052
Debt-to-equity ratio	18.0%	9.2%	N/M	N/M

N/M: Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2022 and 2021.

(g) Fair Value Measurements

The table below presents assets and liabilities measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

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

Group	Level 1 S\$'000
2022	
Financial assets at FVPL	7,070
Financial assets, at FVOCI	47
	7,117
2021	
Financial assets at FVPL	9,263
Financial assets, at FVOCI	47
	9,310

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

29. Financial risk management (continued)

(g) Fair value measurements

There were no transfers between level 1 and 2 during the year.

The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

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

(h) Financial instrument by categories

The carrying amounts of the different categories of financial assets and liabilities are as follows:

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
At amortised cost	29,634	33,527	9,177	9,302
At FVOCI	47	47	-	-
At FVPL	7,070	9,263	-	-
	36,751	42,837	9,177	9,302
Financial liabilities				
At amortised cost	43,505	41,416	5,562	6,156

30. Subsequent event

- (a) On 21 June 2022, the subsidiary of the Company, Jubilee Industries Holdings Ltd ("JIH") entered into a sale and purchase agreement (the "SPA") UPC Electronics Pte Limited ("UPC") for the disposal of 14% equity interest of WE Components Pte. Ltd. ("WEC") for a total cash consideration of US\$2,100,000 (approximately equivalent to S\$2,835,000).

Pursuant to the SPA, on 11 October 2022, JIH entered into a shareholder agreement with UPC:

- The first option shall be exercised by disposal of 56% equity interest of WEC for total cash consideration of US\$8,400,000 (equivalent of S\$11,340,000). The first call option is exercisable from 21 June 2022 to 31 January 2023.
- The second option shall be exercised by disposal of 30% equity interest of WEC for total cash consideration of US\$5,400,000 (equivalent of S\$7,290,000). The second option exercisable from 1 February 2023 to 31 July 2023.

The above-mentioned call options granted to the buyer is subject for approval of the Company's shareholders and regulators. The disposal of 14% equity interest has not been completed at the date of these financial statements.

- (b) On 25 July 2022, Accrelist Medical Aesthetics (BM) Pte. Ltd., a wholly owned subsidiary of the Company, incorporated two wholly owned subsidiaries in Singapore, namely Accrelist Medical Aesthetics (Orchard Central) Pte. Ltd. and Accrelist Medical Aesthetics (Central@Clarke Quay) Pte. Ltd..

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

30. Subsequent event (continued)

- (c) WE Total Engineering Sdn. Bhd. ("WE Total"), a wholly owned subsidiary of the Company, has entered into a sale and purchase agreement on 14 October 2022 for the disposal of 600,000 ordinary shares in Honfoong Plastic Industries Pte. Ltd. ("Honfoong"), representing 30% of the entire issued and paid-up share capital of Honfoong for a consideration of S\$1,500,000.

Following the completion of the Disposal, WE Total will hold 40% of the shareholding interest in Honfoong. Management has assessed that the Company continues to maintain control over the WE Total as a subsidiary. The disposal has not been completed at the date of these financial statements.

31. New or revised accounting standards and interpretations

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 Jan 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment—Proceeds before Intended Use	1 Jan 2022
Amendments to SFRS(I) 1-37: Onerous Contracts—Cost of Fulfilling a Contract	1 Jan 2022
Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022
SFRS (I) 17 Insurance Contracts	1 Jan 2023
Amendments to SFRS(I) 17	1 Jan 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 Jan 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

31. New or revised accounting standards and interpretations (continued)

- Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022):

