ACCRELIST LTD.
亚联盛控股公司
UNEARTHING TOMORROW'S GEM
发掘光辉 开创未来

2020
Annual Report

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd., (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

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.

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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 Accrelist Medical Aesthetics (BM) Pte. Ltd. ("A.M Aesthetics"), A Skin Products Pte. Ltd. ("A Skin") and A Tech Media Pte. Ltd. ("A Tech Media").

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.

A Skin 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.

A Tech Media is an artificial intelligence solutions and facial recognition verification service provider that enhances physical security, business intelligence and customer experiences by leveraging robotics, data analytics, facial recognition technology and secure cashless payment systems.

In addition, Accrelist holds a 65.82% 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 2020 ("FY2020").

Sharpening Our Focus

In FY2020, the Group aggressively expanded its medical aesthetics segment through the Accrelist Medical Aesthetics group of companies ("A.M Aesthetics"), growing its network of clinics both locally and overseas. The Group also ventured into the distribution of medical aesthetics products through A Skin Products Pte. Ltd. ("A Skin") and proposed plans to transform Accrelist into the first medical aesthetics focused company listed on SGX.

These efforts reflect our continued belief in the long-term potential of the medical aesthetics business, and we are pleased to report that A.M Aesthetics recorded a 46.8% increase in revenue from S$3.4 million for FY2019 to S$5.0 million for FY2020.

In late 2019, the Group conducted a strategic review of its business and proposed several transactions to unlock the value of our investment in Jubilee Industries Holdings Ltd. ("Jubilee"), reward shareholders and focus on maximising the potential value of our medical aesthetics business.

Shortly after these plans were announced, the Covid-19 pandemic unfolded and delivered a blow to global business sentiment and economic activity. As a result, the Group had to terminate its proposed disposal of Jubilee shares, proposed capital reduction and proposed distribution of Jubilee shares. The termination allowed both the Company and Jubilee to focus on the immediate task of strengthening their respective operations amidst the evolving Covid-19 pandemic.

Despite the temporary setback, the Group remains committed to its long-term vision of shifting Accrelist's primary focus into the lucrative medical aesthetics segment.

Brief Overview of FY2020

Overall, the Group's revenue decreased by S$28.2 million or 16.9% from S$167.1 million for FY2019 to S$138.9 million for FY2020.

The revenue decrease was mainly due to external headwinds faced by subsidiary Jubilee's Electronic Business Unit ("EBU"). Revenue from the EBU decreased by 24.7% or S$35.9 million from S$145.0 million for FY2019 to S$109.2 million for FY2020 due to the impact of the global Covid-19 pandemic and weak global demand as a result of the trade tensions between the USA and China.

Within Jubilee, the challenges faced by the EBU was offset by a S$6.0 million increase in revenue achieved by Jubilee's Mechanical Business Unit ("MBU"). The 32.2% increase from S$18.7 million for FY2019 to S$24.7 million for FY2020 was due to the inclusion of full year sales revenue from Honfoong Plastics Industries Pte. Ltd. ("HFPL") and the significant increase in sales orders from new and existing customers amidst the shift of demand to Southeast Asia following ongoing trade tensions.

The bright spot delivered by Jubilee's MBU reflects the Group's strategic involvement in Jubilee and the foresight to invest and grow the MBU segment to broaden its customer base and diversify its revenue stream. Jubilee's total revenue decreased by 18.2% from S$163.7 million for FY2019 to S$133.8 million for FY2020.

Amidst the challenging environment, the Group recorded a net loss of S$12.9 million for FY2020 as compared to a net profit of S$0.9 million for FY2019. The loss attributable to equity holders of S$12.0 million comprised of various non-cash expenses including:

- One-off remeasurement loss on financial liability of S$2.8 million
- Accrelist share of loss in Jubilee where share of non-cash expenses amounted to S$1.8 million
- Amortisation and depreciation expenses of S$1.8 million and S$2.4 million respectively
- Impairment loss on intangible assets of S$1.9 million

The Group's actual cash losses amounted to S$1.3 million after excluding non-cash expenses.

A.M Aesthetics expanded aggressively in FY2020 as the Group identified medical aesthetics as its key focus area. With the addition of A.M Aesthetics' fifth medical aesthetics clinic at Clementi Mall, the Group's network of clinics now covers almost all regions in Singapore.

Beyond Singapore, A.M Aesthetics entered into a strategic collaboration with South Korea's Ozhean Skin and Plastic Surgery, enabling the Group to gain significant expertise from leading practitioners. In FY2020, A.M Aesthetics opened its first two overseas medical aesthetics clinics in Penang and Kuala Lumpur, Malaysia.

The Group has also ventured into the distribution of medical aesthetics products through A Skin to broaden its revenue stream.

The Group's subsidiary A Tech Media Pte. Ltd. ("A Tech Media") has ventured beyond fintech to provide services and solutions powered by facial recognition and artificial intelligence as a systems integrator. The move reflects the Group's ongoing efforts to identify new areas of growth.

Technology has been at the centre of USA-China trade tensions which culminated in US sanctions against Huawei which had a negative effect on our Chinese customers. As their projects were delayed, demand for electronic components also declined. This significantly impacted Jubilee's EBU as China is its largest market. However, Jubilee's MBU was able to successfully capture new opportunities from customers who shifted their source of purchases towards the ASEAN region amidst the trade tensions.

Government-imposed restrictions aimed at curbing the spread of Covid-19 caused significant disruptions to supply chains and consumer demand around the world with negative effects on our business.

Expenses incurred from longstanding practices during Chinese New Year festivities at Jubilee's recently acquired Honfoong Plastics Industries Pte. Ltd. came under investigation by the Corrupt Practices Investigation Bureau. The expenses incurred are not material to the Group's financial position. We deny any wrongdoing and will continue to cooperate with the authorities. All of us at Accrelist remain committed to the principles of integrity, commitment and innovation as we work together to overcome the challenges facing the Group.

Outlook and Future Plans

Despite the impact of Covid-19, we remain confident that the medical aesthetics segment holds significant long-term potential for the Group. Following the easing of Covid-19 related restrictions in both Singapore and Malaysia, we are encouraged by the support of our customers.

We will take a measured approach to sustainably grow the Group's network of medical aesthetic clinics. Plans are underway to set up more clinics in Johor Bahru and Ipoh, Malaysia following the recent setup of the Group's second clinic in Kuala Lumpur.

While the previously announced proposed transactions had to be terminated due to the challenging business environment, we remain committed to unlocking the value of Jubilee and growing our medical aesthetics segment. The Group is exploring potential partnership opportunities with strategic investors to help realise our vision to become the first medical aesthetics focused company listed on SGX.

As for Jubilee, we continue to review existing processes to identify areas for cost optimisation and will explore strategies to diversify its customer base and expand its product offerings to include higher margin products.

While we expect prolonged impact from the trade tensions between the USA and China and the evolving Covid-19 pandemic, we are confident that the Group is taking the right steps to address the unprecedented challenges and will not lose sight of our long-term goal to deliver value for shareholders.

A Note of Appreciation

While many aspects of our daily lives have been disrupted following the impact of Covid-19, I am thankful for the dedication and sacrifices made by our colleagues to support the Group's efforts to adapt to the new normal.

I would also like to take this opportunity to express my sincere gratitude to all our valued shareholders and business partners who continue to show us their support during these challenging times as we seek to emerge stronger from this crisis.

Thank you.

Mr Terence Tea Yeok Kian
Executive Chairman and Managing Director
Accrelist Ltd.

Financial and Operations Review

Financial Performance

For the financial year ended 31 March 2020 ("FY2020"), Accrelist Ltd. ("Accrelist" and together with its subsidiary corporations, the "Group") recorded a revenue of S$138.9 million, representing a decrease of S$28.2 million or 16.9% as compared to S$167.1 million recorded for the financial year ended 31 March 2019 ("FY2019").

Jubilee's total revenue decreased by S$29.9 million or 18.2% from S$163.7 million for FY2019 to S$133.8 million for FY2020. The revenue decrease was mainly due to external headwinds faced by its Electronic Business Unit ("EBU"). Revenue from EBU decreased by S$35.9 million or 24.7% from S$145.0 million for FY2019 to S$109.2 million for FY2020 due to the impact of the global Covid-19 pandemic and weak global demand as a result of the trade tensions between USA and China.

Within Jubilee, the challenges faced by the EBU was offset by a S$6.0 million increase in revenue achieved by Jubilee's Mechanical Business Unit ("MBU"). The 32.2% increase from S$18.7 million for FY2019 to S$24.7 million for FY2020 was due to the inclusion of full year sales revenue from Honfoong Plastics Industries Pte. Ltd. ("HFPL") and the significant increase in sales orders from new and existing customers amidst the shift of demand to Southeast Asia following ongoing trade tensions.

Accrelist Medical Aesthetics group of companies' ("A.M Aesthetics") revenue increased by S$1.6 million or 46.8% from S$3.4 million for FY2019 to S$5.0 million for FY2020 due to the inclusion of full year sales revenue following the acquisition of medical aesthetic clinics in FY2019.

The Group's gross profit decreased by S$4.8 million or 30.4% from S$15.8 million for FY2019 to S$11.0 million for FY2020. The decrease was mainly due to the EBU's decision to liquidate some of its inventory at a loss to reduce inventory holding cost amidst the global contraction of the semiconductor industry and a lower quarter on quarter pricing trend.

Other losses for FY2020 amounted to S$3.3 million as compared to other gains of S$2.3 million for FY2019. The reversal was mainly due to the remeasurement loss on financial liability and impairment loss on trade receivables and other receivables of S$2.8 million and S$1.1 million respectively.

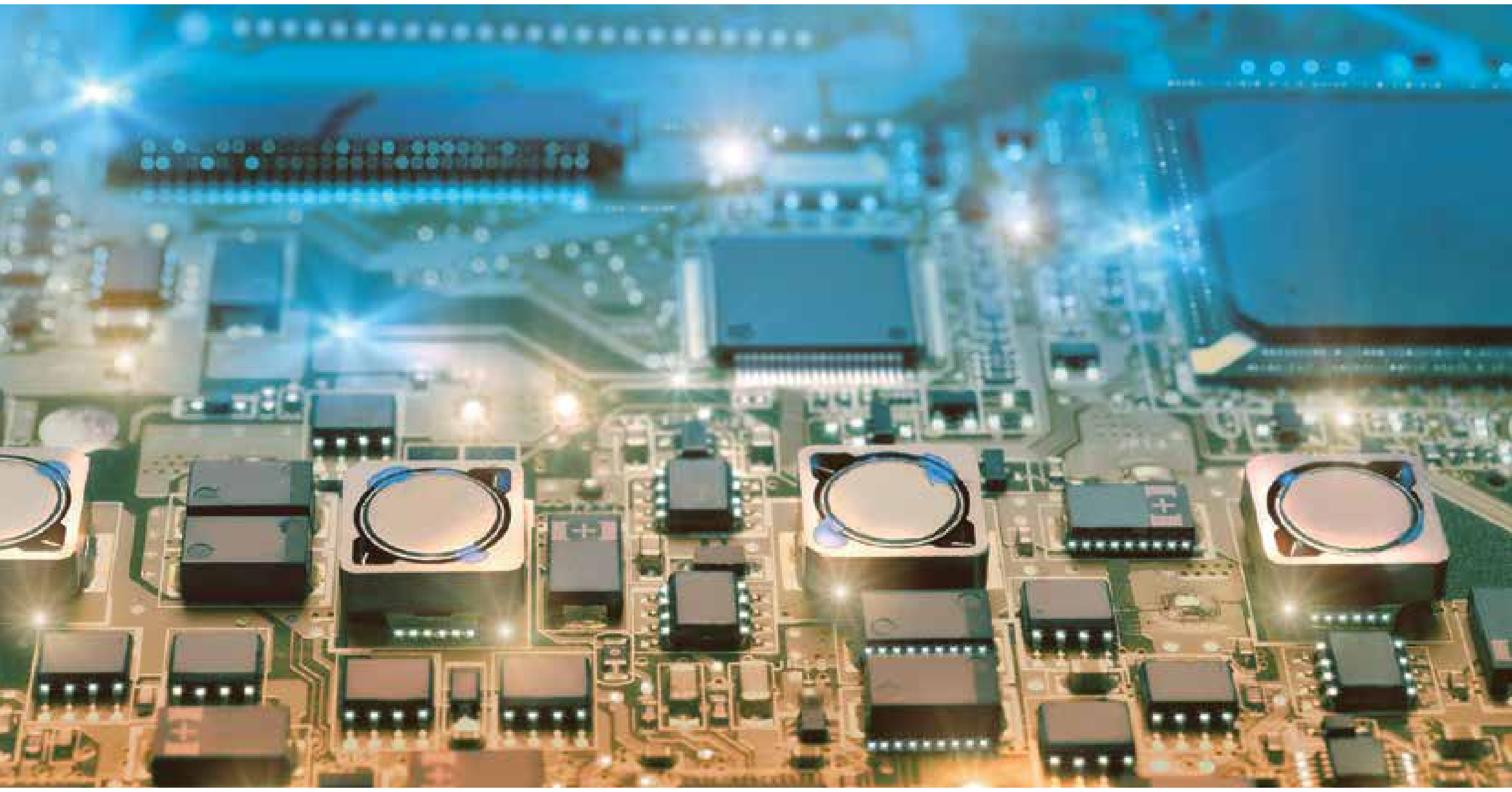
Marketing and distribution expenses decreased by S$0.3 million or 18.9% from S$1.6 million for FY2019 to S$1.3 million for FY2020 as a result of reduced travelling amidst the Covid-19 pandemic. Administrative expenses increased by S$2.7 million or 18.7% from S$14.6 million for FY2019 to S$17.3 million for FY2020. This was mainly due to higher staff costs following the acquisition of HFPL by Jubilee in July 2018, the acquisition of A.M Aesthetics in October 2018 and impairment loss on intangible assets of S$1.9 million. Finance costs increased by S$0.3 million or 23.5% from S$1.4 million for FY2019 to S$1.7 million for FY2020 due to a short team loan obtained in FY2020 and interest on lease liabilities.

As a result of the above, the Group recorded a net loss of S$12.9 million for FY2020 as compared to a net profit of S$0.9 million for FY2019.

Financial Position

The Group's non-current assets decreased by S$2.3 million or 5.6% from S$41.5 million as at 31 March 2019 to S$39.2

Financial and Operations Review



million as at 31 March 2020. The decrease was mainly due to the amortisation and impairment loss of S$1.9 million of intangible assets which was offset by the purchase of property, plant and equipment.

Current assets decreased by S$17.8 million or 27.2% from S$65.4 million as at 31 March 2019 to S$47.6 million as at 31 March 2020. The decrease was mainly due to the decrease in inventories of S$11.0 million, as the EBU held lesser inventory. In addition, trade and other receivables decreased by S$8.8 million, in line with the decrease in sales. These decreases were offset with the increase in cash and cash equivalents from the collection on trade and other receivables.

Current liabilities decreased by S$9.4 million or 19.5% from S$48.1 million as at 31 March 2019 to S$38.7 million as at 31 March 2020. The decrease was mainly due to the decrease in borrowings following the paydown of loans from banks and financial institutions as well as a decrease in trade and other payables.

Non-current liabilities increased by S$2.7 million or 87.2% from S$3.1 million as at 31 March 2019 to S$5.8 million as at 31 March 2020. The increase of S$2.7 million was largely due to a loan of S$2.0 million and an increase in lease liabilities following the adoption of SFRS(I) 16 Leases.

The Group's working capital was S$8.9 million as at 31 March 2020 as compared to S$17.3 million as at 31 March 2019. The decrease of S$8.4 million was mainly due to the decrease in inventories as EBU held less inventories.

As a result of the above, the Group's net assets decreased by S$13.4 million or 24.1% from S$55.7 million as at 31 March 2019 to S$42.3 million as at 31 March 2020.

In view of the Covid-19 situation, the Group has reviewed and assessed the impairment for its property, plant and equipment, intangible assets, other assets, trade and other receivables and inventories. Bank obligations and covenants are met and there are no going concern issues noted.

Cash Flow Statement

Net cash flow provided by operating activities for FY2020 was S$12.7 million, comprising operating cash flows before working capital changes of S$1.6 million and working capital inflow of S$14.5 million. The working capital inflow was mainly due to the decrease in inventories of S$10.7 million, decrease in trade and other receivables of S$13.6 million and a decrease in other assets of S$4.0 million. These were offset by the decrease in trade and other payables of S$5.7 million.

Net cash used in investing activities for FY2020 of S$1.1 million was mainly due to the acquisition of plant and equipment for business expansion.

Net cash used in financing activities of S$8.2 million was due to the repayment of bank loans, loan payable/convertible loan and loan interest amounting to S$9.3 million in total. These repayments were offset with proceeds from borrowings of S$2.5 million.

As a result of the above, the Group's cash and cash equivalents increased by S$3.4 million or 89.5% from S$3.8 million as at 31 March 2019 to S$7.2 million as at 31 March 2020.

Board of Directors

MR TERENCE TEA YEOK KIAN, 52
Executive Chairman and 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: 25 July 2013
Length of service: 7 years 0 months (as at 31 March 2020)

Served on the following Board Committee:
Member – Nominating Committee

Present Directorships in other listed companies
Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)
EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Present Principal Commitments
Executive Chairman and Managing Director – Accrelist Ltd.
Executive Chairman and CEO – Jubilee Industries Holdings Ltd.

Directorships in other listed companies held over the preceding three years
Nil

Background and experience:
Mr Terence Tea Yeok Kian is responsible for the overall growth of the Group. His main role in the Group is to determine the strategic direction of the Group, acquiring and nurturing new businesses with a view to taking them to greater heights.

Mr Tea has successfully advised and steered 65.82%-owned subsidiary Jubilee Industries Holdings Ltd to two consecutive years of profitability being FY2018 and FY2019, of which FY2019 saw profit surge from $1 million to $3.3 million. For FY2020, despite the effects from the Covid-19 pandemic, Accrelist Ltd managed to minimise losses incurred of S$1.3 million excluding non-cash expenses. These losses were mainly due to Jubilee Industries Holdings Ltd's Electronic Business Unit's decision to liquidate some of its inventory from Samsung and SK Hynix at a loss to reduce inventory holding cost amidst a gloomy outlook of a global contraction of the semiconductor industry and a lower quarter on quarter pricing trend.

Accrelist Ltd's acquisition of the chain of medical aesthetics outlets, renamed A.M Aesthetics, has expanded the number of clinics from four to five outlets in Singapore. Aligned with the expansion strategy, the medical aesthetic clinics have also been expanded overseas with the incorporation of 2 subsidiaries in Penang and Kuala Lumpur. Accrelist Ltd has also set footprints in Korea by collaborating with 2 renowned doctors who own 5 clinics in Korea to assist with providing training and recommending state-of-the-art aesthetic equipment and products. This collaboration is further enhanced with Accrelist Ltd's subsidiary acquiring a 49% stake in Ozhean Accrelist Aesthetics Sdn. Bhd., which is owned by its' Korean counterpart, and have set up two clinics in Bukit Jalil and Bangsar, Kuala Lumpur. In FY2019, the medical aesthetics chain managed to chalk up an impressive profit before tax of more than $1 million. For FY2020, in spite of the pandemic, A.M Aesthetics has managed to still grow steadily, generating revenue of S$5.0 million while losses of S$0.3 million was due to incurring setup cost on new investments.