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

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

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

- Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

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

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

32. Authorisation of financial statements

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

STATISTICS OF SHAREHOLDINGS

At 31 October 2022

Class of shares	: Ordinary Shares
Voting rights	: One (1) vote per Ordinary Share
Number of issued shares	: 303,727,293
Number of Treasury Shares	: Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 31 OCTOBER 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	313	9.97	10,691	0.00
100 – 1,000	365	11.63	173,644	0.06
1,001 – 10,000	1,158	36.90	6,203,631	2.04
10,001 – 1,000,000	1,278	40.73	83,265,066	27.42
1,000,001 and above	24	0.77	214,074,261	70.48
TOTAL	3,138	100.00	303,727,293	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 31 OCTOBER 2022

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	TERENCE TEA YEOK KIAN	64,387,706	21.20
2	OCBC SECURITIES PRIVATE LIMITED	48,068,950	15.83
3	PHILLIP SECURITIES PTE LTD	37,023,123	12.19
4	DBS NOMINEES (PRIVATE) LIMITED	14,761,135	4.86
5	HSBC (SINGAPORE) NOMINEES PTE LTD	5,063,044	1.67
6	LEE BEE SENG	4,878,481	1.61
7	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	4,444,693	1.46
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,324,628	1.42
9	TAN SIAK LIAN	4,037,204	1.33
10	MAYBANK SECURITIES PTE. LTD.	3,746,096	1.23
11	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,138,250	1.03
12	GOH GEK LIANG	3,079,600	1.01
13	MARILYN TAY BEE CHOO	2,000,000	0.66
14	ROMIEN CHANDRASEGARAN	1,933,200	0.64
15	TOH SOON HUAT	1,859,215	0.61
16	TIEW YEW SENG	1,600,000	0.53
17	REFRESH GROUP PTE LTD	1,544,881	0.51
18	TAN BOON HENG (CHEN WENXING)	1,387,200	0.46
19	NG SAN SAN	1,365,000	0.45
20	JEFFERY ONG @JEFFERY RAHARDJA	1,250,000	0.41
	Total:	209,892,406	69.11

STATISTICS OF SHAREHOLDINGS

At 31 October 2022

Substantial Shareholders as at 31 October 2022

Name Of Shareholders	Direct Interest	No. of Ordinary Shares		
		%	Deemed Interest	%
Terence Tea Yeok Kian	64,436,056 ⁽¹⁾	21.22	2,271,900 ⁽²⁾	0.75
Toh Soon Huat	1,859,215	0.61	31,599,400 ⁽³⁾	10.40

Notes:

- (1) Inclusive of 48,350 shares which are held through CPF investment account.
- (2) Mr Terence Tea Yeok Kian is deemed interested in 2,271,900 issued shares of the Company held by his wife, Ms Sim Aileen.
- (3) Mr Toh Soon Huat is beneficially owned the 31,599,400 shares and registered in the name of Phillip Securities Pte. Ltd.

Public Float

Based on the information available to the Company as at 31 October 2022, approximately 67.02% of the issued ordinary shares of the Company was held in the hands of the public. This is in compliance with Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST which requires at least 10% of the listed issuer's equity securities to be held by the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of the Company will be held by way of electronic means on Monday, 28 November 2022 at 10:00 a.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 31 March 2022 together with the Auditors’ Report thereon.

(Resolution 1)

2. To approve the payment of Directors’ fees of S\$180,000 for the financial year ending 31 March 2023, to be paid semi-annually in arrears (FY2022: S\$180,000).

(Resolution 2)

3. To note the retirement of Mr Kang Pang Kiang as the Director of the Company who is retiring pursuant to Regulation 91 of the Constitution of the Company and will not be seeking re-election.

Upon his retirement, he will relinquish his position as Non-Independent and Non-Executive Director of the Company and a member of Audit Committee and Remuneration Committee.

4. To note the retirement of CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation) as the External Auditors of the Company.

[See Explanatory Note 1]

5. To transact any other business that may be transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

6. Ordinary Resolution: General authority to allot and issue shares

“THAT pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Companies Act**”) and subject to Rule 806 of the Listing Manual Section B: Rule of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors of the Company to:

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

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

(notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 100% of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the Company’s total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

NOTICE OF ANNUAL GENERAL MEETING

- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (ii)(a) and (ii)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (iv) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or by the date by which the next annual general meeting of the Company is required by law to be held, or the date such authority is varied or revoked by the Company in a general meeting, whichever is the earliest."