In the earlier days, and perhaps most importantly, after he had acquired the once-troubled Group, Mr Tea rescued the Group from the brink of liquidation by raising S$7.5 million that helped fend off creditor banks.

In 2004, Mr Tea led the listing of a PCB testing company on the former SES-SESDAQ. In a mere three years, he successfully raised the company to transfer its listing to the mainboard. His ability to turnaround loss-making companies is evident in the manner that Accrelist Ltd. achieved profit position in FY2018 and FY2019. Mr Tea is a member of Singapore Institute of Directors. As an active member of the community, he holds several appointments such as an honorary patron of the Singapore Productivity Association, Sembawang and Nee Soon East Citizen's Consultative Committee, a council member of the Singapore Hokkien Huay Kuan, and the Chairman of Eng Yong Tong Tay Si Association. He is conferred the title of datukship and also an honorary patron of the Singapore Productivity Association and Sembawang Citizen's Consultative Committee. He was awarded the Public Service Medal (PBM) 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 NG LI YONG, 48

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: 26 July 2018
Length of service: 6 years 9 months (as at 31 March 2020)

Served on the following Board Committee:
Chairman – Nominating Committee
Member – Audit Committee
Member – Remuneration Committee

Present Directorships in other listed companies
Nil

Present Principal Commitments
Director – WNLEX LLC

Directorships in other listed companies held over the preceding three 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, 58
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: 26 July 2018
Length of service: 2 year 5 months (as at 31 March 2020)

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 three years
Director – Advanced Integrated Manufacturing Limited
Director – China Minzhong Food Corporation Limited
Director – Eratat Lifestyle Limited
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 29 years of experience in taxation, financial services and business advisory. Mr Lim sits on the boards of various companies listed in the SGX.

MR ALEX KANG PANG KIANG, 48
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: -
Length of service: 3 months (as at 31 March 2020)

Served on the following Board Committee:
Member – Audit Committee
Member – Remuneration Committee

Present Directorships in other listed companies
Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)
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 three years
Nil

Background and experience:
Mr 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 has 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 Mr 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.

Corporate Management

MR LOH ENG LOCK KELVIN

Chief Financial Officer
Accrelist Ltd.

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 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 more than 17 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 joined the Group as Senior Vice President of WE Components Pte. Ltd. on 1 March 2018, heading the Electronics Business Unit (EBU) and is for the business operations including, but not limited to, sales and marketing activities of the unit.

Mr Lee has more than 20 years of experience in the semiconductor industry in Asia holding key positions in sales and marketing roles with organisations such as SK Hynix - a global leader in the semiductor universe.

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

Milestones

FY2020

- A.M Aesthetics expanded locally and regionally with the opening of its fifth clinic in Singapore and its first two clinics in Malaysia
- The Group ventured into the distribution of medical aesthetics products through A Skin
- A.M Aesthetics entered into a strategic collaboration with South Korea's Ozhean Skin and Plastic Surgery
- A Tech Media ventured beyond Fintech services, adopts facial recognition technology and artificial intelligence to deliver new services and solutions

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.
- A Tech Media launched its own mobile payment service on the WeChat Pay platform

FY2018

- Terence Tea identified medical aesthetics as a new area of growth for the Group
- A Tech Media pursued opportunities in the Fintech market, obtained its Major Payment Institution License from the Monetary Authority of Singapore
- 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

FY2017

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

FY2016

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

Corporate Directory

SINGAPORE

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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 shareholders' interest. 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**") in accordance with Rule 710 of the Listing Manual – Section B: Rules of the Catalist (the "**Catalist Rules**")

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 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

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 and key management personnel, Company Secretary of the Company and 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 FY2020 and the attendance of each Director, where relevant, are as follows:

	Board	AC	RC	NC	AGM	EGM
No. of meetings held	4	4	4	4	1	1
Name of Director						
Mr Terence Tea Yeok Kian	4	4*	4*	4	1	1
Mr Ng Li Yong	4	4	4	4	1	1
Mr Lim Yeow Hua @ Lim You Qin	4	4	4	4	1	1
Mr Liu Song (1)	0	0	0	NA	NA	NA
Mr Kang Pang Kiang (2)	1	1	1	1*	NA	NA

NA: Not Applicable
*By invitation

Notes:

(1) Mr Liu Song retired as Non-Independent and Non-Executive Director and member of AC and RC on 26 July 2019.

(2) Mr Kang Pang Kiang was appointed as a Non-Independent and Non-Executive Director and member of AC and RC on 24 December 2019.

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, 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. 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.

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 Meetings 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 Secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. The Company Secretary assists 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.

As at the date of this report, the Board notes that Independent Directors do not make up a majority of the Board 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 notes 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. 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
Terence Tea Yeok Kian	Executive Chairman and Managing Director	–	–	Member
Ng Li Yong	Lead Independent Director	Member	Chairman	Chairman
Lim Yeow Hua @ Lim You Qin	Independent and Non-Executive Director	Chairman	Member	Member
Kang Pang Kiang	Non-Independent and Non-Executive Director	Member	Member	–

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.

Currently, there is no Director who has served on the Board beyond nine (9) years from the date of appointment.

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 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.

Information on the Board members is provided under the section "Board of Directors" in the Annual 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, the Lead Independent Director of the Company 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.

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.

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.

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 the Code's definition of what constitutes an independent director. 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 Board 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 FY2020.

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 performance in carrying out their duties to the Company.

The NC sets objective performance criterias 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 Directors 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 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.

The NC, in recommending the re-election or re-appointment of Directors, who are subject to retirement at the Annual General Meeting ("**AGM**") in accordance with the Company's Constitution or the Companies Act, Chapter 50 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/her own performance or re-nomination as a Director.

Pursuant to the Constitution of the Company:

(a) One-third (1/3) of the Directors except the CEO and 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, Mr Terence Tea Yeok Kian, the Managing Director would also have to subject himself to re-nomination and re-appointment at least once every three (3) years. Mr Kang Pang Kiang, who was appointed on 24 December 2019, will retire at the forthcoming AGM according to Article 97 of the Company's Constitution.

The NC recommended to the Board that Mr Terence Tea Yeok Kian and Mr Kang Pang Kiang be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC has considered the Directors' overall contribution and performance.

Mr Terence Tea Yeok Kian will upon re-election as a Director of the Company, remain as Executive Chairman and Managing Director of the Company and member of NC. Mr Kang Pang Kiang will upon re-election as a Director remained as Non-Independent and Non-Executive Director of the Company and a member of AC and RC.

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

Name of Director	Appointment	Date of initial appointment/last re-election	Directorships in other listed companies	
			Current	Past 3 Years
Mr Terence Tea Yeok Kian	Executive Chairman and Managing Director	1 December 2013/ 25 July 2013	Jubilee Industries Holdings Ltd. EG Industries Berhad	–
Mr Ng Li Yong	Lead Independent Director	11 June 2013/ 26 July 2018	–	C&G Environmental Protection Holdings Limited
Mr Lim Yeow Hua @ Lim You Qin	Independent and Non-Executive Director	11 October 2017/ 26 July 2018	KSH Holdings Limited NauticAWT Limited Oxley Holdings Limited	KTL Global Limited China Minzhong Food Corporation Limited (delisted) Eratat Lifestyle Limited (delisted) Advanced Integrated Manufacturing Corp Ltd (delisted) Ying Li International Real Estate Limited
Mr Kang Pang Kiang	Non-Independent and Non-Executive Director	24 December 2019	EG Industries Berhad	–

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 Directors 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 Directors 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;

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 Director and to ensure, as far as is possible, that the quantum commensurate with the Non-Executive Directors' contribution to the Board and the Company; and

5. Overseeing and administering the Accrelist 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 FY2020.

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 Shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. The review of remuneration packages takes into consideration the longer 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 interest and risk policies of the Company, and the need to attract directors of experience and standing. The Independent and Non-Executive Directors' fee are compared against market standards to ensure that they are in line with market norms and to ensure their independence are not compromised.

The RC administers the Accrelist Share Awards Scheme ("**ASAS**"), which was approved and adopted pursuant to approval from Shareholders at the extraordinary general meeting held on 25 May 2010. The performance-related elements of remuneration are designed to align the interests of Directors, Management and employees with those of Shareholders and to link their rewards to corporate and individual performance. The share awards granted to the employees and Directors vest over a period of one (1) to two (2) years. The ASAS is also extended to the Group's Independent and Non-Executive Directors so as to better align the interests of such Independent and Non-Executive Directors with the interest of Shareholders. The RC will reclaim the share awards granted to the Directors and employees who left the Company prior to the end of the vesting period of share awards.

The purpose of the ASAS is to provide an opportunity for the Group's Directors and employees who have met the performance targets to be remunerated not just through cash bonuses but also by an equity stake in the Company.

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

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 FY2020, 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 performance.

The Company has disclosed the remuneration of the Directors and the key management personnel in the bands of S$250,000. In the 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.

The breakdown (in percentage terms) of each Director's and key management personnel's remuneration for FY2020 are as follows:

Remuneration for the Directors

Name	Salary	Bonus	Fringe Benefits	Directors' Fees	Total
	%	%	%	%	%
Between S$500,000 and S$750,000					
Mr Terence Tea Yeok Kian	81	7	12	0	100
Below S$250,000					
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
	%	%	%	%
Below S$250,000				
Mr Loh Eng Lock, Kelvin (Chief Financial Officer and Joint Company Secretary)	83	5	12	100

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 FY2020 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 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 49 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.

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 2020 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.

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;

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 major 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 auditor 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; and

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.

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 FY2020, 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 FY2020. 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, 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 AC is also satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audits and had recommended to the Board the nomination of Nexia TS Public Accounting Corporation for re-appointment at the forthcoming AGM.

The aggregate amount of fees paid to the external auditors, Nexia TS Public Accounting Corporation, for FY2020 amounted to approximately S$313,000 for audit services and S$18,000 for non-audit services.

The significant matters considered by AC during the financial year ended 31 March 2020 are detailed below, alongside the action taken by the AC to address these matters.

<table>
<tr><th>Significant Matters</th><th>Action</th></tr>
<tr><td>Impairment assessment on goodwill
(Refer to Note 13(b) to the financial statements)

<u>Area of focus</u>

The Group has recognised goodwill amounting to S$5,890,000 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.

In consideration to the current unprecedented situation caused by the outbreak of coronavirus disease (“COVID-19”) which has created a high level of uncertainty to the near-term global economic prospects, the management has adopted expected cash flow approach (i.e. probability-weighted average cash flows projections) 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.

Accordingly, an impairment to goodwill amounting to S$1,942,000 (2019: Nil) has been provided as at 31 March 2020.</td><td>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).

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 2020, as referred to page 52 of this Annual Report.</td></tr>
</table>

Significant Matters	Action
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; 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. During the financial year ended 31 March 2020, the Group recognised revenue of S$133,839,000 from the above revenue segments.	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 2020, as referred to page 53 of this Annual Report.

The AC has in place a whistle-blowing policy (the "**Policy**") for the Group. The Policy is to enable persons employed by the Group 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.

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 annually. The AC has met with the external and internal auditors without management during the year.

The Board noted that there were lapses in internal controls and with the recommendation of the auditors to AC, the management will be taking corrective measures to improve, strengthen and refine the system of internal control and risk management.

The Board has received assurance from the Managing Director and CFO in relation to financial records of the group for FY2020 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 notes 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 for 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 auditor 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 Enterprise Risk Services 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 which the internal audit function of the Company is outsourced to.

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.

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 the SGX-ST website. All Shareholders will receive the Annual Report of the Company and Notice of AGM by post and through notice published in the newspapers within the mandatory period.

Separate resolutions on each distinct issue are tabled at general meetings. Minutes of general meetings which include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management, were prepared and will be made available to Shareholders on its corporate website via www.accrelist.com.sg.

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 shareholder 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 Annual General Meeting, 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, Cap. 50. At the forthcoming Annual General Meeting, a member who is a relevant intermediary is entitled to appoint Chairman to attend and vote at the Annual General Meeting.

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 will be present at the AGM or EGM. At all general meetings, shareholders are given the opportunity to air their views and ask Directors or Management questions regarding the Group. The external auditors also attend the AGM to assist the Director 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 26 July 2019 and extraordinary general meeting held on 26 July 2019 is disclosed on page 14.

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 Director may deem appropriate. The Board would consider a dividend policy at an appropriate time.

The Company had engaged RHT Communications and Investor Relations Pte. Ltd. ("**Investor Relations**") 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 36, 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 current corporate website at www.accrelist.com.sg to communicate and engage with stakeholders.

ADDITIONAL INFORMATION

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 FY2020.

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 ("**IPT**") 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 with.

There were no interested person transaction which were more than S$100,000 entered into during FY2020. The Group does not have any general mandate from shareholder pursuant to Rule 920 of the Catalist Rules of the current financial year.

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 2020 or if not then subsisting, entered into since the end of the previous financial year.

Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating the Directors who are retiring and seeking re-election in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

	Mr. Terence Tea Yeok Kian	**Mr. Kang Pang Kiang**
Age	52	48
Date of appointment	1 December 2013	24 December 2019
Job Title	Executive Chairman and Managing Director	Non-Independent and Non-Executive Director
	Chairman of Remuneration Committee (RC) and a member of Audit Committee (AC) and Nomination Committee (NC)	Member of Audit Committee (AC) and Remuneration Committee (NC)
Date of last re-election as Director (if applicable)	25 July 2013	Not Applicable
Country of principal residence	Singapore	Singapore
The Board's comments on the re-appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Terence Tea Yeok Kian ("Mr Terence") as the Executive Chairman and Managing Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr Terence's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr. Terence will, upon re-election, continue to serve as the Executive Chairman and Managing Director and a member of NC.	The re-election of Mr Kang Pang Kiang ("Mr Pang") as the Non-Independent and Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration of Mr Kang's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr. Kang will, upon re-election, continue to serve as Non-Independent and Non-Executive and a member of AC and RC.
Whether appointment is executive, and if so, the area of responsibility	Yes	No
Professional qualification	Ph.D. in Business Administration (Honorary) from Honolulu University Diploma in Electronics and Electrical Engineering from Singapore Polytechnic	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
Working experience and occupation(s) during the past 10 years	Jubilee Industries Holdings Ltd. – Executive Chairman and CEO (From June 2014 to present) EG Industries Berhad – Group Executive Chairman (From July 2014 to present)	EG Industries Berhad – Group Chief Executive Officer (From July 2014 to Present) EG Industries Berhad – Finance Director / Executive Director (From April 2009 to July 2014)
Shareholding interest in the Company and its subsidiaries	Direct Interest – 64,436,056 ordinary shares Deemed Interest – 2,271900 ordinary shares	None

Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting

	Mr. Terence Tea Yeok Kian	Mr. Kang Pang Kiang
Relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H under Rule 720(1) has been submitted to the Company	Yes	Yes
Other Principal Commitments[a] including directorships	**Past (for the last 5 years)** Director of: • Accrelist Crowdfunding Pte. Ltd. **Present:** Director of: • Jubilee Industries Holdings Ltd. • Jubilee Industries (S) Pte. Ltd. • EG Industries Berhad • WE Components Pte. Ltd. • A Skin Products Pte. Ltd. • WE Microelectronics Pte. Ltd. • WE Dragon Resources Pte. Ltd. • WE Resources Pte. Ltd. • A Tech Media Pte. Ltd. • Jubilee Industries Holdings Ltd. • Jubilee Industries (S) Pte. Ltd. • E'mold Holding Pte. Ltd. • J Capital Pte. Ltd. • SMT Technologies Sdn Bhd • EG Electronic Sdn Bhd • EG R&D Sdn Bhd • EG Operations Sdn Bhd • EG Global Sdn Bhd • Mastimber Industries Sdn Bhd • WE Components (Penang) Sdn Bhd • Accrelist Aesthetics (KL) Sdn. Bhd. • Accrelist Medical Aesthetics (CM) Pte. Ltd. • Accrelist Medical Aesthetics (Penang) Sdn. Bhd. • Accrelist Medical Aesthetics (BM) Pte. Ltd. • Accrelist Medical Aesthetics (Lot 1) Pte. Ltd. • Accrelist Medical SPA Pte. Ltd. • Accrelist Medical Aesthetics (TPY) Pte. Ltd. • Honfoong Plastic Industries Pte. Ltd. • Singapore Hokkien Huay Kuan	**Past (for the last 5 years)** Director of: • EG Global Sdn. Bhd. • Three-Ten Kelvin Sdn. Bhd. **Present:** Director of: • EG Industries Berhad • Thong Guan Industries Berhad • SMT Technologies Sdn Bhd • EG Electronic Sdn. Bhd. • EG R&D Sdn. Bhd. • EG Operations Sdn. Bhd. • Mastimber Industries Sdn. Bhd. • Glisten Knight Sdn. Bhd. • TM SMT Sdn. Bhd. • KGA Capital Sdn. Bhd. • WE Total Engineering Sdn. Bhd. • Jubilee Industries Holdings Ltd. • Genshine Solutions Pte. Ltd.

[2] Principal Commitments" has the same meaning as defined in the Code and includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations.

Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting

	Mr. Terence Tea Yeok Kian	Mr. Kang Pang Kiang
The general statutory disclosure of the Directors are as follows:		
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c. Whether there is any unsatisfied judgment against him?	No	No
d. Whether there is any unsatisfied judgment against him?	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting

		Mr. Terence Tea Yeok Kian	Mr. Kang Pang Kiang
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting

	Mr. Terence Tea Yeok Kian	Mr. Kang Pang Kiang
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Additional Information on Directors Seeking Re-election at 2020 Annual General Meeting

	Mr. Terence Tea Yeok Kian	Mr. Kang Pang Kiang
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes (a) Mr Tea was involved in an investigation conducted by the Commercial Affairs Department ("CAD") into the alleged irregularities in the financials of SCT Technologies Pte. Ltd., a subsidiary of Advance SCT Limited, where Mr Tea was then a director and Chief Executive Officer. The investigation lasted until around October 2011 and there have been no further follow-up actions by CAD since then. (b) Mr. Tea was requested on 25 February 2020 by the Corrupt Practices Investigation Bureau ("CPIB") to assist in an investigation. The Investigation related to certain expenses incurred and a payment made by Honfoong Plastic Industries Pte. Ltd., a 70% owned subsidiary of the Company, during the Lunar New Year period. Investigations are still ongoing and no formal charges have been made.	No
Any prior experience as a director of a listed company?	Not Applicable. This is a re-election of a Director.	Not Applicable. This is a re-election of a Director.
If yes, please provide details of prior experience.	Not Applicable. This is a re-election of a Director.	Not Applicable. This is a re-election of a Director.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not Applicable. This is a re-election of a Director.	Not Applicable. This is a re-election of a Director.

ACCRELIST LTD.
亚联盛控股公司

2020 Sustainability Report

BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors (the “Board” or “Directors”) of Accrelist Ltd. (the “Company”, “Accrelist”, or “We”, and together with its subsidiary corporations, the “Group”) are pleased to present our third sustainability report. This report sets out our sustainability principles and initiatives that we have put in place to align our operations with our stakeholder’s expectations in the areas of environment, social responsibilities and governance.

In the Financial Year ended 31 March 2020 (“FY2020”), Accrelist’s medical aesthetics segment has gained significant momentum since the Group first acquired the Refresh Laser Clinic network in 2018. We have incorporated two indirect subsidiaries in Malaysia and collaborated with two renowned Korean doctors who would provide training and recommendation for aesthetic equipment and products. In addition, we target to set up clinics in Johor Bahru, Ipoh, Kuala Lumpur, Malaysia, and Vietnam in the near future.

Besides the growth in medical aesthetic clinics, the Company is also expanding our business on clinical skin care products through the development of Original Design Manufacturer (“ODM”) products with advisory and inputs from a Korean dermatologist as well as carry non-ODM skin products which are renowned Korean brands. Both types of products would be sold online, as well as at a retail shop.

As a Group, we place strong emphasis on long-term sustainability and create long-term stakeholder value by observing high governance standards and managing our environmental and social impact proactively. Our stakeholders play an important role in our business and they form the core of our business philosophy. Hence, we continually engage our stakeholders through formal and informal channels to understand their interests and expectations, as well as address the economic and Environmental, Social and Governance (“ESG”) topics that are material to our business and stakeholders. We also strive to keep the impact of our operations on our environment to a minimum and align our business operations to our vision and mission by ensuring our employees are up to date with market knowledge and the necessary technical skills. Due to the COVID-19 pandemic, we have activated our business continuity plan and implemented safety measurements in our offices and clinics to ensure compliance to the regulations and safety for our employees.

As we continue to build on our reputation in the medical aesthetics industry, we remain committed to the consistent review of our business operations and strategies to better serve the needs of our customers and deliver value to all our stakeholders.

In addition, we acknowledge the importance of sustainable development and sustainability issues are part of our consideration in strategic formulation and our Board maintain its role as part of the thought process in determining the material ESG factors and continue to oversee the process of the monitoring of material ESG factors. We hope, with this report, stakeholders will better understand our priorities behind each approach and gain insights to how our business decisions contribute to sustainability in the long run.

Sustainability Report

ABOUT THIS REPORT

This sustainability report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: "Core" option, as well as the Rules 711A and 711B of Listing Manual Section B: Rules of Catalist ("Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST") with references to the guidance set out in SGX-ST's sustainability reporting guide under Practice Note 7F of the Catalist Rules.

We have chosen to report using the GRI Standards for its comprehensive guidelines in reporting sustainability matters. We have applied its principles of accuracy, balance, clarity, comparability, reliability, and timeliness, as well as incorporated the principles of stakeholder inclusiveness, sustainability context, materiality and completeness when preparing this report. We have not sought external assurance for this sustainability report and we rely on internal verifications to ensure the accuracy of this report.

Reporting Boundaries and Standards

- **Materiality**: focusing on issues that (i) impact business growth; and (ii) are of utmost importance to stakeholders;
- **Stakeholder Inclusiveness:** responding to stakeholders' expectations and interests;
- **Sustainability Context**: presenting performance in the wider context of sustainability; and
- **Completeness**: including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Group's performance.

Report Period and Scope

- This sustainability report covers data and information from 1 April 2019 to 31 March 2020 across our Group's operations, which include Medical Aesthetics Business and Electronics and Mechanical Business Units.

Accessibility and Feedback

- We are committed to listening to our stakeholders and we welcome all feedback. Please send your enquiries to: enquiries@weh.sg

SUSTAINABILITY APPROACH

Accrelist recognises that sustainability reporting is critical to our business and long-term value creation. Creating a sustainable positive impact and value for our stakeholders is fundamental to us. Hence, we strive to create long-term growth by consistently enhancing our approach in the communication and management of ESG factors arising from our business operations and build on the sustainability efforts that are integrated into our operations.

Sustainable development is already integrated into the way we conduct our business, which can be seen from our mission and vision statements, as well as business philosophy below.

STAKEHOLDER ENGAGEMENT

Regular engagement with our stakeholders to understand their concerns and emerging priorities helps to provide core inputs for determining areas which are material to focus on. Therefore, we consistently seek to improve our communication channels with all our stakeholders so as to maintain close relationships with our stakeholders as they support us in addressing sustainability challenges. For instance, we have invited our key stakeholders such as bankers, suppliers, media and research analysts to our annual Results Briefing for the past two years to share with them our financial and operations reviews and outlook. This initiative has been put on hold in FY2020 due to the COVID-19 pandemic and we look forward to resume such practice by engaging our stakeholders through virtual platforms whenever possible in the near future.

Stakeholders	Stakeholders Engagement	Stakeholders Expectations
Suppliers	Enquiry and feedback channel	Minimise downtime of technological and structural support
Customers	Frontline interaction at the clinics, enquiry and feedback channel, customer service hotlines	Good quality of services and products, after sales service, fair sales practices
Employees	Induction and orientation program, staff appraisal, internal memo, training	Staff rights and welfare, personal development, good working environment
Investees	Frequent discussions and meetings	Adequate support from funding throughout infancy stage
Investors	Annual meetings, circulars to shareholders	Profitability, transparency, timely reporting
Business Partners through inorganic growth	Frequent discussions and meetings	Partnership for opportunities and inorganic growth through expansions
Government and Regulators	Discussions with government agencies and regulators	Environmental-friendly business approach, compliance with regulations, timely reporting and resolution of issues

IDENTIFYING MATERIAL SUSTAINABILITY TOPICS

With our regular stakeholder engagement and materiality assessments, our Board and management have earlier identified and reviewed these material topics which shaped our sustainability strategy and helped us to set targets with intended outcome and impact. In this sustainability report, we continue to look into the various material topics that were identified and how we have improved our policies and procedures after understanding stakeholders' interests and expectations. This report also addresses the economic and ESG topics that are material to our business and stakeholders, whilst taking into account any pivotal developments within the industry. We will continue to review and re-evaluate our sustainability efforts annually in regard to the material topics to ensure they remain relevant to us.

The following table summarises the details of the material topics discussed in this report based on an assessment of economic, environmental and social impacts as well as the degree of influence they have on our stakeholder assessments and decisions.

Material Topic	Mapped GRI Standards	Description	Key Stakeholders in Concern	Commitments & Targets	Page Reference
1. Economic Performance (economic aspect)	GRI 201 – Economic Performance	Our economic performance, the value generated and distributed to communities where our business operates.	All stakeholders	Continue to generate positive returns to our stakeholders through the expansion of our medical aesthetics business.	Sustainability Report 2020 Section (Page 42)
2. Anti-corruption (economic/ governance aspect)	GRI 205 – Anti-Corruption	Our practices to comply with anti-corruption laws and regulations and to demonstrate our adherence to integrity, governance, and responsible business practices.	All stakeholders	Maintain our zero record in corruption cases and enhance policies such as anti-bribery and gifts declaration in an effort to step up on our anti-corruption practices.	Sustainability Report 2020 Section (Page 43)
3. Employment (social aspect)	GRI 401 – Employment	Our employment practices to retain employees and promote gender equality	Employees, Government and regulators	Increase in the hiring of females to be our aesthetics consultants, and continue cultivating a better working environment, as well as review our employment policies to ensure its relevance	Sustainability Report 2020 Section (Page 44)
4. Socioeconomic Compliance (social aspect)	GRI 419 – Socioeconomic Compliance	Our practices to comply with regulations relating to social and economic aspects	All stakeholders	Maintain the target of zero incidents reported	Sustainability Report 2020 Section (Page 45)

Sustainability Report

ECONOMIC PERFORMANCE

At Accrelist, we believe in creating long-term economic value for all our shareholders and key stakeholders by adopting responsible business practices and growing our business in a sustainable manner.

In FY2020, the Group registered a turnover of S$138.9 million. This was a decrease of S$28.2 million as compared to S$167.1 million for the comparative FY2019. A.M Aesthetics in FY2020 generated a revenue of S$5.0 million for the Group. The Mechanical Business Unit ("MBU") and Electronics Business Unit ("EBU") brought in a total revenue of S$133.8 million, of which MBU contributed S$24.7 million. This was an increase from S$18.7 million in FY2019 to S$24.7 million in FY2020. The increase of revenue was due to the inclusion of full year sales revenue from its newly acquired subsidiary, HonFoong Plastics Industries Pte Ltd. ("HFPL") which counting for 14.0% of total revenue. MBU revenue growth was also driven in part by the significant increase in sales orders from new and existing customers who are relocating their purchases from China due to the trade tensions. Revenue generated from EBU decrease significantly from S$145.0 million in FY2019 to S$109.2 million in FY2020, which was due to the impact of global COVID-19 pandemic and weak global demand as a result of the prolonged trade tariff war between the USA and China, with one of the examples being sanctions against Huawei by the US government, which affected our Chinese customers badly as many of their projects were delayed and resulted in lower demands.

The Company completed the acquisition of Refresh Laser Clinic group of companies on 1 October 2018. With the alignment of the name of the clinics with the Company, the names of the acquired companies have been changed to Accrelist Medical Aesthetics group of companies and now branded as A.M Aesthetics. The Company currently has 5 local medical aesthetic clinics, and given the current success of generating profits, the Company is intending to move into a more premium and up-market region. Coupled with the increasing social acceptance in the Medical Aesthetic Services sector, we are confident that the medical aesthetics field would bring in long-term growth for the Company and its shareholders.

Apart from the above and in line with our expansion strategies overseas, we have incorporated two indirect subsidiaries, Accrelist Medical Aesthetics (Penang) Sdn. Bhd., and Accrelist Aesthetics (KL) Sdn. Bhd., in Malaysia in 2019. We have also set footprints in Korea by collaborating with 2 renowned doctors, who own 5 clinics in Korea, to assist with providing training and recommending state-of-the-art aesthetic equipment and products. Plans are underway to set up clinics in Johor Bahru, Ipoh and a second clinic in Kuala Lumpur, Malaysia by next year, as well as advancing into setting up clinics in Vietnam.

Besides the increase in medical aesthetic clinics, we are expanding our business on clinical skin care products through our subsidiary, A Skin Products Pte. Ltd. ("A Skin"). A Skin would develop ODM products with advisory and inputs from the Korean dermatologist and carry non-ODM skin products which are renowned brands from Korea. A retail shop would be set up for such purposes and the products are also expected to be sold online.

At the time of writing, our business in EBU and MBU segments continue as usual amid the COVID-19 pandemic and there is no material disruption to our supply chain as our key suppliers are big corporations with global presence. For our aesthetics clinics, they were required to shut down during the imposition of public health measures at the countries of operation and were allowed to continue once such measures were lifted.

Moving forward, we hope to maintain and ensure our financial stability and generate positive returns to our stakeholders through the expansion of our medical aesthetics business.

ANTI-CORRUPTION

Anti-corruption is a key component of our Group and we remain committed to maintaining a high standard of corporate governance to protect the interests of all stakeholders, and to promote investors' confidence. We continue to manage our Group's exposure to corruption risks by applying and emphasising good corporate governance, business ethics and transparency while designing robust internal controls in business processes as our core approach. Formation of Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee assists in the execution of the Board's responsibilities. In addition, our Group has a top down approach instilled by our management to our staff emphasising ethical conduct of business and a strict stance against corruption, dishonesty and fraud. In line with our commitment towards the highest standards of corporate governance and code of conduct, our Group has in place the following policies:

- Employees can report any suspicions of non-compliance with regulations, policies, or fraud, to a designated email address that is accessible only by the Independent Directors.
- The AC oversees the administration of the policy and upon receipt of complaints, the AC members will discuss the nature of complaints, the results of the investigation, and follow-up actions if necessary.

- We have an Anti-Money Laundering ("AML") Policy and an external compliance officer who will periodically review and ensure there are no dubious transactions.
- We continue to hold a Remittance License from the Monetary Authority of Singapore ("MAS") and are required to be in compliance with the applicable rules and regulations of MAS.

- We established a Code of Business Conduct that is applicable to all employees including Directors, key management, and officers.
- This code can be found in the handbooks that were distributed to every employee. Expectations on work behaviours can also be found in the handbook.

In February 2020, the Company's Executive Chairman and Managing Director (i.e. Mr. Terence Tea Yeok Kian ("Terence")) together with two other senior management personnel of Jubilee were requested by the Singapore Corrupt Practices Investigation Bureau to assist in investigations relating to certain expenses incurred and a payment made by HFPL. The NC (with Terence recusing himself), with concurrence from the Board, has assessed the situation and is of the view that as the investigations are still on-going and no formal charges have been made against any person, Terence should continue to discharge his responsibilities and duties in the operation of the Group's businesses to ensure business continuity.

In FY2020, there are no reported cases on whistleblowing nor employee misconduct. There are also no reported incidents of non-compliance relating to rules of regulation of MAS and confirmed corruption involving the Company in the reporting period.

We will continue to enhance our corporate governance practices in line with the conduct and growth of our business and to review such practices from time to time. We will also take steps to enhance policies on anti-bribery and gifts declaration in an effort to step up on our anti-corruption practices. We target to maintain our zero record in corruption cases and cultivate an anti-corruption environment and training for our employees.

Sustainability Report

EMPLOYMENT

Our people are key to our Group's long-term growth and success. We want to be an employer that our people are proud to work for. Our recruitment of staff is based solely on merit, without discrimination of race, age, gender, religion or ethnicity. Besides abiding by the Singapore Employment Act, we practise fair employment that is aligned with the tripartite guidelines set by Ministry of Manpower's (MOM), National Trades Union Congress (NTUC) and Singapore National Employers Federation (SNEF). We constantly strive to provide a fair, performance-based work culture that is diverse, inclusive and collaborative.

We empower and invest in equipping our employees with relevant skills and knowledge to help them thrive in this digital age and our highly competitive industry. As such, employees who are interested in attending courses are encouraged to seek their superiors' approval to assess the appropriateness of the courses. We manage our human capital investment by looking after their professional growth and personal well-being during their career with us. Every employee undergoes regular, formal performance and career development reviews, and we encourage leaders to have frequent informal performance conversations with their team members.

In addition, we offer employees competitive remuneration packages that are commensurate with their job responsibilities, performance and experience. Our benefits for full-time employees include basic life insurance and health care which covers disability and invalidity. A medical card is given to all employees, which allows them to visit any of the approved panel clinics and have their medical fees borne by the Company. Business trips are also fully borne by the Company. All employees are entitled to parental leave as well as annual leave. Furthermore, shares may be issued to staff who have met or exceeded their key performance indicators.

New Hires by Age Groups	FY2020	FY2019*	FY2018*
Age 21-30	43	48	20
Age 31-45	48	48	18
Age 46-60	21	6	3
Above 60	5	–	–
Total	**117**	**102**	**41**

	FY2020		FY2019*		FY2018*	
	Female	**Male**	**Female**	**Male**	**Female**	**Male**
Number of Employees	854	982	841	940	278	423
Number of New Hires	61	56	50	52	15	26
Number of Leavers	49	46	50	62	15	29
Turnover Rate	5.7%	4.7%	5.9%	6.6%	5.4%	6.9%

In FY2020, there is no significant change to our approach to hiring, recruitment, retention and employment related practices. We practice optimal use of available labour and talent in different business segments and regions. In view of the Covid-19 pandemic, there was not much impact to our workforce as our employees continue to operate at their respective positions and certain categories of employees start working from home when possible. We target to maintain a low turnover rate in the coming years and we believe that this is testament to our efforts in cultivating an enjoyable, safe, and inclusive working environment where any form of discrimination will be dealt with accordingly. Moving forward, we will continue our efforts in cultivating a better working environment, as well as review our employment policies to ensure its relevance.

* Certain employment statistics for FY2019 and FY2018 have been restated after internal verifications.

SOCIOECONOMIC COMPLIANCE

Accrelist is aware of the potential exposure and resulting penalties of not complying with the laws and regulations related to social and economic aspects such as to run a business with proper licenses, manpower regulations and corporate tax matters, and it is incumbent on us to comply with the applicable laws. We recognise that the failure to comply with local laws and regulations may cause our Group to suffer from reputation damage and loss of business opportunities. Through an established business model that incorporates ethical principles and accountability, our Group is committed to keeping the business sustainable. We ensure that we are fully compliant with applicable laws and regulations.

We continue to hold the Remittance License from MAS to provide e-wallet services and is in compliance with the applicable rules and regulations stipulated by MAS. With the increasing emphasis on physical appearance in society, coupled with the normalisation of plastic surgery and increase in spending power, the market for aesthetics clinics has been flourishing. In addition to the economic benefits, the social benefits of aesthetics field – such as bringing empowerment to women and helping people with facial deformities – also supported our decision to expand our medical aesthetics business.

Strict regulations in the medical field require us to obtain licences before being operational. We are pleased to share that we have obtained Medical Clinic Licence from Ministry of Health for our medical clinics in Bedok Mall, Clementi Mall, Lot One, and Toa Payoh. We have also obtained the necessary licences for our laser and ultrasound machines in our medical clinics. We have also done our due diligence in identifying potential non-compliance areas such as doctors complying with safety procedures – to ensure all needles used are new and proper sanitisation is done before procedures.

Due to the Covid-19 pandemic, the Singapore Government has put forth new rules and regulations such as the implementation of Circuit Breaker (“CB”), and the subsequent Phase 1 and 2 on the reopening of the economy. The EBU was considered as a part of essential services and hence senior management of our EBU attended work during the CB period. Our buyer and customer service departments were split into teams and alternated between working from home and working in office. Our MBU factories in Johor Bahru, Malaysia and Batam, Indonesia. Malaysia had their own Movement Control Order (“MCO”), but we were able to apply for 25% of our workforce to be in the factory. This was later increased to 50%, and eventually all our workers were able to return when the MCO was lifted. Meanwhile, our factory in Batam was not affected and continued as per usual.

As medical aesthetics were not considered essential services, our clinics were closed during the CB period, and were subsequently opened during Phase 2. However, our staff remained in contact with our customers throughout the lockdown period in preparation for the opening in Phase 2. In addition, temperature taking is now compulsory and safe distancing measures are implemented in our offices and clinics.