[See Explanatory Note 2]

(Resolution 3)

7. Ordinary Resolution: Proposed Renewal of the Share Buyback Mandate

"THAT:

- (a) for the purposes of the Sections 76C and 76E of the Companies Act, the Directors of the Company be authorised to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchase(s) (each a "**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

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

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

NOTICE OF ANNUAL GENERAL MEETING

- (c) unless varied or revoked by the shareholders of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM is held or required by law to be held;
 - (ii) the date on which the share buybacks are carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

- (d) in this Resolution:

“Maximum Percentage” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares and subsidiary holdings that may be held by the Company from time to time);

“Relevant Period” means the period commencing from the date on which this annual general meeting and expiring on the date the next annual general meeting is held or is required by law to be held, or the date the said mandate is varied or revoked by the Company, whichever is the earlier, after the date of this Resolution; and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding related expenses of the purchase) which shall not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price; and

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares were transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5)-days period;

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

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

- (e) any of the Directors of the Company are hereby authorised to complete and do all such acts and things (including without limitation; to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

[See Explanatory Note 3]

(Resolution 4)

NOTICE OF ANNUAL GENERAL MEETING

8. Ordinary Resolution: Proposed Adoption of the Accrelist PSP 2022

That:

- (a) a new performance share plan to be known as the “Accrelist Performance Share Plan” (the “**Accrelist PSP 2022**”), rules and details of which are set out in Appendix 2 to this Notice of AGM (“**Appendix 2**”), under which awards (“**Awards**”) of fully paid-up Shares will be granted free of payment to eligible participants under the Accrelist PSP 2022, be and is hereby approved and adopted;
- (b) the Directors of the Company be and are hereby authorised:
 - (i) to establish and administer the Accrelist PSP 2022;
 - (ii) to modify and/or amend the Accrelist PSP 2022 from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Accrelist PSP 2022 and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Accrelist PSP 2022;
 - (iii) subject to the same being allowed by law, to apply any Shares purchased under any share buy-back mandate towards the satisfaction of any contingent Awards granted under the Accrelist PSP 2022; and
 - (iv) to grant Awards in accordance with the provisions of the Accrelist PSP 2022 and pursuant to Section 161 of the Companies Act, and to allot and issue, transfer and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the vesting of Awards provided that the aggregate number of Shares available pursuant to the Accrelist PSP 2022 (including any other share option schemes of the Company), shall not exceed fifteen per cent (15%) of the total issued Shares of the Company (excluding any treasury shares and subsidiary holdings) from time to time.

[See Explanatory Note 4]

(Resolution 5)

9. Ordinary Resolution: Proposed Participation of Dr. Terence Tea Yeok Kian, a Controlling Shareholder of the Company, in the Accrelist PSP 2022

That subject to and contingent on the passing of Ordinary Resolution 6, approval be and is hereby given for the participation of Dr. Terence Tea Yeok Kian, a controlling Shareholder, in the Accrelist PSP 2022.

For the avoidance of doubt, any proposed grant of Awards under the Accrelist PSP 2022 to Dr. Terence Tea Yeok Kian, a controlling Shareholder, shall be separately approved by independent Shareholders at a general meeting of the Company.