In FY2020, there were no confirmed cases of non-compliance with relevant laws and regulations that could result in either public allegation of non-compliance or penalties. Our Group adheres to the laws and regulations that are in place by the local authorities, including timely and accurate processing of corporate taxes, employment tax filing, contribution of provident funds, and adhering to labour and employment laws. There was, however, a legal dispute relating to our convertible loan with Singapore Rixin in January 2020, which has since been resolved. Moving forward for FY2021, we hope to maintain the target of zero incidents reported to uphold good governance practice and comply with laws and regulations.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards (2016)	Notes/Page Reference
GENERAL DISCLOSURE	
Organizational Profile	
102-1 Name of the organisation	Accrelist Ltd.
102-2 Activities, brands, products, and services	Corporate Profile, page 1
102-3 Location of headquarters	Corporate Profile, page 1
102-4 Location of operations	Corporate Profile, page 1
102-5 Ownership and legal form	Corporate Profile, page 1
102-6 Markets served	Corporate Profile, page 1
102-7 Scale of the organisation	Corporate Profile, page 1 Financial and Operations Review, page 4 Employment, page 44
102-8 Information on employees and other workers	Employment, page 44
102-9 Supply chain	Corporate Profile, page 1
102-10 Significant changes to the organisation and its supply chain	No significant changes
102-11 Precautionary principle or approach	Accrelist Ltd. does not specifically refer to the precautionary principle
102-12 External initiatives	Corporate Profile, page 1
102-13 Membership of associations	No main memberships of industry or other associations, and national or international advocacy organisations maintained at organisational level
Strategy	
102-14 Statement from senior decision maker	Board Statement on Sustainability, page 37
Ethics and Integrity	
102-16 Values, principles, standards, and norms of behaviour	Sustainability Approach, page 39
Governance	
102-18 Governance structure	Board of Directors, page 6 Corporate Management, page 10
Stakeholder Engagement	
102-40 List of stakeholder groups	Stakeholder Engagement, page 40
102-41 Collective bargaining agreements	Nil
102-42 Identifying and selecting stakeholders	Stakeholder Engagement, page 40
102-43 Approach to stakeholder engagement	Stakeholder Engagement, page 40
102-44 Key topics and concerns raised	Identifying Material Sustainability Topics, page 41
Reporting Practice	
102-45 Entities included in the consolidated financial statements	Notes to Financial Statements – Investments in Subsidiary Corporations, page 94
102-46 Defining report content and topic boundaries	About This Report, page 38
102-47 List of material topics	Identifying Material Sustainability Topics, page 41
102-48 Restatements of information	Certain employment statistics have been restated after internal verifications, page 44
102-49 Changes in reporting	There was no change.
102-50 Reporting period	1 April 2018 to 31 March 2019
102-51 Date of most recent report	11 July 2018
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	About This Report, page 38
102-54 Claims of reporting in accordance with the GRI Standards	About This Report, page 38
102-55 GRI content index	GRI Content Index, page 46
102-56 External assurance	About This Report, page 38

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards (2016)	Notes/ Page Reference
MATERIAL TOPICS	
Economic Performance	
103-1 Explanation of the material topic and its boundaries	Financial and Operations Review, page 4 Economic Performance, page 42
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
201-1 Direct Economic value generated and distributed	
201-2 Financial implications and other risk and opportunities due to climate change	
201-3 Defined benefit plan obligations and other retirement plans	
201-4 Financial assistance received from government	
Anti-Corruption	
103-1 Explanation of the material topic and its boundaries	Anti-Corruption, page 43
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
205-1 Operations assessed for risks related to corruption	
205-2 Communication and training about anti-corruption policies and procedures	
205-3 Confirmed incidents of corruption and actions taken	
Employment	
103-1 Explanation of the material topic and its boundaries	Employment, page 44
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
401-1 New employee hires and employee turnover	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3 Parental leave	
Socioeconomic compliance	
103-1 Explanation of the material topic and its boundaries	Socioeconomic Compliance, page 45
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
419-1 Non-compliance with laws and regulations in the social and economic area	

Financial Contents

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 2020 and the balance sheet of the Company as at 31 March 2020.

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 56 to 135 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 2020 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 (Appointed on 24 December 2019)

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:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
Company	**At 31 March 2020**	At 1 April 2019 or date of appointment, if later	**At 31 March 2020**	At 1 April 2019 or date of appointment, if later
(No. of ordinary shares)				
Mr Terence Tea Yeok Kian	64,436,056	1,264,756,029	2,271,900	30,062,000

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 2020, Mr Terence Tea Yeok Kian's direct and deemed interests of the Company were the same as those as at 31 March 2020.

Directors' interests in shares or debentures (continued)

Performance shares

The Company has 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 is administered by a committee which consists of directors of the Company. The purpose of the ASAS 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 ASAS 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 ASAS is formulated with those objectives in mind. It is hoped that through the ASAS, 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.

There were no performance shares awarded and issued during the financial year.

Share options

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

No shares have been 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)

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 2020 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.

Directors' Statement

The Audit Committee has recommended to the Board that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

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Terence Tea Yeok Kian
Director

....

Ng Li Yong
Director

11 November 2020

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 2020, 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, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2020 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 2020. 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 13(b) to the financial statements)

<u>Area of focus</u>

The Group has recognised goodwill amounting to S$5,890,000 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.

In consideration to the current unprecedented situation caused by the outbreak of coronavirus disease ("COVID-19") 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.

Accordingly, an impairment to goodwill amounting to S$1,942,000 (2019: Nil) has been recognised as at 31 March 2020.

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.

Key Audit Matters (continued)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures were carried out:

- 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 (including the potential impact from COVID-19);
- 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; 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.

During the financial year ended 31 March 2020, the Group recognised revenue of S$133,839,000 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 were carried out:

- 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;
- Evaluated the effectiveness of key controls over sales cycles and performed test of controls to ascertain the reliabilities 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 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.

Other information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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.

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 Mr Titus Kuan Tjian.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

11 **November 2020**

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2020

	Note	2020 S$'000	2019 S$'000
Revenue	4	**138,860**	167,111
Cost of sales		**(127,837)**	(151,361)
Gross profit		**11,023**	15,750
Other (losses)/gains, net	5	**(3,327)**	2,302
Expenses			
- Marketing and distribution		**(1,306)**	(1,610)
- Administrative		**(17,298)**	(14,567)
- Finance	8	**(1,682)**	(1,362)
Share of (loss)/profit of associated companies	15	**(35)**	662
(Loss)/profit before tax		**(12,625)**	1,175
Income tax expense	9(a)	**(282)**	(311)
Net (loss)/profit		**(12,907)**	864
<u>Other comprehensive (loss)/income after tax:</u>			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translating foreign operations	23(a)	**48**	806
Items that will not be reclassified subsequently to profit or loss:			
- Fair value loss on financial assets, at FVOCI (equity instruments)	23(b)	**(495)**	(258)
- Share of associated company's fair value losses on financial asset, at FVOCI	23(b)	**(89)**	(77)
Other comprehensive (loss)/income, net of tax		**(536)**	471
Total comprehensive (loss)/income		**(13,443)**	1,335
Net (loss)/profit attributable to:			
Equity holders of the Company		**(12,012)**	143
Non-controlling interests		**(895)**	721
		(12,907)	864
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(12,544)**	424
Non-controlling interests		**(899)**	911
		(13,443)	1,335
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
- Basic and diluted	10	**(4.30)**	0.052

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

Balance Sheets

As at 31 March 2020

	Note	Group 2020 S$'000	Group 2019 S$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**15,727**	14,060
Intangible assets	13	**13,829**	17,617
Investments in associated companies	15	**9,430**	9,377
Other assets	16	**20**	20
Trade and other receivables	17	**142**	370
Financial assets, at FVOCI	20	**47**	90
Total non-current assets		**39,195**	41,534
Current assets			
Other assets	16	**1,172**	2,028
Trade and other receivables	17	**25,555**	34,365
Inventories	18	**9,375**	20,359
Financial assets, at FVPL	19	**33**	33
Financial assets, at FVOCI	20	**482**	934
Contract assets	4(b)	**342**	–
Cash and cash equivalents	21	**10,635**	7,679
Total current assets		**47,594**	65,398
Total assets		**86,789**	106,932
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	**72,491**	72,491
Accumulated losses		**(45,696)**	(33,684)
Other reserves	23	**1,606**	2,138
		28,401	40,945
Non-controlling interests	14	**13,852**	14,751
Total equity		**42,253**	55,696
Non-current liabilities			
Deferred income tax liabilities	9(b)	**1,269**	1,289
Borrowings	24	**4,530**	1,808
Total non-current liabilities		**5,799**	3,097
Current liabilities			
Borrowings	24	**13,798**	17,931
Trade and other payables	26	**19,920**	26,331
Contract liabilities	4(b)	**2,637**	2,208
Loan payable / convertible loan	27	**1,781**	1,231
Income tax payable		**601**	438
Total current liabilities		**38,737**	48,139
Total liabilities		**44,536**	51,236
Total equity and liabilities		**86,789**	106,932

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

Balance Sheets

As at 31 March 2020

	Note	Company 2020 S$'000	Company 2019 S$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**–**	–
Intangible assets	13	**4**	8
Investments in subsidiary corporations	14	**31,906**	31,865
Investments in associated companies	15	**–**	–
Other assets	16	**20**	20
Total non-current assets		**31,930**	31,893
Current assets			
Other assets	16	**212**	212
Trade and other receivables	17	**9,169**	9,545
Cash and cash equivalents	21	**1,613**	1,555
Total current assets		**10,994**	11,312
Total assets		**42,924**	43,205
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	22	**113,182**	113,182
Accumulated losses		**(76,613)**	(72,444)
Total equity		**36,569**	40,738
Current liabilities			
Trade and other payables	26	**4,574**	1,236
Loan payable/convertible loan	27	**1,781**	1,231
		6,355	2,467
Total liabilities		**6,355**	2,467
Total equity and liabilities		**42,924**	43,205

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2020

	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
2020							
Beginning of financial year		**72,491**	**(33,684)**	**2,138**	**40,945**	**14,751**	**55,696**
Loss for the financial year		**–**	**(12,012)**	**–**	**(12,012)**	**(895)**	**(12,907)**
Other comprehensive loss for the financial year		**–**	**–**	**(532)**	**(532)**	**(4)**	**(536)**
Total comprehensive loss for the financial year		**–**	**(12,012)**	**(532)**	**(12,544)**	**(899)**	**(13,443)**
End of financial year		**72,491**	**(45,696)**	**1,606**	**28,401**	**13,852**	**42,253**
2019							
Beginning of financial year		71,081	(33,827)	1,037	38,291	10,713	49,004
Profit for the financial year		–	143	–	143	721	864
Other comprehensive income for the financial year		–	–	281	281	190	471
Total comprehensive income for the financial year		–	143	281	424	911	1,335
Acquisitions of subsidiary corporations	30	–	–	–	–	947	947
Deemed disposal of subsidiary corporation without a change of control	14	–	–	820	820	2,180	3,000
Issue of new shares	22	1,410	–	–	1,410	–	1,410
End of financial year		72,491	(33,684)	2,138	40,945	14,751	55,696

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2020

	Note	2020 S$'000	2019 S$'000
__Cash flows from operating activities__			
Net (loss)/profit		**(12,907)**	864
Adjustments for:			
Dividend income	5	**(13)**	(9)
Interest income	5	**(27)**	(93)
Remeasurement loss on financial liability	5	**2,769**	–
Fair value gain on a financial liability, at FVPL	5	**–**	(1,151)
Gain from bargain purchase	5	**–**	(1,124)
Loss on disposal of property, plant and equipment	5	**–**	1
Amortisation of intangible assets	6	**1,846**	1,957
Impairment loss on intangible assets	6	**1,942**	14
Inventory write-down	6	**333**	–
Depreciation of property, plant and equipment	6	**2,372**	962
Interest expense	8	**1,682**	1,362
Income tax expense	9(a)	**282**	311
Share of loss/(profit) of associated companies	15	**35**	(662)
Unrealised currency translation differences		**54**	596
		(1,632)	3,028
Change in working capital, net of effects from acquisition of subsidiary corporations:			
Inventories		**10,651**	(3,862)
Trade and other receivables and contract assets		**8,696**	(484)
Other assets		**856**	(466)
Trade and other payables and contract liabilities		**(5,709)**	(8,264)
Cash generated from/(used in) operations		**12,862**	(10,048)
Interest received		**27**	93
Income tax paid		**(139)**	(150)
Net cash flows provided by/(used in) operating activities		**12,750**	(10,105)
__Cash flows from investing activities__			
Additions to property, plant and equipment		**(965)**	(767)
Additions to intangible assets	13	**–**	(49)
Additions to investments in associated companies	15	**(162)**	(342)
Disposal of financial assets, at FVOCI	20	**–**	120
Dividend received		**13**	9
Proceeds from disposal of property, plant and equipment		**–**	6
Net cash flow on acquisitions of subsidiary corporations	30(i)(b)	**–**	(3,228)
Net cash flows used in investing activities		**(1,114)**	(4,251)

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

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2020

	Note	2020 S$'000	2019 S$'000
Cash flows from financing activities			
Principal repayment of borrowings		**(5,101)**	(1,877)
Principal repayment of lease liabilities		**(1,397)**	(32)
Repayment of loan payable/convertible loan		**(2,219)**	–
Issuance of shares by a subsidiary corporation to non-controlling interests		**–**	1,000
Proceeds from borrowings		**2,535**	10,752
Fixed deposits (pledged)/released		**(98)**	1,595
Interest paid		**(1,955)**	(1,042)
Net cash flows (used in)/provided by financing activities		**(8,235)**	10,396
Net increase/(decrease) in cash and cash equivalents		**3,401**	(3,960)
Cash and cash equivalents			
Beginning of financial year		**3,762**	7,746
Effects of exchange rate changes on cash and cash equivalents		**(7)**	(24)
End of financial year	21	**7,156**	3,762

Reconciliation of liabilities arising from financing activities:

	1 April 2019	Proceeds from borrowings	Principal and interest payments	Non-cash changes S$'000				31 March 2020
	S$'000	S$'000	S$'000	Adoption of SFRS(I) 16	Addition during the year	Fair value changes	Interest expense	S$'000
Loan payable/ convertible loan	**1,231**	**–**	**(2,509)**	**–**	**–**	**2,769**	**290**	**1,781**
Lease liabilities	**198**	**–**	**(1,555)**	**2,567**	**521**	**–**	**158**	**1,889**
Borrowings [(a)]	**17,800**	**2,535**	**(6,234)**	**–**	**–**	**–**	**1,133**	**15,234**

	1 April 2018	Proceeds from borrowings	Principal and interest payments	Non-cash changes S$'000				31 March 2019
	S$'000	S$'000	S$'000	Acquisition	Addition during the year	Fair value changes	Interest expense	S$'000
Loan payable/ convertible loan	2,382	–	–	–	–	(1,151)	–	1,231
Lease liabilities	–	–	(35)	–	230	–	3	198
Borrowings [(a)]	5,870	10,752	(2,838)	3,055	–	–	961	17,800

[(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 2020

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

1. General Information

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

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

The principal activities of the subsidiary corporations are described in Note 14 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

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

The preparation of the financial statements in conformity with SFRS(I) 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.

Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Group 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 except for the following:

Adoption of SFRS(I) 16 Leases

<u>When the Group is the lessee</u>

Prior to the adoption of SFRS(I) 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Group's accounting policy on leases after the adoption of SFRS(I) 16 is as disclosed in Note 2.9.

On initial application of SFRS(I) 16, the Group has elected to apply the following practical expedients:

(i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under SFRS(I) 1-17 *Leases* and SFRS(I) INT 104 *Determining whether an Arrangement contains a Lease*, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and

2. Summary of Significant Accounting Policies (continued)

2.1. Basis of Preparation (continued)

Adoption of SFRS(I) 16 Leases (continued)

When the Group is the lessee (continued)

(ii) On a lease-by-lease basis, the Group has:

(a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;

(c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;

(d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and

(e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

For leases previously classified as operating leases on 1 April 2019, the Group has applied the following transition provisions:

(i) On a lease-by-lease basis, the Group chose to measure its ROU assets at amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application (i.e. 1 April 2019).

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 April 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.

(iii) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 April 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 April 2019 are as follows:

	Increase $'000
Property, plant and equipment (Note 11)	2,567
Lease liabilities	2,765

2. Summary of Significant Accounting Policies (continued)

2.1. Basis of Preparation (continued)

Interpretations and amendments to published standards effective in 2019 (continued)

An explanation of the differences between the operating lease commitments previously disclosed in the Group's financial statements as at 31 March 2019 and the lease liabilities recognised in the balance sheet as at 1 April 2019 are as follows:

	S$'000
Operating lease commitments disclosed as at 31 March 2019	2,262
Add: Finance lease liabilities recognised as at 31 March 2019	198
Add: Extension options which are reasonably certain to be exercised	771
Less: Discounting effect using weighted average incremental borrowing rate at a range of 3.86% to 11.06%	(466)
Lease liabilities as at 1 April 2019	2,765

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 units ("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.

2. Summary of Significant Accounting Policies (continued)

2.2 Revenue Recognition (continued)

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

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

The Group manufactures and supplies moulds for manufacturers. As 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 relates less the costs that relate directly to providing the goods and that have not been recognised as expense.

(c) Aesthetic medical services ("AMS")

(i) Rendering of services

The Group renders aesthetic medical services to customers. Revenue is recognised when the services to be provided are completed. Revenue from the provision of package services is recognised upon completion of the series of distinct services rendered over time. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

(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 from financial assets at FVPL is included as part of the net fair value gains or losses in "Other (losses)/gains, net". Interest income from financial assets at amortised cost and FVOCI is recognised using the effective interest rate method.

2. Summary of Significant Accounting Policies (continued)

2.2 Revenue Recognition (continued)

(f) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that 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 (losses)gains, net.

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.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. 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.

2. Summary of Significant Accounting Policies (continued)

2.4 Group Accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions (continued)

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.

When the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference – often referred to as "bargain purchase" – is recognised in profit or loss.

(iii) Disposals

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

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

Please refer to the paragraph "Investments in subsidiary corporations and associated companies" 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.

(c) Associated companies

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

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

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

2. Summary of Significant Accounting Policies (continued)

2.4 Group Accounting (continued)

(c) Associated companies (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

(iii) Disposals

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

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

2.5 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.

2. Summary of Significant Accounting Policies (continued)

2.5 Employee Compensation (continued)

(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. A provision 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.

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.

2.6 Income Taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates position taken in tax returns with respect to situations in which applicable ta regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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.

2. Summary of Significant Accounting Policies (continued)

2.6 Income Taxes (continued)

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.

2.7 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) - net”.

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

2. Summary of Significant Accounting Policies (continued)

2.7 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.

2.8 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.

(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:

	Useful lives
Plant and machinery	5 - 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.

2. Summary of Significant Accounting Policies (continued)

2.8 Property, Plant and Equipment (continued)

(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 - net".

2.9 Leases

The accounting policy for leases before 1 April 2019 is as follows:

When the Group is the lessee:

- Lessee – Finance leases

  Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

  The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

  Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

- Lessee – Operating leases

  Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

  Contingent rents are recognised as an expense in profit or loss when incurred.

The accounting policy for leases from 1 April 2019 is as follows:

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.

2. Summary of Significant Accounting Policies (continued)

2.9 Leases (continued)

The accounting policy for leases from 1 April 2019 is as follows: (continued)

When the Group is the lessee: (continued)

- Right-of-use assets

  The Group recognises 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".

- 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 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 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.

2. Summary of Significant Accounting Policies (continued)

2.10 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.

(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.

2.11 Club Memberships

Club memberships were acquired separately and are measured on initial recognition at cost. The cost of club memberships is the fair value as at the date of acquisition. Subsequent to recognition, club memberships are measured at cost less any accumulated impairment losses.

Club memberships are classified as "Other Assets" with indefinite useful lives as club memberships entitle the member to enjoy the club facilities for lifetime. Since they have indefinite useful lives, they are tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

2.12 Investments in Subsidiary Corporations and Associated Companies

Investments in subsidiary corporations and associated companies 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. Summary of Significant Accounting Policies (continued)

2.13 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.

(b) Other intangible assets
Property, plant and equipment
Investments in subsidiary corporations and associated companies

Other intangible assets, property, plant and equipment and investments in subsidiary corporations and associated companies 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. Summary of Significant Accounting Policies (continued)

2.14 Inventories

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

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.

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

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.

2.15 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.

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

<u>At initial recognition</u>

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.

2. Summary of Significant Accounting Policies (continued)

2.15 Financial Assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables. Depending on the Group's business model for managing the asset and the cash flow characteristics of the asset, the subsequent measurement are as follows:

- 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 or 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 and losses".

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investment 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 gains and losses", 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".

(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. The credit risk note details how the Group determines 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.

2. Summary of Significant Accounting Policies (continued)

2.15 Financial Assets (continued)

(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 an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss is 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.

2.16 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.

2.17 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.

2.18 Fair Value Measurement

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

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

2.19 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.

2. Summary of Significant Accounting Policies (continued)

2.19 Share Capital and Treasury Shares (continued)

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.

2.20 Borrowing Costs

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

2.21 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.

2.22 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 made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised 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.

2.23 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. Summary of Significant Accounting Policies (continued)

2.24 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.

(a) Borrowings

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.

(b) Convertible loans

Convertible loans issued by the Company is classified entirely as financial liabilities designated at fair value through profit or loss as the convertible loan is a hybrid contract carried at fair value. All transaction costs related to financial instruments designated as fair value through profit or loss are expensed as incurred.

Any changes of the fair value as at balance sheet date are recognised in profit and loss.

2.25 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.

2.26 Dividends to Company's shareholders

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

2.27 Derivative Financial Instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

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 2020, the carrying amount of trade receivables relating to the Group's different revenue segments before impairment loss is S$27,243,000 (2019: S$37,747,000).

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.

3. Critical Accounting Estimates, Assumptions and Judgements (continued)

(a) Impairment of trade receivables (continued)

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 33(a) to the financial statements.

(b) Impairment assessment of goodwill

The Group has recognised an impairment charge on its goodwill of S$1,942,000 (2019: Nil) during the financial year which resulted in the carrying amount of goodwill as at 31 March 2020 to reduce to S$3,948,000 (2019: S$5,890,000).

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) Classification of associated company

Judgement is required to determine whether the Group has significant influence over an investee. Management reviews the classification of EG Industries Bhd. ("EG") as an associated company at least annually and also whenever there are any changes to the percentage of shareholdings. The Group is presumed to have significant influence if they hold, directly or indirectly, voting rights of 20% and above but not exceeding 50% of the investee. The Group currently holds 13.77% of the ordinary shares of EG which is less than 20%. Management has assessed that the Group still has significant influence over EG due to the Group's voting power (both through its equity holding and its representation on the Board of EG).

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
2020			
Electronic components distribution business unit ("EBU")			
- United States of America	**2,607**	**–**	**2,607**
- People's Republic of China	**62,090**	**–**	**62,090**
- India	**1,934**	**–**	**1,934**
- Singapore	**10,669**	**–**	**10,669**
- Malaysia	**2,909**	**–**	**2,909**
- Other Asean			
o Indonesia	**336**	**–**	**336**
o Thailand	**9,835**	**–**	**9,835**
o Vietnam	**10,573**	**–**	**10,573**
- Other countries	**8,214**	**–**	**8,214**
	109,167	**–**	**109,167**
Mechanical business unit ("MBU")			
- Singapore	**6,649**	**357**	**7,006**
- Malaysia	**4,420**	**330**	**4,750**
- Indonesia	**11,420**	**172**	**11,592**
- Other countries	**1,214**	**110**	**1,324**
	23,703	**969**	**24,672**
Aesthetics medical services ("AMS")			
- Singapore	**–**	**5,021**	**5,021**
	132,870	**5,990**	**138,860**
2019			
EBU			
- United States of America	7,408	–	7,408
- People's Republic of China	71,037	–	71,037
- India	6,820	–	6,820
- Singapore	21,573	–	21,573
- Malaysia	10,724	–	10,724
- Other Asean			
o Indonesia	582	–	582
o Thailand	8,764	–	8,764
o Vietnam	9,692	–	9,692
- Other countries	8,425	–	8,425
	145,025	–	145,025
MBU			
- Singapore	7,961	563	8,524
- Malaysia	5,648	88	5,736
- Indonesia	4,118	–	4,118
- Other countries	57	231	288
	17,784	882	18,666
AMS			
- Singapore	–	3,420	3,420
	162,809	4,302	167,111

4. Revenue from Contracts with Customers (continued)

(b) Contract assets and liabilities

	Group	
	2020	2019
	S$'000	S$'000
Contract assets		
- MBU contracts	**342**	–
Contract liabilities		
- AMS contracts	**2,637**	2,208

Contract assets relate to MBU contracts increased as the Group provided more services and transferred more goods ahead of the agreed payment schedule. 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.

Revenue recognised in the financial year ended 31 March 2020 amounted to S$2,208,000 (2019: S$ Nil) were included in contract liabilities at beginning of the financial year.

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 March 2020 and 2019 may be recognised as revenue in the reporting periods 2021 and 2020, respectively.

5. Other (Losses)/Gains, net

	Group	
	2020	2019
	S$'000	S$'000
Impairment loss on trade and other receivables (Note 17)	**(1,060)**	(306)
Bad debts written off – trade and other receivables	**(5)**	(15)
Sale of scrap and other materials	**110**	99
Gain from bargain purchase (Note 30(c))	**–**	1,124
Dividend income from financial assets, at FVOCI	**13**	9
Foreign exchange gains/(losses) – net	**79**	(34)
Loss on disposal of property, plant and equipment	**–**	(1)
Fair value gain on a financial liability, at FVPL	**–**	1,151
Remeasurement loss on financial liability	**(2,769)**	–
Government grants		
- Productivity and Innovation Credit bonus	**–**	1
- Wage Credit Scheme	**16**	18
- Special Employment Credit	**4**	11
- Temporary Employment Credit	**–**	4
Interest income from bank deposits	**27**	93
Miscellaneous income	**258**	148
	(3,327)	2,302

6. Expenses by Nature

	Group 2020 S$'000	Group 2019 S$'000
Purchase of inventories	**105,897**	148,428
Amortisation of intangible assets (Note 13)	**1,846**	1,957
Depreciation of property, plant and equipment (Note 11)	**2,372**	962
Directors' fee: - directors of the company	**64**	105
- directors of subsidiary corporation	**159**	159
Commission expense	**471**	750
Donations	**36**	26
Employee compensation (Note 7)	**14,531**	11,866
Fees on audit services paid/payable to:		
- Auditor of the company	**313**	295
- Other auditors*	**29**	31
Fees on non-audit services paid/payable to auditor of the company	**18**	33
Freight charges	**629**	649
Inventory write-down (Note 18)	**333**	–
Impairment loss on intangible assets (Note 13)	**1,942**	14
Packing materials	**79**	73
Professional fees	**771**	1,147
Rental expense (Note 12(d))	**179**	969
Travelling, transportation and equipment	**624**	745
Utilities	**2,130**	1,576
Workshop repairs and maintenance	**866**	661
Other expenses	**2,501**	2,474
Changes in inventories	**10,651**	(5,382)
Total cost of sales, marketing and distribution and administrative expenses	**146,441**	167,538

* Includes the member firms of Nexia International network

7. Employee Compensation

	Group 2020 S$'000	Group 2019 S$'000
Employee compensation including directors:		
- Salaries, bonuses and other short-term benefits	**12,854**	10,461
- Employer's contributions to defined contribution plans including Central Provident Fund	**862**	852
- Defined benefits (Note 26)	**387**	9
- Other short-term benefits	**428**	544
	14,531	11,866

8. Finance Expenses

	Group	
	2020	2019
	S$'000	S$'000
Interest expense:		
– loan payable/convertible loan	**290**	320
– bank overdraft	**101**	78
– bank loans	**1,074**	887
– loan from a related party	**59**	74
– lease liabilities (Note 12(c))	**158**	3
	1,682	1,362

9. Income Taxes

(a) Income tax expense

	Group	
	2020	2019
	S$'000	S$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
- Singapore	**45**	326
- Foreign	**119**	36
	164	362
- Deferred income tax	**(20)**	(276)
Under provision in prior years:		
- Current income tax	**138**	225
	282	311

9. Income Taxes (continued)

(a) Income tax expense (continued)

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

	Group	
	2020	2019
	S$'000	S$'000
(Loss)/profit before tax	**(12,625)**	1,175
Share of loss/(profit) of associated companies, net of tax	**35**	(662)
(Loss)/profit before tax and share of loss/(profit) of associated companies	**(12,590)**	513
Income tax (credit)/expense at the statutory rate	**(2,140)**	87
Expenses not deductible for tax purposes	**2,237**	841
Income not subjected to tax	**(1,087)**	(718)
Effect of different tax rates in different countries	**54**	(2)
Deferred tax assets not recognised	**1,261**	536
Utilisation of previously unrecognised capital allowances and tax losses	**(152)**	(442)
Under provision of tax in prior years	**138**	225
Tax incentive	**(37)**	(185)
Others	**8**	(31)
Tax credit	**282**	311

(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	
	2020	2019
	S$'000	S$'000
Deferred tax liabilities	**1,269**	1,289

Movement in deferred income tax liabilities account is as follows:

	Group	
	2020	2019
	S$'000	S$'000
Fair value gains, net:		
Beginning of financial year	**1,289**	1,424
Acquisition of subsidiary corporation (Note 30(c))	**–**	141
Credited to profit or loss	**(20)**	(276)
End of financial year	**1,269**	1,289

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$70,443,000 S$3,178,000 and S$131,000 (2019: S$63,857,000, S$3,076,000 and S$154,000), 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 amounted to approximately S$10,438,000 and S$109,000 (2019: S$11,594,000 and S$108,000) which can only be carried forward up to 5 and 7 years respectively.

10. (Loss)/earnings Per Share

Basic and diluted (loss)/earnings per share

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

	2020 **S$'000**	2019 S$'000
Net (loss)/profit for the year attributable to the equity holders of the Company (S$'000)	**(12,012)**	143
Weighted average number of equity shares issued ('000)	**279,142**	272,132[a]
Basic and diluted (loss)/earnings per share (in $ cents)	**(4.30)**	0.052[a]

[a] Due to the share consolidation during the financial year as disclosed in Note 22 of these financial statements, the comparative weighted average number of ordinary shares and earnings per share have been restated.

There were no potential dilutive ordinary shares for the financial years ended 31 March 2020 and 2019.

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
Cost:									
At 1 April 2018	1,272	337	336	32	236	6,395	–	–	8,608
Currency translation differences	(127)	(1)	(14)	(5)	(29)	–	–	–	(176)
Additions	377	102	108	6	174	–	230	–	997
Acquisition of subsidiary corporation (Note 30(c))	724	19	49	1	241	5,720	78	–	6,832
Disposals	(10)	(15)	(5)	–	(55)	–	–	–	(85)
At 31 March 2019	2,236	442	474	34	567	12,115	308	–	16,176
Adoption of SFRS(I) 16 (Note 2.1)	–	–	–	–	–	–	–	2,567	2,567
At 1 April 2019	2,236	442	474	34	567	12,115	308	2,567	18,743
Currency translation differences	**(101)**	**(2)**	**(12)**	**(4)**	**(23)**	**–**	**–**	**(1)**	**(143)**
Additions	**242**	**217**	**30**	**19**	**261**	**–**	**717**	**–**	**1,486**
Disposal	**(147)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(147)**
Write-off	**–**	**–**	**(102)**	**–**	**(46)**	**–**	**–**	**–**	**(148)**
At 31 March 2020	**2,230**	**657**	**390**	**49**	**759**	**12,115**	**1,025**	**2,566**	**19,791**

11. **Property, Plant and Equipment** (continued)

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
Accumulated depreciation:									
At 1 April 2018	641	253	227	24	126	117	–	–	1,388
Currency translation differences	(120)	(1)	(14)	(5)	(16)	–	–	–	(156)
Depreciation charge (Note 6)	363	76	61	5	71	376	10	–	962
Disposals	(3)	(14)	(5)	–	(56)	–	–	–	(78)
At 31 March 2019	881	314	269	24	125	493	10	–	2,116
Currency translation differences	**(93)**	**(1)**	**(11)**	**(4)**	**(21)**	**–**	**–**	**1**	**(129)**
Depreciation charge (Note 6)	**409**	**55**	**88**	**8**	**188**	**474**	**109**	**1,041**	**2,372**
Disposal	**(147)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(147)**
Written off	**–**	**–**	**(102)**	**–**	**(46)**	**–**	**–**	**–**	**(148)**
At 31 March 2020	**1,050**	**368**	**244**	**28**	**246**	**967**	**119**	**1,042**	**4,064**
Net book value:									
At 31 March 2019	1,355	128	205	10	442	11,622	298	–	14,060
At 31 March 2020	**1,180**	**289**	**146**	**21**	**513**	**11,148**	**906**	**1,524**	**15,727**

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(a).

Bank loans are secured on leasehold property of the Group with carrying amount of S$11,148,000 (2019: S$11,622,000) (Note 24(a)).

Included within additions in 2019 Group's financial statements are medical equipment acquired under finance lease amounting to S$230,000.

The carrying amounts of medical equipment and motor vehicles held under finance lease as at 31 March 2019 are S$220,000 and S$70,000 respectively.

Company	Plant and machinery S$'000
Cost:	
At 1 April 2018, 31 March 2019 and 2020	**245**
Accumulated depreciation:	
At 1 April 2018	208
Depreciation charge	37
At 31 March 2019 and 2020	**245**
Net book value:	
At 31 March 2019 and 2020	**–**

12. Leases – The Group 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.

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

	31 March 2020 S$'000
Building premises	**1,524**
Motor vehicles	**256**
Medical equipment	**411**
	2,191

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

(b) Depreciation charge during the year

	2020
	S$'000
Building premises	**1,041**
Motor vehicles	**30**
Medical equipment	**42**
	1,113

(c) Interest expense

Interest expense on lease liabilities (Note 8)	**158**

(d) Lease expense not capitalised in lease liabilities

Lease expense – short-term leases	**30**
Lease expense – low-value leases	**85**
Variable lease payments which do not depends on an index or rate	**64**
	179

(e) Total cash outflow for all the leases in 2019 was S$1,734,000.

(f) Addition of ROU assets during the financial year 2019 was S$521,000.

(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 option. 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.

13. Intangible Assets

	Group		**Company**	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Computer software (Note a)	**48**	74	**4**	8
Distribution rights (Note a)	**3,554**	4,505	**–**	–
Customer relationship (Note a)	**6,279**	7,148	**–**	–
Goodwill (Note b)	**3,948**	5,890	**–**	–
	13,829	17,617	**4**	8

13. Intangible Assets (continued)

(a) Computer software, distribution rights and customer relationships

Group	Computer software S$'000	Distribution rights S$'000	Customer relationships S$'000	Total S$'000
Cost:				
At 1 April 2018	229	6,587	8,865	15,681
Additions	49	–	–	49
At 31 March 2019 and 2020	**278**	**6,587**	**8,865**	**15,730**
Accumulated amortisation and impairment losses:				
At 1 April 2018	139	1,062	831	2,032
Amortisation charge (Note 6)	51	1,020	886	1,957
Impairment loss	14	–	–	14
At 31 March 2019	204	2,082	1,717	4,003
Amortisation charge (Note 6)	**26**	**951**	**869**	**1,846**
At 31 March 2020	**230**	**3,033**	**2,586**	**5,849**
Net book value:				
At 31 March 2019	74	4,505	7,148	11,727
At 31 March 2020	**48**	**3,554**	**6,279**	**9,881**

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

Company	Computer software S$'000
Cost:	
At 1 April 2018	32
Addition	8
At 31 March 2019 and 2020	**40**
Accumulated amortisation:	
At 1 April 2018	32
Amortisation charge	*
At 31 March 2019	32
Amortisation charge	**4**
At 31 March 2020	**36**
Net book value:	
At 31 March 2019	8
At 31 March 2020	**4**

** Amount less than S$1,000.*

13. Intangible Assets (continued)

(b) Goodwill

	Group	
	2020	**2019**
	S$'000	**S$'000**
Cost:		
Beginning of financial year	**5,890**	–
Acquisition of subsidiary corporations	**–**	5,890[a]
End of financial year	**5,890**	5,890
Accumulated impairment:		
Beginning of financial year	**–**	–
Impairment loss (Note 6)	**1,942**	–
End of financial year	**1,942**	–
Net book value	**3,948**	5,890

(a) Acquisition of Aesthetics Medical Group (Note 30 (c))

The initial Purchase Price Allocation ("PPA") to identifiable assets acquired were not completed as at 31 March 2019. The PPA was completed on 3 July 2019 and there were no significant adjustment required for the identifiable assets acquired. The goodwill of S$5,890,000 is allocated to aesthetics medical services segment where the operations are held in Singapore as follows:

	Group	
	2020	2019
	S$'000	S$'000
Accrelist Medical Aesthetics (BM) Pte. Ltd.	**1,647**	1,647
Accrelist Medical Aesthetics (Lot1) Pte. Ltd.	**1,516**	1,516
Accrelist Medical Aesthetics (TPY) Pte. Ltd.	**785**	1,967
Accrelist Medical SPA Pte. Ltd.	**–**	760
	3,948	5,890

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 expectation on consumer reaction towards the new normal caused by 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 using terminal growth rate of 0%. 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.

In the previous financial year, the Group has not performed any impairment assessment on this acquisition as the initial allocation of goodwill has not been completed. Furthermore, there are no internal and external triggering events that indicate an impairment of goodwill.

13. Intangible Assets (continued)

Key assumptions used for value-in-use calculations:

	2020
	%
Growth rate [1]	Nil
Discount rate [2]	11.6

[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 financial year, the Group recognised impairment loss on goodwill amounting to S$1,942,000. It was allocated to Accrelist Medical SPA CGU and Accrelist Medical Aesthetics (TPY) CGU amounting to S$760,000 and S$1,182,000 respectively. The impairment loss is recognised in "Administrative expense" in profit or loss.

The Group believes that a reasonably possible change of discount rate or growth rate by 1% is not likely to result in any additional material impairment loss.

14. Investments in Subsidiary Corporations

	Company	
	2020	2019
	S$'000	S$'000
Equity investments at cost	38,085	37,985
Less: Allowance for impairment	(6,179)	(6,120)
Net book value	31,906	31,865
Movements during the financial year:		
- Beginning of financial year	31,865	28,812
- Additions (Note (a))	100	3,350
- Impairment charge (Note (b))	(59)	(297)
- End of financial year	31,906	31,865
Movements in allowance for impairment:		
- Beginning of financial year	6,120	5,823
- Impairment charge	59	297
- At end of the financial year	6,179	6,120

14. Investments in Subsidiary Corporations (continued)

Notes:

(a) Additions

2020

On 15 October 2019, the Company's wholly owned subsidiary corporation, Accrelist Crowdfunding Pte. Ltd issued additional 100,000 shares for a consideration of S$100,000.

2019

On 13 April 2018, the Company's wholly owned subsidiary corporation, WE Crowdfunding Pte. Ltd issued additional 50,000 shares for a consideration of S$50,000.