[See Explanatory Note 5]

(Resolution 6)

BY ORDER OF THE BOARD

Loh Eng Lock Kelvin
Siau Kuei Lian
Joint Company Secretaries

Singapore,
11 November 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. The External Auditors, CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation), has expressed their intention for not seeking re-appointment as auditors of the Company at the AGM. The Company is in the midst of identifying a suitable auditing firm and will make further announcement(s) when the new auditors has been identified and convene an extraordinary general meeting to obtain shareholders' approval for the appointment of a new auditors in due course, in any case not more than 3 months after the date of the External Auditors' resignation.
2. The Ordinary Resolution 3, if passed, will authorise the Directors of the Company, from the date of this AGM until the date of the next AGM, or the date by which the next AGM is required by law to be held or the date such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares, make or grant Instruments convertible into new ordinary shares and to issue new ordinary shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), may be issued other than on a pro-rata basis to existing shareholders of the Company.
3. The Ordinary Resolution 4, if passed, will authorise the Directors of the Company, to purchase or otherwise acquire its issued Shares, on the terms of the Share Buyback Mandate. This authority will continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier, unless the authority is previously revoked or varied at a general meeting. Please refer to the Appendix 1 for further details.
4. The Ordinary Resolution 5, if passed, will empower the Directors of the Company, from the date of this AGM until the date of the next AGM, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant Awards under the Accrelist PSP 2022 in accordance with the provisions of the Accrelist PSP 2022 and to issue from time to time such number of fully paid Shares as may be required to be issued pursuant to the vesting of the Awards subject to the maximum number of Shares prescribed under the terms and conditions of the Accrelist PSP 2022. The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Accrelist PSP 2022 on any date, when added to the number of Shares issued or issuable and/or transferred or transferable in respect of all Awards granted under the Accrelist PSP 2022 and the number of Shares issued or issuable and/or transferred or transferable in respect of all options or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed fifteen per cent (15%) of the total issued share capital of the Company from time to time (excluding treasury shares and subsidiary holdings). Further detailed information on the proposed adoption of the Accrelist PSP 2022 is set out in Appendix 2 to this Notice.
5. The Ordinary Resolution 6, if passed, will approve the participation of Dr. Terence Tea Yeok Kian, the Executive Chairman and Managing Director, and also a controlling shareholder of the Company, in the Accrelist PSP 2022, on the terms as set out in the Ordinary Resolution and Appendix 2 to this Notice. For more information relating to Ordinary Resolution 6, please refer to Appendix 2 to this Notice.

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the AGM will be held by way of electronic means and the members will NOT be allowed to attend the AGM in person. However, an alternative arrangement has been provided to allow the members to participate and vote in the AGM via electronic means.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance, or "live" at the AGM and/or voting at the AGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the AGM) via electronic means; or (ii) by appointing the Chairman of the AGM as a proxy to vote on the member's behalf at the AGM are set out in this Notice of AGM. The Notice of AGM is also made available on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <http://accrelist.listedcompany.com/>.

Participation in AGM proceedings via "Live Webcast/Live Audio Feed"

3. A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-video webcast via mobile phones, tablets or computers or by listening to the proceedings through a "live" audio-only feed via telephone ("**Live Webcast/Live Audio Feed**"). In order to do so, a member must pre-register by **10:00 a.m. on 25 November 2022 ("Pre-registration Deadline")**, at the following URL: <https://globalmeeting.bigbangdesign.co/accrelist/> ("**Pre-registration Website**") for the Company to authenticate his/her/its status as members.
4. To pre-register the Live Webcast/Live Audio Feed, kindly access the Pre-registration Website, using either the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox.

NOTICE OF ANNUAL GENERAL MEETING

5. Following the authentication of his/her/its status as a member, such member will receive an email with instructions on how to access the Live Webcast/Live Audio Feed of the proceedings of the AGM by **12:00 p.m. on 27 November 2022**.
6. Members who do not receive an email by **12:00 p.m. on 27 November 2022**, but have registered by the Pre-registration Deadline, may contact the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., at email address: shareregistry@incorp.asia with the following details included: (1) the full name of the member, and (2) his/her/its identification/registration number.
7. Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act 2001) and wish to watch the Live Webcast or listen to the Live Audio Feed of the AGM must approach their respective depository agents to pre-register by **5:00 p.m. on 16 November 2022** in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

Submission of Questions in advance of or "live" at the AGM

8. Members may submit substantial and relevant textual questions related to the resolutions to be tabled for approval for the AGM in advance of, or "live" at, the AGM.