On 1 October 2019, the Company acquired 100% equity interest in four aesthetic medical clinics, namely Accrelist Medical Aesthetics (BM) Pte. Ltd., Accrelist Medical Aesthetics (LOT1) Pte. Ltd., Accrelist Medical Aesthetics (SPC) Pte. Ltd., Accrelist Medical Aesthetics (TPY) Pte. Ltd., collectively known as Aesthetics Medical Group ("AMG") for total consideration of S$3,250,000.

On 15 October 2018, the Company's wholly owned subsidiary corporation, WE Crowdfunding Pte. Ltd issued additional 50,000 shares for a consideration of S$50,000.

(b) Impairment charge

2020

During the financial year ended 31 March 2019, the Company has impaired the investment in Accrelist Crowdfunding Pte Ltd amounting to S$59,000.

2019

In 2019, the Company has impaired the investment in Accrelist Crowdfunding Pte Ltd and Accrelist A.I. Tech Pte. Ltd. amounting to S$97,000 and S$200,000 respectively.

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	
	2020	2019	**2020**	2019	**2020**	2019
	%	%	**%**	%	**%**	%
Held by the Company						
WE Components Sdn Bhd (b) Malaysia Distributor and representative of electronic components and systems and equipment	**85**	85	**85**	85	**15**	15
A Skin Products Pte Ltd (fka WE Systems Pte Ltd) (a) Singapore Retail sale of pharmaceutical and medical goods	**100**	100	**100**	100	**–**	–
WesCal Electronics Trading (Shanghai) Co., Ltd (f) People's Republic of China Distributor and representative of electronic components and systems and equipment	**100**	100	**100**	100	**–**	–
WE Electronics Co., Ltd (f) 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	**–**	–
WE Resources Pte Ltd (a) Singapore Iron ore and coal trading	**100**	100	**100**	100	**–**	–
WE Resources Sdn. Bhd. (b) Malaysia Iron ore and coal trading	**100**	100	**100**	100	**–**	–
Plexus Electronics Inc. (f) United States of America Distributor and representative of electronic components and systems and equipment	**100**	100	**100**	100	**–**	–
WE Technology (HK) Ltd (f) Hong Kong Distributor and representative of electronic components and systems and equipment	**100**	100	**100**	100	**–**	–

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	
	2020	2019	**2020**	2019	**2020**	2019
	%	%	**%**	%	**%**	%
Held by the Company (continued)						
WE Resources (Cambodia) Co. Ltd. [f] Cambodia Iron ore and coal trading	**100**	100	**100**	100	**–**	–
Accrelist Crowdfunding Pte. Ltd. [a] Singapore Financial services	**100**	100	**100**	100	–	–
A Tech Media Pte Ltd (fka Accrelist A.I. Tech Pte. Ltd.) [a] Singapore E-wallet services	**100**	100	**100**	100	–	–
Accrelist Medical Aesthetics (BM) Pte. Ltd. [a] Singapore Aesthetic medical	**100**	100	**100**	100	–	–
Accrelist Medical Aesthetics (LOT1) Pte. Ltd. [a] Singapore Aesthetic medical	**100**	100	**100**	100	–	–
Accrelist Medical SPA Pte. Ltd. (fka Accrelist Medical Aesthetics (SPC) Pte. Ltd.) [a] Singapore Aesthetic medical	**100**	100	**100**	100	–	–
Accrelist Medical Aesthetics (TPY) Pte. Ltd. [a] Singapore Aesthetic medical	**100**	100	**100**	100	–	–
Jubilee Industries Holdings Ltd. ("Jubilee") [a] Singapore Investment holding	**65.8**	65.8	**–**	–	34.2	34.2
Held through Accrelist Medical Aesthetics (BM) Pte. Ltd.						
Accrelist Medical Aesthetics (CM) Pte. Ltd. [f] [g] Singapore Aesthetic medical	–	–	**100**	100	–	–
Accrelist Medical Aesthetics (KL) Sdn. Bhd. [f] [g] Malaysia Aesthetic medical	–	–	**100**	100	–	–
Accrelist Medical Aesthetics (Penang) Sdn. Bhd. [f] [g] Malaysia Aesthetic medical	–	–	**100**	100	–	–

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	
	2020	2019	**2020**	2019	**2020**	2019
	%	%	**%**	%	**%**	%
Held through Jubilee						
Jubilee Industries (S) Pte Ltd [(a)] Singapore Manufacturer and dealer precision plastic and metal mould	**–**	–	**65.8**	65.8	**34.2**	34.2
E'mold Holding Pte Ltd [(a)] Singapore Investment holding	**–**	–	**65.8**	65.8	**34.2**	34.2
J Capital Pte Ltd [(a)] Singapore Investment holding	–	–	**65.8**	71.9	**34.2**	28.1
WE Components Pte Ltd [(a)] Singapore Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
WE Total Engineering Sdn Bhd [(d)] Malaysia Manufacturer and dealer of precision plastic and metal mould	–	–	**65.8**	71.9	**34.2**	28.1
E'Mold Manufacturing (Kunshan) Co. Ltd [(f)] People's Republic of China Manufacturer and dealer of precision plastic and metal mould	–	–	**65.8**	71.9	**34.2**	28.1
WE Components (Shanghai) Co Ltd [(b)] (Audited by Shangzi Certified Public Accountants Co., Ltd) People's Republic of China Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
WE Components Co Ltd [(b)] (Audited by BZY Audit (Thailand) Limited) Thailand Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
WE Components (Hong Kong) Limited [(e)] Hong Kong Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
WE Components (Shenzhen) Co Ltd [(f)] People's Republic of China Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1

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	
	2020	2019	**2020**	2019	**2020**	2019
	%	%	**%**	%	**%**	%
Held through Jubilee (continued)						
Kin Wai Technology Ltd [f] British Virgin Islands Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
WE Microelectronics Pte Ltd [a] Singapore Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
WE Components (Penang) Sdn Bhd [b] (Audited by Moore Stephens Associates PLT) Malaysia Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
WE Components India Pvt Ltd [b] (Audited by Arts & Co) India Trading in electronic components	–	–	**65.8**	71.9	**34.2**	28.1
Honfoong Plastic Industries Pte. Ltd. [a] Singapore Manufacturer and dealer of precision plastic and metal mould	–	–	**46.0**	46.0	**54.0**	54.0
PT Honfoong Plastic Industries [h] Indonesia Manufacturer and dealer of precision plastic and metal mould	–	–	**46.0**	46.0	**54.0**	54.0

[a] Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.
[b] Audited by other independent auditors other than member firms of Nexia International. Their names are indicated as above.
[c] Audited by Nexia TS Public Accounting Corporation, Singapore for consolidation purposes.
[d] Audited by SSY Partners Chartered Accountants, Malaysia, a member firm of Nexia International. For the purpose of preparing consolidated financial statements, financial statements of WE Total Engineering Sdn Bhd have been audited by Nexia TS Public Accounting Corporation.
[e] Audited by Fan Chan & Co, a member firm of Nexia International.
[f] The subsidiary corporation is dormant and is not significant to the Group.
[g] Incorporated during the financial year.
[h] Audited by Nexia KPS – Kanaka Puradiredja, Suhartono, a member firm of Nexia International for local statutory audit purpose. For the purpose of preparing the consolidated financial statements, financial statements of PT Honfoong Plastic Industries have been audited by Nexia TS Public Accounting Corporation.

14. Investments in Subsidiary Corporations (continued)

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 certain of 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$934,000 (2019: S$489,000) 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

	2020	2019
	S$'000	S$'000
Jubilee Industries Holdings Ltd. ("Jubilee")	**13,829**	14,728
WE Components Sdn. Bhd. (with immaterial non-controlling interests)	**23**	23
	13,852	14,751

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.

There were no transactions with non-controlling interests for the financial years ended 31 March 2020 and 2019.

Summarised balance sheet

	Jubilee Group	
	2020	2019
	S$'000	S$'000
Current		
Assets	**55,473**	65,804
Liabilities	**(36,167)**	(44,776)
Total current net assets	**19,306**	21,028
Non-current		
Assets	**20,599**	21,018
Liabilities	**(2,335)**	(162)
Total non-current net assets	**18,264**	20,856
Net assets	**37,570**	41,884

14. Investments in Subsidiary Corporations (continued)

Summarised statement of comprehensive income

	Jubilee Group	
	2020	2019
	S$'000	S$'000
Revenue	**133,839**	163,691
(Loss)/profit before income tax	**(3,586)**	3,342
Income tax expense	**(260)**	(463)
Net (loss)/profit	**(3,846)**	2,879
Other comprehensive (loss)/income	**(468)**	556
Total comprehensive (loss)/income	**(4,314)**	3,435
Total comprehensive (loss)/income allocated to non-controlling interests	**(899)**	915

Summarised cash flows

	Jubilee Group	
	2020	2019
	S$'000	S$'000
Net cash provided by/(used in) operating activities	**8,729**	(13,201)
Net cash used in investing activities	**(333)**	(2,301)
Net cash (used in)/provided by financing activities	**(4,870)**	11,723

Deemed disposal of interests in a subsidiary corporation

On 16 May 2018, the Group's subsidiary corporation, Jubilee, allotted and issued 30,030,000 Placement Shares to an individual at S$1,000,000. Following the completion of the Placement Shares, the Group's equity interest in Jubilee decreased from 71.9% to 69.64% as at 16 May 2018. The carrying amount of the non-controlling interests in Jubilee on the date of disposal was net assets of S$9,835,000 (representing 28.11% interest). The net assets represent Jubilee's financial position before the completion of the Placement Shares. This resulted in an increase in non-controlling interests of S$787,000 and an increase in equity attributable to owners of the Company of S$213,000.

On 31 July 2018, the Group's subsidiary corporation, Jubilee, allotted and issued 55,555,555 ordinary shares to Honfoong Plastic Industries Pte. Ltd. ("Honfoong") for the acquisition of 70% equity interest in Honfoong. Following the completion of the acquisition, the Group's equity interest in Jubilee decreased from 69.64% to 65.82% as at 31 July 2018. The carrying amount of the non-controlling interests in Jubilee on the date of disposal was net assets of S$11,069,000 (representing 30.36% interest). The net assets represent Jubilee's financial position before the completion of the Placement Shares. This resulted in an increase in non-controlling interests of S$1,393,000 and an increase in equity attributable to owners of the Company of S$607,000.

14. Investments in Subsidiary Corporations (continued)

Deemed disposal of interests in a subsidiary corporation (continued)

The effect of changes in the ownership interest in Jubilee on the equity attributable to owners of the Company during the financial year is summarised as follows:

	Group
	2019
	S$'000
Carrying amount of interests in a subsidiary corporation disposed of	(2,180)
Deemed consideration received from non-controlling interests	3,000
Increase in equity attributable to owners of the Company	820

15. Investments in Associated Companies

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Equity investments at cost			**58**	58
Less: Impairment loss			**(58)**	(58)
			–	–
Movements during the financial year:				
Beginning of financial year	**9,377**	8,242		
- Currency translation differences	**–**	(1)		
- Additions (Note (a))	**162**	342		
- Share of (loss)/profit of associated companies, net	**(35)**	662		
- Share of other comprehensive (loss)/income of associated companies	**(74)**	132		
End of financial year	**9,430**	9,377		

Note:

(a) On 3 December 2019, the Company's wholly-owned subsidiary, Accrelist Medical Aesthetics (BM) Pte. Ltd. has acquired 49% of the issued and paid-up capital of Ozhean Accrelist Aesthetics Sdn. Bhd. ("Ozhean") for a total cash consideration of approximately S$162,000 (equivalent to RM490,000).

During the financial year ended 31 March 2019, the Group acquired 2,005,000 ordinary shares of the associated company, EG Industries Berhad, for a cash consideration of S$342,000.

15. Investments in Associated Companies (continued)

Set out below are the associated companies of the Group as at 31 March 2020 and 2019.

Name of Company, Country of Incorporation, Place of Operations and Principal Activities	% of ownership interest	
	2020	2019
	%	%
<u>Held by the Company</u>		
Syntax-Olevia (Far East) Pte Ltd [(a)]	**20.00**	20.00
Singapore		
Distributor and representative of LCD TV		
<u>Held through Jubilee</u>		
EG Industries Berhad ("EG") [(b)]	**13.77**	13.96
Malaysia		
Provision of electronics manufacturing services for electronics, electrical, telecommunications and automotive industries product		
<u>Held through Accrelist Medical Aesthetics (BM) Pte. Ltd.</u>		
Ozhean Accrelist Aesthetics Sdn. Bhd. [(a)]	**49**	–
Malaysia		
Aesthetic medical		

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

(b) Audited by UHY Chartered Accountants, Malaysia.

The Group's investment in EG amounting to S$8,836,000 (2019: S$5,905,000) 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 is prohibited from disposing of this investment or subjecting it to further charges without furnishing a replacement security of similar value.

During the financial year ended 31 March 2020, certain RCPS holders of EG Industries Berhad ("EG") converted the RCPS to ordinary shares. The Company did not convert its RCPS and as a result, the ownership interest has diluted from 13.96% to 13.77%. The deemed loss on dilution of interest of the Group is insignificant. The Group accounts for its investment in EG as an associated company although the Group holds less than 20% of the issued shares of EG as the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding held by the Group and executive chairman, and its representation on the Board of EG).

As at 31 March 2020, the fair value based on the quoted price of the Group's interest in EG, which is listed on the Bursa Malaysia Securities Berhad, was S$3,174,000 (2019: S$5,793,000). The fair value measurement is classified within Level 1 of the fair value hierarchy. Although the fair value of the investment in associated company is lower than its carrying amount, management is of the view that no impairment assessment is required as EG is held for long-term investment and it is unlikely that its recoverable amount would be lower than the carrying amount in view of the positive performance of EG in the current financial year and their recent trend of improving financial results.

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

15. Investments in Associated Companies (continued)

The summarised financial information in respect of EG, based on its financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	EG	
	2020	2019
	S$'000	S$'000
Current assets	**200,605**	158,112
Current liabilities	**(185,935)**	(118,867)
Non-current assets	**96,683**	74,003
Non-current liabilities	**(3,366)**	(3,666)
Net assets	**107,987**	109,582

Summarised statement of comprehensive income

	EG	
	2020	2019
	S$'000	S$'000
Revenue	**346,922**	327,230
Profit before income tax	**828**	4,722
Income tax expense	**(185)**	(14)
Net profit	**643**	4,708
Other comprehensive (loss)/income	**(523)**	948
Total comprehensive income	**120**	5,656

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

15. Investments in Associated Companies (continued)

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

	EG	
	2020	2019
	S$'000	S$'000
Net assets	**107,987**	109,582
Interest in associated company (2020: 13.77%; 2019: 13.96%)	**14,870**	15,398
Fair value adjustment	**(3,262)**	(3,262)
Effect of changes in equity	**(1,753)**	(1,753)
Effect of additional investment in associated company	**(1,140)**	(1,140)
Other adjustment	**677**	134
Carrying value of Group's interest in EG	**9,392**	9,377

	2020	2019
	S$'000	S$'000
Carrying value of Group's interest in EG (as above)	**9,392**	9,377
Add: Carrying value of individually immaterial associated companies, in aggregate	**38**	–
Carrying value of Group's interest in associated companies	**9,430**	9,377

Fair value adjustment, inclusive of currency adjustments, pertains to the gain from bargain purchase derived from business combination.

16. Other Assets

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Current				
Deposits	**1,036**	1,605	**212**	212
Prepayments	**136**	423	**–**	–
	1,172	2,028	**212**	212
Non-current				
Club membership	**20**	20	**20**	20

17. Trade and Other Receivables

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Current				
Trade receivables:				
Non-related parties	**25,995**	34,469	**–**	–
Less: Loss allowance	**(3,161)**	(2,252)	**–**	–
Related parties	**1,248**	278	**–**	–
	24,082	32,495	**–**	–
Other receivables:				
Subsidiary corporations	**–**	–	**10,687**	10,191
Less: Loss allowance	**–**	–	**(1,636)**	(1,601)
Related parties	**–**	102	**–**	–
Advance to suppliers	**504**	647	**–**	–
Other receivables – non-related parties [(1)]	**5,006**	5,134	**118**	30
Less: Loss allowance	**(4,037)**	(4,013)	**–**	–
Loan to a subsidiary corporation	**–**	–	**–**	925
	1,473	1,870	**9,169**	9,545
	25,555	34,365	**9,169**	9,545
Non-current				
Other receivables – non-related party [(2)]	**142**	370	**–**	–

(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 monthly instalments.

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

The loan to a subsidiary corporation was unsecured with interest of 5% per annum and was repaid on 6 October 2019.

17. Trade and Other Receivables (continued)

The movement of the loss allowance is as follows:

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Trade receivables:				
Beginning of financial year	**2,252**	2,059	**–**	–
Foreign exchange adjustments	**5**	16	**–**	–
Charged to profit or loss (Note 5)	**904**	177	**–**	–
End of financial year (Note 33(a))	**3,161**	2,252	**–**	–
Other receivables:				
Beginning of financial year	**4,013**	3,878	**1,601**	940
Foreign exchange adjustments	**(132)**	6	**–**	–
Charged to profit or loss (Note 5)	**156**	129	**35**	661
End of financial year	**4,037**	4,013	**1,636**	1,601

18. Inventories

	Group	
	2020	2019
	S$'000	S$'000
Raw materials	**1,030**	828
Finished goods	**1,341**	988
Trading goods	**7,004**	18,543
	9,375	20,359

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S$116,881,000 (2019: S$143,046,000). This includes inventory write-down of S$333,000 (2019: Nil).

19. Financial Assets, at FVPL

	Group	
	2020	2019
	S$'000	S$'000
Listed equity securities – Singapore		
Beginning and end of financial year	**33**	33

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

20. Financial Assets, at FVOCI

	Group	
	2020	2019
	S$'000	S$'000
Beginning of financial year	**1,024**	1,402
Disposals [1]	**–**	(120)
Fair value losses recognised in other comprehensive income	**(495)**	(258)
End of financial year	**529**	1,024
Less: Current portion	**(482)**	(934)
Non-current portion	**47**	90

(1) In 2019, the Group disposed the listed securities as the underlying investment was no longer aligned with the Group's long-term investment strategy.

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

	Group	
	2020	2019
	S$'000	S$'000
Listed securities – Malaysia		
- Equity securities (Note a)	**47**	90
- Redeemable convertible preference shares (Note b)	**482**	934
	529	1,024

Notes:

(a) The Group held (i) 15,300 (2019: 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 (2019: 342,000) shares in a listed company in Malaysia, which is primarily involved in the real estate developments.

(b) On September 2017, the Group participated in the corporate exercise of the associated company and subscribed to the renounceable rights issue of 6,234,154 redeemable convertible preference shares ("RCPS") on the basis of one (1) RCPS for every four (4) existing shares at an indicative issue price of RM0.95 per RCPS.

Each RCPS may be converted into one (1) new share at a conversion price of RM0.95, which is equivalent to the issue price. The conversion of RCPS will not require any cash payment by the RCPS holders. The conversion price shall be satisfied by surrendering one (1) RCPS for one (1) new share. The RCPS may be converted at any time beginning from the issue date until the maturity date (the day falling five (5) years from the issue date unless the tenure of the RCPS, if permitted by law, is extended by the associated company and the RCPS holders).

The associated company shall have the option to redeem the RCPS in cash at 100% of the issue price, at any time from and including the third anniversary of the issue date up to the date immediately preceding the maturity date. In the event that the RCPS is not converted or redeemed by the maturity date, the RCPS shall be automatically converted into new shares in the associated company.

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.

21. Cash and Cash Equivalents

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Cash and bank balances	**8,361**	5,503	**339**	337
Fixed deposits pledged	**2,274**	2,176	**1,274**	1,218
	10,635	7,679	**1,613**	1,555

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.

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

	Group	
	2020	2019
	S$'000	S$'000
Amount as shown above	**10,635**	7,679
Fixed deposits pledged	**(2,274)**	(2,176)
Bank overdraft (Note 24)	**(1,205)**	(1,741)
Cash and cash equivalents per consolidated statement of cash flows	**7,156**	3,762

22. Share Capital

	Number of ordinary shares issued	**Share capital**
	'000	**S$'000**
Group		
At 1 April 2018	5,303,216	71,081
- Issuance of shares in October 2018 at S$0.005 per share	279,629	1,410
At 31 March 2019	5,582,845	72,491
- Share consolidation in August 2019 at 1 for 20 shares	**(5,303,703)**	**–**
At 31 March 2020	**279,142**	**72,491**
Company		
At 1 April 2018	5,303,216	111,772
- Issuance of shares in October 2018 at S$0.005 per share	279,629	1,410
At 31 March 2019	5,582,845	113,182
- Share consolidation in August 2019 at 1 for 20 shares	**(5,303,703)**	**–**
At 31 March 2020	**279,142**	**113,182**

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.

22. Share Capital (continued)

On 29 May 2019, the Company proposed to undertake a share consolidation of every twenty (20) existing issued ordinary shares of the Company into one (1) ordinary share in the capital of the Company. Following the completion of the proposed share consolidation on 7 August 2019, the Company's issued share capital amounted to S$113,182,000 comprising of 5,582,845,000 existing shares have been consolidated into 279,142,314 consolidated shares.

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

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

23. Other Reserves

	Group	
	2020	2019
	S$'000	S$'000
Foreign currency translation reserve (Note (a))	**2,396**	2,428
Fair value reserve (Note (b))	**(1,610)**	(1,110)
Capital reserve (Note (c))	**820**	820
	1,606	2,138

(a) Foreign currency translation reserve

	Group	
	2020	2019
	S$'000	S$'000
Beginning of financial year	**2,428**	1,756
Net currency translation differences of financial statements of:		
- foreign subsidiary corporations – gains	**33**	597
- foreign associated company – gains	**15**	209
Non-controlling interests	**(80)**	(134)
End of financial year	**2,396**	2,428

(b) Fair value reserve

	Group	
	2020	2019
	S$'000	S$'000
Beginning of financial year	**(1,110)**	(719)
Fair value loss on financial assets, at FVOCI	**(495)**	(258)
Share of associated company's fair value losses on financial asset, at FVOCI	**(89)**	(77)
Non-controlling interests	**84**	(56)
End of financial year	**(1,610)**	(1,110)

(c) Capital reserve

Capital reserve represents excess of deemed consideration received by equity owners of the Company resulting from deemed disposal of interest in a subsidiary corporation (Note 14).

Other reserves are non-distributable.

24. Borrowings

	Group	
	2020	2019
	S$'000	S$'000
Non-current:		
Bank loans I (Note (a))	**1,261**	1,236
Finance lease liabilities (Note 25)	**–**	122
Lease liabilities	**817**	–
Loans from non-related parties	**2,452**	450
	4,530	1,808
Current:		
Bank overdraft (Note 21)	**1,205**	1,741
Bank loans I (Note (a))	**76**	100
Bank loans II (Note (a))	**11,445**	16,014
Finance lease liabilities (Note 25)	**–**	76
Lease liabilities	**1,072**	–
	13,798	17,931
	18,328	19,739

Loans from non-related parties are unsecured, interest bearing from 2% and 8% per annum and are repayable in full in 2022.

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	
	2020	2019
	S$'000	S$'000
12 months or less	**13,987**	19,091

(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 28(a)(i)).

Bank loans II are secured by the Group's investment in associated company of S$8,836,000 (2019: S$5,905,000) (Note 15), certain bank deposits of S$635,000 (2019: S$595,000) (Note 21) and secured by the corporate guarantee provided by the Company (Note 28(a)(i)).

Bank overdrafts of the Group are secured by the Company's bank deposits of S$Nil (2019: S$515,000), Group's certain bank deposits of S$364,000 (2019: S$363,000), personal guarantee by the directors of the subsidiary corporations, debenture of the subsidiary corporations and certain leasehold property of the Group (Note 11).

24. Borrowings (continued)

(b) Fair value of non-current borrowings

	Group	
	2020	2019
	S$'000	S$'000
Loans from non-related parties	**2,243**	425

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	
	2020	2019
	%	%
Loans from non-related parties	**5.25**	8.00

25. Finance Lease Liabilities

The Group leases certain motor vehicles and medical equipment from non-related parties under finance lease agreements. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

Finance lease liabilities were reclassified to lease liabilities on 1 April 2019 arising from the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 2.1.

	Group
	2019
	S$'000
Minimum lease payments due:	
Not later than one year	100
Between one to five years	114
	214
Less: Future finance charges	(16)
Present value of finance lease liabilities	198
Analysed as:	
Not later than one year	76
Between one to five years	122
	198

26. Trade and Other Payables

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Trade payables:				
Non-related parties	**12,773**	15,557	**–**	–
Other payables:				
Non-related parties	**2,439**	1,724	**42**	927
Accrued operating expenses	**2,147**	2,055	**226**	309
Defined benefits obligation (Note A)	**1,789**	1,402	**–**	–
Advances from customers	**247**	782	**–**	–
Loan from a director	**397**	591	**–**	–
Subsidiary corporations	**–**	–	**4,306**	–
Related party	**128**	4,220	**–**	–
	7,147	10,774	**4,574**	1,236
	19,920	26,331	**4,574**	1,236

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:

	Group	
	2020	2019
	S$'000	S$'000
Obligation recognised in the balance sheet for:		
Post-employment benefits	**1,545**	1,202
Other long-term employee benefits	**244**	200
	1,789	1,402
Expenses charged to profit or loss:		
Defined benefits (Note 7)	**387**	9
Present value of unfunded obligations/liability recognised in the balance sheet	**1,789**	1,402

26. Trade and Other Payables (continued)

Note A (continued):

The movement in the defined benefits obligation is as follows:

	Group	
	2020	2019
	S$'000	S$'000
Present value of obligation		
Beginning of financial year	**1,402**	1,411
Current service cost	**387**	–
Past service cost	**–**	(9)
	387	(9)
End of financial year	**1,789**	1,402

The significant actuarial assumptions used are as follows:

	Group	
	2020	2019
Discount rate	**8.7%**	8.5%
Salary growth rate	**8.0%**	8.0%
Mortality rate*	**TMI 2011**	TMI 2011
Disability rate	**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.

27. Loan Payable / Convertible Loan

	Group and Company	
	2020	2019
	S$'000	S$'000
Financial liability		
Current:		
- Loan payable	**1,781**	–
- Convertible loan, at FVPL	**–**	1,231

Loan payable

Loan payable of the Group and Company is unsecured, interest bearing at 8% per annum and is repayable in full within 1 year after 31 March 2020.

27. Loan Payable / Convertible Loan (continued)

Convertible loan

On 22 November 2016, the Company entered into a subscription agreement with Singapore Rixin Zhonghe Investment Pte Ltd ("SRZI"), to issue a 3 years convertible loan for S$4,000,000, which has matured on 21 November 2019 ("Maturity Date"). The convertible loan carries a coupon interest rate of 8% per annum and the Company shall pay the interest to SRZI six months in arrears and the principal sum to be redeemed at Maturity Date.

In 2019 and in accordance with SFRS(I) 9 Financial Instruments, the Company has assessed and determined the convertible loan is not to be bifurcated as the economic characteristics and risks of the embedded derivative are closely related to the economic characteristics and risk of the host contract. Accordingly, the Company has engaged an independent professional valuer to determine the fair value of the convertible loan as at balance sheet date, taking into consideration certain parameters such as the credit rating, spot price, volatility and risk-free rate of the host contract.

	Group and Company 2019 S$'000
Carrying amount	1,231
Amount the company is contractually obligated to pay to the holders of the convertible debentures at maturity	4,000
Difference between carrying amount and the amount the company is contractually obligated to pay to holders of the debentures at maturity	2,769

The Company believes that this approach most faithfully represents the amount of change in fair value due to the company's own credit risk, as the changes in factors contributing to the fair value of the convertible debentures other than changes in the benchmark interest rate are not deemed to be significant.

The Company decided not to exercise its Conversion Right and agreed for an instalment repayment plan with SRZIPL to settle the convertible loan amount, including accrued interest mutually agreed. Hence, as at 31 March 2020, the convertible loan was remeasured and reclassified as Loan Payable.

28. Contingencies

(a) Corporate guarantees

(i) The Company has issued corporate guarantees to banks for borrowings of a subsidiary corporation. These bank borrowings amounted to S$1,274,000 (2019: S$1,218,000) at the balance sheet date. 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.

(ii) The Group's subsidiary corporation has issued an insurance bond to one of its major supplier for better credit limits and terms. The bond is provided with a total guaranteed amount of Nil (2019: S$2,172,000).

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.

28. Contingencies (continued)

(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) Contingent liabilities

On 3 March 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 has taken Nominating Committee's recommendation and is 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.

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

29. Commitments

The Group leases offices, warehouses and worksite premises from non-related parties under non-cancellable operating lease arrangements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group
	2019
	S$'000
Not later than one year	1,113
Between one and five years	1,149
	2,262

As disclosed in Note 2.1, the Group has adopted SFRS(I) 16 Leases on 1 April 2019. These payable leases have been recognised as right-of-use assets and lease liabilities respectively on the balance sheet as at 31 March 2020, except for short-term and low value leases.

30. Business Combination

Acquisitions of subsidiary corporations during the financial year ended 31 March 2019

On 31 July 2018, the Group completed the acquisition of 70% equity interest in Honfoong Plastic Industries Pte. Ltd. ("Honfoong"). The principal activities of Honfoong are those of plastic moulding, PCB assembly, tooling finishing and plastic precision engineering parts. At the date of acquisition, Honfoong has a 99.98% equity interest of its subsidiary corporation, PT Honfoong Plastic Industries ("PT Honfoong"). PT Honfoong is principally engaged in the provision of plastic injection moulding components, tool design, fabrication, moulding, printing, painting, sub-assembly and box build project.

On 1 October 2018, the Company completed the acquisition of four aesthetic medical clinics, namely Accrelist Medical Aesthetics (BM) Pte. Ltd., Accrelist Medical Aesthetics (LOT1) Pte. Ltd., Accrelist Medical SPA Pte. Ltd., Accrelist Medical Aesthetics (TPY) Pte. Ltd., collectively known as Aesthetics Medical Group ("AMG"). The principal activities of AMG are those of providing cosmetic dermatological solutions using the latest technologies and treatment products.

Details of the considerations transferred, the assets acquired and liabilities assumed, the non-controlling interests recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

		Honfoong	**AMG**
(a)	*Purchase consideration*	**S$'000**	**S$'000**
	Cash consideration paid	300	2,000
	Cash payable	700	–
	Fair value of share consideration	2,000	1,250
	Consideration transferred for the business	3,000	3,250

		Honfoong	**AMG**
(b)	*Effect on cash flows of the group*	**S$'000**	**S$'000**
	Cash paid (as above)	(300)	(2,000)
	Less: Cash and cash equivalents in subsidiary corporation acquired	(1,228)	300
	Cash outflow on acquisition	(1,528)	(1,700)

30. Business Combination (continued)

Acquisitions of subsidiary corporations during the financial year ended 31 March 2019 (continued)

(c) *Identifiable assets acquired and liabilities assumed*	**Honfoong At fair value S$'000**	**AMG At provisional fair value S$'000**
Cash and cash equivalents		
- Cash in hand and at banks	19	300
- Fixed deposits with financial institutions (pledged)	362	–
Property, plant and equipment (Note 11)	6,640	192
Inventories	1,306	214
Other assets	410	180
Trade and other receivables, net	2,597	50
Total assets	11,334	936
Trade and other payables	(1,813)	(213)
Borrowings:		
- Bank overdrafts	(1,247)	–
- Revolving loan	(500)	–
Other financial liabilities	(2,514)	(41)
Deferred income	–	(3,310)
Income tax payable	(60)	–
Deferred income tax liabilities (Note 9(b))	(129)	(12)
Total liabilities	(6,263)	(3,576)
Total identifiable net assets/(liabilities)	5,071	(2,640)
Less: Non-controlling interests at fair value	(947)	–
Less: Gain on bargain purchase (Note 5)	(1,124)	–
Add: Provisional goodwill	–	5,890
Consideration transferred for the business	3,000	3,250

31. 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

	Group	
	2020	2019
	S$'000	S$'000
Sale of goods to related parties	**1,451**	1,986
Interest charged by an associated company	**59**	73

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

Outstanding balances at 31 March 2020, 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 26 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2020	2019
	S$'000	S$'000
Wages, salaries and other short-term benefits	**1,775**	2,079
Employer's contribution to defined contribution plans, including Central Provident Fund	**89**	81
Total key management personnel compensation	**1,864**	2,160

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

	Group	
	2020	2019
	S$'000	S$'000
Remuneration of directors of the Company	**726**	600

32. 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 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.

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) Investment holding segment.

32. **Segment Information** (continued)

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

	Financial Technology		EBU		MBU		AMS		Others		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	S$'000	S$'000	**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	**–**	–	**109,167**	145,025	**24,672**	18,666	**–**	–	**–**	–	**133,839**	163,691
Service and maintenance income	**–**	–	**–**	–	**–**	–	**5,021**	3,420	**–**	–	**5,021**	3,420
Sales to external parties	**–**	–	**109,167**	145,025	**24,672**	18,666	**5,021**	3,420	**–**	–	**138,860**	167,111
Gross profit	**–**	–	**4,589**	10,892	**2,158**	1,892	**4,276**	2,966	**–**	*	**11,023**	15,750
- Interest income	**–**	–	**5**	23	**2**	5	**–**	–	**20**	65	**27**	93
- Finance expenses	*****	(1)	**(779)**	(805)	**(188)**	(96)	**(254)**	(44)	**(461)**	(416)	**(1,682)**	(1,362)
- Share of results of associated companies	**–**	–	**–**	–	**–**	–	**–**	–	**(35)**	662	**(35)**	662
(Loss)/profit before income tax	**(59)**	(531)	**(2,966)**	2,781	**(130)**	864	**(294)**	921	**(9,176)**	(2,860)	**(12,625)**	1,175
Income tax expense	**–**	–	**(189)**	(246)	**(99)**	(217)	**–**	(99)	**6**	251	**(282)**	(311)
Net (loss)/profit	**(59)**	(531)	**(3,155)**	2,535	**(229)**	647	**(294)**	822	**(9,170)**	(2,609)	**(12,907)**	864
Investment in associated companies	**–**	–	**–**	–	**–**	–	**–**	–	**9,430**	9,377	**9,430**	9,377
Depreciation of property, plant and equipment	**–**	5	**203**	68	**1,133**	484	**870**	9	**166**	396	**2,372**	962
Amortisation of intangible assets	**–**	12	**377**	427	**13**	15	**–**	–	**1,456**	1,503	**1,846**	1,957
Impairment loss on intangible assets	**–**	–	**–**	–	**–**	–	**–**	–	**1,942**	14	**1,942**	14

** 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.

32. 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	
	2020	2019
	S$'000	S$'000
Singapore	**22,687**	33,614
Malaysia	**7,668**	16,460
People's Republic of China and Hong Kong	**62,090**	71,063
India	**1,934**	6,820
Indonesia	**11,928**	4,700
Thailand	**9,835**	8,764
Vietnam	**10,573**	9,692
United States of America	**2,607**	7,408
Other countries	**9,538**	8,590
	138,860	167,111

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	
	2020	2019
	S$'000	S$'000
Non-Current Assets:		
Singapore	**20,223**	22,327
Malaysia	**12,550**	12,226
Indonesia	**5,771**	6,217
Other countries	**651**	764
	39,195	41,534

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

Revenue of approximately S$14,228,218 (2019: S$23,215,159) is derived from a single external customer. This revenue is attributable to the EBU segment in People's Republic of China (2019: EBU segment in People's Republic of China).

33. 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 3 debtors (2019: 3 debtors) that individually represented 7 - 11% (2019: 5 - 24%) of the Group's total trade receivables.

33. Financial Risk Management (continued)

(a) Credit Risk (continued)

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

	Group	
	2020	2019
	S$'000	S$'000
By geographical areas		
Singapore	**3,629**	6,581
United States of America	**305**	1,867
Malaysia	**1,953**	4,771
People's Republic of China	**7,755**	11,014
India	**214**	979
Indonesia	**2,734**	1,896
Thailand	**4,163**	2,211
Vietnam	**1,386**	1,043
Other countries	**1,943**	2,133
	24,082	32,495
By types of customers		
Related parties	**1,248**	278
Non-related parties		
- Multi-national companies	**9,799**	11,499
- Other companies	**13,035**	20,718
	24,082	32,495

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet except as follows:

	Group	
	2020	2019
	S$'000	S$'000
Corporate guarantees provided to banks on subsidiary corporation's loans (Note 28(a)(i))	**1,274**	1,218

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.

33. Financial Risk Management (continued)

(a) Credit Risk (continued)

Trade receivables and contract assets (continued)

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 2020 and 2019 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**
2020	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Trade receivables and contract assets	15,761	2,335	705	630	7,812	27,243
Loss allowance	–	–	–	–	(3,161)	(3,161)
2019						
Group						
Trade receivables	20,401	4,431	664	86	9,165	34,747
Loss allowance	–	–	–	–	(2,252)	(2,252)

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.

33. Financial Risk Management (continued)

(a) Credit Risk (continued)

Other receivables (continued)

As at 31 March 2020, 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.

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. As at 31 March 2020, the Company has provided additional loss allowance amounted to S$35,000 (2019: S$661,000) as there is no reasonable ground to recover the receivables from these subsidiary corporations.

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:

33. Financial Risk Management (continued)

(b) Liquidity Risk (continued)

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
31 March 2020					
Trade and other payables	19,673	–	–	–	19,673
Loan payable	1,781	–	–	–	1,781
Lease liabilities	1,130	728	207	–	2,065
Borrowings (excluding lease liabilities)	12,924	591	2,613	534	16,662
	35,508	1,319	2,820	534	40,181
31 March 2019					
Trade and other payables	25,549	–	–	–	25,549
Convertible loan	4,373	–	–	–	4,373
Borrowings	17,931	224	1,051	657	19,863
	47,853	224	1,051	657	49,785

Company	Less than 1 year S$'000	1 - 2 years S$'000	2 - 5 years S$'000	Over 5 years S$'000	Total S$'000
31 March 2020					
Trade and other payables	4,574	–	–	–	4,574
Financial guarantee contract	1,274	–	–	–	1,274
Loan payable	1,781	–	–	–	1,781
	7,629	–	–	–	7,629
31 March 2019					
Trade and other payables	1,236	–	–	–	1,236
Financial guarantee contract	1,218	–	–	–	1,218
Convertible loan	4,373	–	–	–	4,373
	6,827	–	–	–	6,827

(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 interest rate risk exposure is mainly from changes in floating interest rates. The interest from financial assets including cash balances is not significant.