How to submit questions in advance of AGM

9. If a member wishes to submit questions related to the resolutions tabled for approval at the AGM, all questions must be submitted no later than **18 November 2022** through any of the following means:
 - (a) via the Pre-registration Website; or
 - (b) in hard copy by depositing the same at the registered office of the Company at 10 Ubi Crescent #03-95 Ubi Techpark Singapore 408564.

and provide particulars as follows:

- Full name (for individuals) / company name (for corporates) as per CDP/CPF/SRS Account records;
- NRIC or Passport Number (for individuals) / Company Registration Number (for corporates);
- Contact number and email address; and
- The manner in which you hold shares in the Company (e.g. via CDP/CPF/SRS)

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

10. The Company will address all substantial and relevant questions received from Members submitted in the manner set out in paragraph 9 above by **24 November 2022, 10:00 a.m.** via SGXNET and on our corporate website. The Company will also address any subsequent clarifications sought or follow-up questions at the AGM in respect of substantial and relevant matters. The responses from the Board and the Management of the Company shall thereafter be published on SGXNET, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM.

How to submit questions "live" at the AGM

11. Members may submit textual questions "live" at the AGM in the following manner:
 - (a) Members or where applicable, their appointed proxy(ies) and Investors who have pre-registered and are verified to attend the AGM can ask questions relating to the ordinary resolutions tabled for approval at the AGM "live" at the AGM, by typing in and submitting their questions through the "live" ask-a-question function via the audio-visual webcast platform during the AGM within a certain prescribed time limit.
 - (b) Members who wish to appoint a proxy(ies) (other than the Chairman of the AGM) to ask questions "live" at the AGM on their behalf must, in addition to completing and submitting an instrument appointing a proxy(ies), ensure that their proxy(ies) pre-register separately via the registration link before the Pre-registration Deadline, upon verification of the Proxy Form(s).
 - (c) Members (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the Live Webcast in order to ask questions "live" at the AGM, and will not be able to do so via the Live Audio Feed of the AGM proceedings.
 - (d) The Company will, during the AGM itself, address as many substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself, as reasonably practicable. Where there are substantially similar questions, the Company will consolidate such questions; consequently, not all questions may be individually addressed.

NOTICE OF ANNUAL GENERAL MEETING

Submission of instrument appointing a proxy(ies) to vote, or vote “live”, at the AGM

12. Members who wish to exercise their voting rights at the AGM may:

- (a) (where such members are individuals) vote “live” via electronic means at the AGM or (where such shareholders are individuals or corporates) appoint a proxy(ies) (other than the Chairman of the AGM)[#] to vote “live” via electronic means at the AGM on their behalf; or

[#] For the avoidance of doubt, CPF and SRS investors will not be able to appoint third-party proxy(ies) (i.e. persons other than the Chairman of the AGM) to vote “live” at the AGM on their behalf.

- (b) (where such shareholders are individuals or corporates) appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM.

- Members (including CPF and SRS Investors) and, where applicable, appointed proxy(ies), who wish to vote “live”, at the AGM must first pre-register at the Pre-registration Website via the URL: <https://globalmeeting.bigbangdesign.co/accrelist/> before the Pre-registration Deadline.
- Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment for that resolution will be treated as invalid.

13. A member who is not a Relevant Intermediary*, entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.

14. The Proxy Form for the AGM can be assessed at the Company’s website at the following URL: <http://accrelist.listedcompany.com/>, and is made available with this Notice of AGM on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> on the same day.

15. The Proxy Form must be submitted to the Company in the following manner:

- (a) by depositing a hard copy by post at the office of the Company’s Share Registrar at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
- (b) by sending a scanned PDF copy by email to shareregistry@incorp.asia

in either case, no later than **10:00 a.m. on 26 November 2022 (“Proxy Deadline”)**.

16. 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 scanning and sending it by email to the email address provided above.

17. **Members are strongly encouraged to submit the completed proxy form electronically via email.**

18. The instrument appointing the proxy or proxies must be executed under the hand of the appointor or attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or by an officer duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.

19. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).

20. Investors who hold their Shares through Relevant Intermediaries* as defined in Section 181 of the Companies Act 1967 (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **5:00 p.m. 16 November 2022** (being seven (7) working days before the AGM) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.

21. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF ANNUAL GENERAL MEETING

No despatch of physical copies

22. The following documents are made available to members on **11 November 2022** together with this Notice of AGM via SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <http://accrelist.listedcompany.com/>:
- (a) Annual Report for the financial year ended 31 March 2022 ("**Annual Report**");
 - (b) Proxy Form in relation to the AGM; and
 - (c) Appendices 1 and 2 to this Notice of AGM in connection to the proposed renewal of share buyback mandate, the proposed adoption of Accrelist PSP 2022 and the proposed participation of Dr. Terence Tea Teok Kian, a controlling shareholder, in the Accrelist PSP 2022.
23. There will be no despatch of printed copies of the Annual Report, Notice of AGM, Proxy Form and Appendices 1 and 2. Members are advised to check SGXNET at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <http://accrelist.listedcompany.com/> for the aforesaid documents.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By (a) submitting details for the registration to observe the proceedings of the AGM via the Live Webcast/Live Audio Feed, or (b) submitting the Proxy Form appointing the proxy(ies), speak and vote at the AGM and/or any adjournment thereof, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the proxy(ies) for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

ACCRELIST LTD.

(Company Registration No. 198600445D)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

- Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Annual General Meeting of the Company will be held by way of electronic means.
- A member will not be able to attend the AGM in person. Alternative arrangements relating to the attendance of the AGM through electronic means, as well as conduct of the AGM and relevant guidance with full details are set out in the Notice of AGM dated 11 November 2022, which can be accessed via the SGX website at: <https://www.sgx.com/securities/company-announcements>.
- An investor who holds Shares under the Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and who wishes to appoint the Chairman of the AGM as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least 7 working days before the AGM.
- This Proxy Form is not valid for use by CPF Investors and/or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*, _____ (Name) _____ (NRIC/Passport No./Company Regn. No.)
of _____ (Address)

being a member/members* of ACCRELIST LTD. (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

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

^ Appointed proxy(ies) will have to pre-register at the Pre-registration Website which is accessible from the URL: <https://globalmeeting.bigbangdesign.co/accrelist/> in order to access the Live Webcast or Live Audio Feed of the Annual General Meeting proceedings.

or if no proxy is named, the Chairman of the Annual General Meeting as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held by way of electronic means on 28 November 2022 at 10:00 a.m. (the "AGM") and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against, or abstain from voting the Resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy of that resolution will be treated as invalid.**

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

No.	Ordinary Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2022 together with the Auditors' Report thereon			
2	Approval of Directors' fees of S\$180,000 for the financial year ending 31 March 2023, to be paid semi-annually in arrears (FY2022: S\$180,000)			
SPECIAL BUSINESS				
3	Authority to allot and issue new shares in the capital of the Company			
4	Approval of the proposed renewal of Share Buyback Mandate			
5	Approval of the proposed adoption of Accrelist Performance Share Plan			
6	Approval of the proposed participation of Dr. Terence Tea Yeok Kian, a Controlling Shareholder of the Company, in the Accrelist Performance Share Plan			

Dated this _____ day of _____ 2022

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

*Delete where inapplicable



Notes :

The Proxy Form will be published on the Company's website at the URL <http://accrelist.listedcompany.com/> and will also be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. There will be no despatch of printed copies of the Annual Report, Notice of Annual General Meeting, Proxy Form and Appendices to Shareholders.

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), 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 the proxy or proxies shall be deemed to relate to all the Shares held by you.
2. **Members will not be able to attend the AGM in person.** If a member (individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it may:
 - (a) (where the member is an individual) vote "live" via electronic means at the AGM or (where the member is an individual or corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or
For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e. persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.
 - (b) (where a member is an individual or corporate) appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
In appointing the Chairman of the AGM 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 for that resolution will be treated as invalid.
3. A member of the Company who is not a Relevant Intermediary entitled to attend and vote at AGM of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
4. Where a member who is not a Relevant Intermediary appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A member who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

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AFFIX
STAMP

**The Share Registrar
Accrelist Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712**

2nd fold here

6. Subject to paragraph (7) below, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Live Webcast of the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
7. An investor who holds Shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by **5:00 p.m. 16 November 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.
8. This Proxy Form must be submitted to the Company in the following manner:
 - (a) by depositing a hard copy at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) by sending a scanned PDF copy by email to shareregistry@incorp.asiain either case, not later than **10:00 a.m. 26 November 2022 ("Proxy Deadline")**, and failing which, this Proxy Form will not be treated as valid.
9. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.
10. **Members are strongly encouraged to submit completed proxy form electronically via email.**
11. The instrument appointing the proxy or proxies must be executed under the hand of the appointor or attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or by an officer duly authorised. Where the instrument appointing proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
12. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents). In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 11 November 2022.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Terence Tea Yeok Kian
Executive Chairman and Managing Director

Ng Li Yong
Lead Independent Director

Lim Yeow Hua @ Lim You Qin
Independent and
Non-Executive Director

Kang Pang Kiang
Non-Independent and Non-Executive
Director

AUDIT COMMITTEE

Chairman – Lim Yeow Hua @ Lim You Qin
Member – Ng Li Yong
Member – Kang Pang Kiang

REMUNERATION COMMITTEE

Chairman – Ng Li Yong
Member – Lim Yeow Hua @ Lim You Qin
Member – Kang Pang Kiang

NOMINATING COMMITTEE

Chairman – Ng Li Yong
Member – Terence Tea Yeok Kian
Member – Lim Yeow Hua @ Lim You Qin

COMPANY SECRETARY

Siau Kuei Lian
Loh Eng Lock Kelvin

REGISTERED OFFICE

10 Ubi Crescent Ubi Techpark
Lobby E #03-95 Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 6311 2905
Website: www.accrelist.com.sg

CATALIST SPONSOR

RHT Capital Pte. Ltd.
36 Robinson Road, #10-06 City House,
Singapore 068877

AUDITORS

CLA Global TS Public Accounting Corporation
(f.k.a. Nexia TS Public Accounting Corporation)
80 Robinson Road, #25-00
Singapore 068898
Director-in-Charge: Lim Wei Chen, Samuel
Appointed since financial year ended 31 March
2022

SHARE REGISTRAR

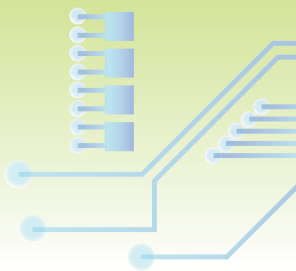
In.Corp Corporate Services Pte. Ltd.
30 Cecil Street, #19-08
Prudential Tower
Singapore 049712

PRINCIPAL BANKER

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

Standard Chartered Bank (Singapore) Limited
6 Battery Road
Singapore 049909

Maybank Singapore Limited
2 Battery Road
Singapore 049907



ACCRELIST LTD.
亚联盛控股公司
UNEARTHING TOMORROW'S GEM
发掘光辉 开创未来



Company Registration No: 198600445D
10 Ubi Crescent
Ubi Techpark Lobby E #03-95
Singapore 408564
Tel: (65) 6311 2900 | Fax: (65) 6311 2905