If the interest rates increase/decrease by 1% (2019: 1%) with all other variables including tax rate being held constant, net profit of the Group would have been lower/higher by S$141,000 (2019: S$191,000).

33. Financial Risk Management (continued)

(d) Currency Risks

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"), Chinese Renminbi ("RMB") 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.

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 2020					
Financial assets					
Cash and cash equivalents	5,175	3,370	330	1,760	10,635
Trade and other receivables	23,253	1,040	1,052	190	25,535
Financial assets, at FVPL	–	33	–	–	33
Financial assets, at FVOCI	–	–	529	–	529
Other assets	1	764	202	69	1,036
	28,429	5,207	2,113	2,019	37,768
Financial liabilities					
Borrowings	(8,364)	(7,998)	(1,839)	(127)	(18,328)
Loan payable	–	(1,781)	–	–	(1,781)
Trade and other payables	(14,474)	(2,144)	(1,726)	(1,329)	(19,673)
	(22,838)	(11,923)	(3,565)	(1,456)	(39,782)
Net financial assets/(liabilities)	5,591	(6,716)	(1,452)	563	(2,014)
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(750)	6,716	514	(147)	6,333
Currency exposure	4,841	–	(938)	416	4,319

33. Financial Risk Management (continued)

(d) Currency Risks (continued)

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

	USD S$'000	SGD S$'000	MYR S$'000	Others S$'000	Total S$'000
As at 31 March 2019					
Financial assets					
Cash and cash equivalents	3,407	2,587	434	1,251	7,679
Trade and other receivables	28,687	3,823	1,361	217	34,088
Financial assets, at FVPL	–	33	–	–	33
Financial assets, at FVOCI	–	1,024	–	–	1,024
Other assets	1	1,120	209	275	1,605
	32,095	8,587	2,004	1,743	44,429
Financial liabilities					
Borrowings	(13,767)	(4,141)	(1,831)	–	(19,739)
Financial liability, at FVPL	–	(1,231)	–	–	(1,231)
Trade and other payables	(14,859)	(7,785)	(1,425)	(1,480)	(25,549)
	(28,626)	(13,157)	(3,256)	(1,480)	(46,519)
Net financial assets/(liabilities)	3,469	(4,570)	(1,252)	263	(2,090)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(1,293)	4,570	(522)	(235)	2,520
Currency exposure	2,176	–	(1,774)	28	430

33. Financial Risk Management (continued)

(d) Currency Risks (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 2020			
Financial assets			
Cash and cash equivalents	**848**	**765**	**1,613**
Trade and other receivables	**–**	**9,169**	**9,169**
Other assets	**–**	**212**	**212**
	848	**10,146**	**10,994**
Financial liabilities			
Loan payable	**–**	**(1,781)**	**(1,781)**
Trade and other payables	**–**	**(4,574)**	**(4,574)**
	–	**(6,355)**	**(6,355)**
Net financial assets	**848**	**3,791**	**4,639**
Less: Net financial assets denominated in the functional currency of the Company	**–**	**(3,791)**	**(3,791)**
Currency exposure	**848**	**–**	**848**
As at 31 March 2019			
Financial assets			
Cash and cash equivalents	784	771	1,555
Trade and other receivables	–	9,545	9,545
Other assets	–	212	212
	784	10,528	11,312
Financial liabilities			
Financial liability, at FVPL	–	(1,231)	(1,231)
Trade and other payables	–	(1,236)	(1,236)
	–	(2,467)	(2,467)
Net financial assets	784	8,061	8,845
Less: Net financial assets denominated in the functional currency of the Company	–	(8,061)	(8,061)
Currency exposure	784	–	784

33. Financial Risk Management (continued)

(d) Currency Risks (continued)

If the USD and MYR change against the SGD by 3% (2019: 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:

	Profit after tax Increase/(decrease)			
	Group		Company	
	2020	2019	**2020**	2019
	S$'000	**S$'000**	**S$'000**	**S$'000**
USD against SGD				
- Strengthened	**145**	65	**25**	24
- Weakened	**(145)**	(65)	**(25)**	(24)
MYR against SGD				
- Strengthened	**(28)**	(53)	**–**	–
- Weakened	**28**	53	**–**	–

(e) Price Risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified on the balance sheets as financial assets, at FVPL and FVOCI. These securities are listed in Singapore and Malaysia. 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% (2019: 10%) with all other variables including tax rate being held constant, the effects on other comprehensive income would have been:

	Group Increase/(decrease)	
	2020	2019
	S$'000	S$'000
Listed in Malaysia		
- increased by	**53**	102
- decreased by	**(53)**	(102)

33. 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 (comprising of borrowings and loan payable/convertible loan) less cash and cash equivalents.

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Net debt:				
Borrowings	**20,109**	20,970	**1,781**	1,231
Less: Cash and cash equivalents	**(10,635)**	(7,679)	**(1,613)**	(1,555)
Net debt/(cash)	**9,474**	13,291	**168**	(324)
Equity	**42,253**	55,696	**36,569**	40,738
Debt-to-equity ratio	**22.4%**	23.9%	**0.5%**	(0.8%)

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2020 and 2019. The Company is not subject to any externally imposed capital requirements.

33. Financial Risk Management (continued)

(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**	**Level 2**
	S$'000	**S$'000**
2020		
Financial assets at FVPL	**33**	**–**
Financial assets, at FVOCI	**529**	**–**
2019		
Financial assets at FVPL	33	–
Financial assets, at FVOCI	1,024	–
Group and Company		
2019		
Financial liability, at FVPL	–	1,231

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 fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. These investments are classified as Level 2.

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

33. Financial Risk Management (continued)

(h) Financial instrument by categories

The carrying amounts of the different categories of financial assets and liabilities are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	S$'000	S$'000	**S$'000**	S$'000
Financial assets				
At amortised cost	**37,206**	43,372	10,994	11,320
At FVOCI	**529**	1,024	–	–
At FVPL	**33**	33	–	–
	37,768	44,429	10,994	11,320
Financial liabilities				
At amortised cost	**39,782**	45,288	6,355	1,236
At FVPL	**–**	1,231	–	1,231
	39,782	46,519	6,355	2,467

34. Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore, Malaysia and Indonesia, all of which have been affected by the spread of COVID-19 in 2020.

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 2020:

(i) The Group has assessed that the going concern basis of preparation for this set of financial statements remain appropriate.

(ii) In 2020, border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume subsequent to the financial year ended 31 March 2020.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

35. 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 2020 or later periods and which the Group has not early adopted:

Amendments to SFRS(I) 3 Business Combination (effective for annual periods beginning on or after 1 April 2020)

The amendments provide new guidance on the assessment of whether an acquisition meets the definition of a business under SFRS(I) 3. To be considered a business, an acquisition would have to include an output and a substantive process that together significantly contribute to the ability to create outputs. A framework is introduced to evaluate when an input and substantive process are present. To be a business without outputs, there will now need to be an organised workforce.

The definition of the term "outputs" is narrowed to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.

It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

Entities can apply a 'concentration test' that, if met, eliminates the need for further assessment. Under this optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 April 2020. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

36. 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 2020.

Statistics of Shareholdings

At 19 October 2020

Class of shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
Number of issued shares	:	279,142,293
Treasury Shares	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 19 OCTOBER 2020

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	282	8.52	9,034	0.00
100 – 1,000	367	11.09	176,359	0.06
1,001 – 10,000	1,240	37.46	6,704,746	2.40
10,001 – 1,000,000	1,396	42.17	77,951,570	27.93
1,000,001 and above	25	0.76	194,300,584	69.61
TOTAL	**3,310**	**100.00**	**279,142,293**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 19 OCTOBER 2020

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	TERENCE TEA YEOK KIAN	64,387,706	23.07
2	OCBC SECURITIES PRIVATE LTD	47,014,585	16.84
3	DBS NOMINEES PTE LTD	15,597,485	5.59
4	PHILLIP SECURITIES PTE LTD	10,878,413	3.90
5	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	8,807,793	3.16
6	HSBC (SINGAPORE) NOMINEES PTE LTD	5,073,044	1.82
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,249,214	1.52
8	CHARLES LECK TIN HONG	4,013,281	1.44
9	MAYBANK KIM ENG SECURITIES PTE. LTD	3,074,896	1.10
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,960,850	1.06
11	TAN SIAK LIAN	2,762,754	0.99
12	CITIBANK NOMINEES SINGAPORE PTE LTD	2,708,150	0.97
13	LECK SEOK NOI RACHEL	2,542,881	0.91
14	LEE BEE SENG	2,463,281	0.88
15	REFRESH GROUP PTE LTD	2,463,281	0.88
16	CHEN XIONGZHAO	2,379,400	0.85
17	UOB KAY HIAN PTE LTD	2,296,200	0.82
18	TOH SOON HUAT	1,859,215	0.67
19	LIM CHIN TONG	1,452,900	0.52
20	HOON WEI HOW	1,406,250	0.50
	Total:	**188,391,579**	**67.49**

Statistics of Shareholdings

At 19 October 2020

Substantial Shareholders as at 19 October 2020

	No. of Ordinary Shares			
Name Of Shareholders	**Direct Interest**	**%**	**Deemed Interest**	**%**
Terence Tea Yeok Kian	64,436,056[(1)]	23.08	2,271,900[(2)]	0.81
EG Industries Berhad	14,539,520[(3)]	5.21	–	–

Notes: -

(1) Inclusive of 48,350 Shares which are held through CPF investment account.

(2) Mr Terence Tea Yeok Kian is deemed interested in the 2,271,900 issued shares of the Company held by his wife, Ms Sim Aileen.

(3) EG Industries Berhad's direct interest of 14,539,520 Shares are held in the name of OCBC Securities Private Ltd.

Free Float

Based on the information available to the Company as at 19 October 2020, approximately 70.89% 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 Thursday, 26 November 2020 at 2:00 p.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 2020 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 2021, to be paid semi-annually in arrears (FY2020: S$180,000). **(Resolution 2)**

3. To re-elect Mr Terence Tea Yeok Kian who is retiring pursuant to Rule 720(5) of the Catalist Rules where all directors should submit themselves for re-nomination and re-election at least once every three years.

   (See Explanatory Note 1) **(Resolution 3)**

4. To re-elect Mr Kang Pang Liang who is retiring pursuant to pursuant to Article 97 of the Company's Constitution and who, being eligible, offers himself for re-election.

   (See Explanatory Note 2) **(Resolution 4)**

5. To re-appoint Messrs Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. 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:-

7. **Ordinary Resolution: General authority to allot and issue shares**

   "THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and subject to Rule 806 of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), 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);

(ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules), 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 Ordinary 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;

(iii) in exercising the authority conferred by this Ordinary 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) and the Constitution for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, such authority conferred by this Ordinary 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, whichever is the earlier."

(See Explanatory Note 3) **(Resolution 6)**

8. **Ordinary Resolution: Authority to grant awards and issue shares under the Accrelist Share Award Scheme**

"THAT in accordance with the provisions of the Accrelist Share Award Scheme ("**Scheme**") and pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised and empowered to grant awards ("**Awards**") and allot and issue from time to time such number of shares in the capital of the Company ("**Shares**") as may be required to be issued pursuant to the vesting of the Awards provided always that the aggregate number of Shares to be issued or issuable pursuant to the Scheme and any other shares based schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time."

(See Explanatory Note 4) **(Resolution 7)**

9. **Ordinary Resolution: Proposed Renewal of the Share Buyback Mandate**

"THAT:-

(a) for the purposes of the Section B: Rules of Catalist of the listing manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Catalist Rules**"), the exercise by the Directors of the Company of 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 purchases (the "**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 purchases (the "**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, Chapter 50 of Singapore ("**Companies Act**") and the Catalist Rules, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by 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.

(c) in this Resolution:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days ("**Market Day**" being a day on which the SGX-ST is open for trading in securities) 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)-day 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;

"**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);

"**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

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution."

(See Explanatory Note 5) **(Resolution 8)**

BY ORDER OF THE BOARD

Lee Wei Hsiung
Loh Eng Lock Kelvin
Company Secretaries

Singapore,
11 November 2020

Explanatory Notes:

1. Ordinary Resolution 3, is for the re-election of Mr Terence Tea Yeok Kian as a Director of the Company who retires by rotation at the AGM. Mr Tea will, upon re-election as a Director of the Company, remain as Executive Chairman and Managing Director of the Company and member of Nominating Committee.

2. Ordinary Resolution 4, is for the re-election of Mr Kang Pang Kiang as a Director of the Company who has joined the Board of the Company on 24 December 2019. Mr Kang will, upon re-election as a Director of the Company, remain as a member of the Audit and Remuneration Committee.

3. Ordinary Resolution 6, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 100% of the Company's 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, in the capital of the Company may be issued other than on a pro-rata basis to existing shareholders.

4. Ordinary Resolution 7, if passed, will empower the Directors of the Company, to grant Awards pursuant to the provisions of the Scheme and allot and issue Shares pursuant to the vesting of the Awards under the Scheme. The Scheme was approved by the shareholders of the Company in the extraordinary general meeting on 25 May 2010. Please refer to the Circular dated 10 May 2010 for further details.

5. Ordinary Resolution 8, if passed, will empower 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 annual general meeting of the Company or the expiration of the period within which the next annual general meeting 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 Circular dated 11 November 2020 for further details.

Notes:

1. The AGM is being convened, and will be held, by way of 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. Printed copies of this Notice of AGM will NOT be sent to members of the Company. Instead, this Notice will be sent to members by electronic means via publication on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at http://accrelist.listedcompany.com/.

2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying announcement by the Company dated 11 November 2020. This announcement may be accessed on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website http://accrelist.listedcompany.com/.

3. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at http://accrelist.listedcompany.com/.

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

5. CPF and SRS investors who wish to appointment the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5.00 p.m. on 16 November 2020, at least seven days (7) working days before the AGM in order to allow sufficient time for their respective agent banks or SRS Operator to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

7. The Chairman of the Meeting, as proxy, need not be a member of the Company.

8. The instrument appointing a proxy or proxies, duly completed and signed, must be submitted by:

   (a) **by post** to Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or

   (b) **by email** to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com.

   by not later than 2.00p.m. on 23 November 2020, being forty-eight (48) hours before the time fixed for the AGM

9. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

10. The Company shall be entitled to reject the Proxy Form 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 Proxy Form (such as in the case where the appointor submits more than one Proxy Form).

11. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any Proxy Form as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

12. All questions must be submitted **no later than 2 p.m. on 20 November 2020** by email to the Company's portal at https://agm.conveneagm.com/accrelist/.

    Members submitting questions are required to provide their particulars as follows:

    (a) Full name (for individuals) / company name (for corporates) as per CDP/SRS account records;

    (b) National Registration Identity Card Number or Passport Number (for individuals)/ Company Registration Number (for corporates);

    (c) Number of shares in the capital of the Company held;

    (d) Contact Number; and

    (e) Email Address.

13. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms and questions by post, members are strongly encouraged to submit completed Proxy Forms and questions electronically via email.

14. The Management and Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members and publish the responses to those questions on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at http://accrelist.listedcompany.com/ before the deadline to submit the proxy forms.

Personal Data Privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 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), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Mr Shervyn Essex - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

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ACCRELIST LTD.

Registration No.: 198600445D
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

Important:

1. The Annual General Meeting (AGM) is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meeting for Companies, Variable Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. 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 to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant question on or before the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying Company's announcement dated 11 November 2020. This announcement may be accessed via the SGX website at the URL: https://www.sgx.com/securities/company-announcements
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member (including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM of such member wishes to exercise his/her/its voting rights at the AGM.**
4. CPF and SRS investors who wish to appointment the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes at least seven days (7) working days before the AGM in order to allow sufficient time for their respective agent banks or SRS Operator to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

*I/We ______________________________ (Name) ____________________ (*NRIC/Passport No.)

of ____ (Address)

being a *member/members of ACCRELIST LTD. (the "Company"), hereby appoint the Chairman of the AGM as my/our* proxy to vote for me/us* on my/our* behalf at the AGM to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 26 November 2020 at 2.00 p.m.. *I/We direct *my/our proxy to vote for, against and/or abstain from voting on the resolution to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, this Proxy Form shall be disregarded and the proxy shall abstain from voting on any matter arising at the AGM and at any adjournment thereof.

No.	Resolution	No. of shares		
		For	Against	Abstain
1	Adoption of the Directors' Statement and Audited Financial Statements for the financial year ended 31 March 2020 together with the Auditors' Report thereon.			
2	Approval of Directors' fees of S$180,000 for the financial year ending 31 March 2021, to be paid semi-annually in arrears (FY2020: S$180,000).			
3	Re-election of Mr Terence Tea Yeok Kian as a Director of the Company.			
4	Re-election of Mr Kang Pang Kiang as a Director of the Company.			
5	Re-appointment of Messrs Nexia TS Public Accounting Corporation as Auditors and to authorise the Directors to fix their remuneration.			
6	Authority to allot and issue new shares.			
7	Authority to grant awards and issue shares under the Accrelist Share Award Scheme.			
8	To renew Share Buyback Mandate.			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. ***In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.***

Dated this __________ day of ______________ 2020

Total number of Shares held in:	
CDP Register	
Register of Members	

____
Signature(s) of Member(s) / Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the AGM in person. A member of the Company (including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/ its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the depository Register and registered in your name in the Register Members. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

3. The instrument appointing the Chairman if the AGM as a proxy must be duly completed and signed and submitted either (i) by mail to the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 OR (ii) by email to sg.is.proxy@sg.tricorglobal.com, **by not later than 2.00p.m. on 23 November 2020, being forty-eight (48) hours before the time fixed for the AGM.**

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of AGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed under its common seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. The dispensation of the used of common seal pursuant to Sections 41A, 41B and 41C of the Act effective from 31 March 2017 is applicable at the AGM.

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AFFIX STAMP

The Share Registrar
Accrelist Ltd.
80 Robinson Road
#11-02
Singapore 068898

2nd fold here

6. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. CPF and SRS investors who wish to appointment the Chairman of the AGM as proxy should approach their respective agent banks or SRS operators to submit their votes by 5.00 p.m. on 16 November 2020, at least seven days (7) working days before the AGM in order to allow sufficient time for their respective agent banks or SRS Operator to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

8. The Company shall be entitled to reject the instrument of proxy which 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 of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy or if the member, being the appointor, is not shown to have shares against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

"Relevant intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 November 2020.

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

Alex Kang Pang Kiang
Non-Independent and
Non-Executive Director

AUDIT COMMITTEE

Chairman – Mr Lim Yeow Hua @ Lim You Qin
Member – Mr Ng Li Yong
Member – Alex Kang Pang Kiang

REMUNERATION COMMITTEE

Chairman – Mr Ng Li Yong
Member – Mr Lim Yeow Hua @ Lim You Qin
Member – Alex Kang Pang Kiang

NOMINATING COMMITTEE

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

COMPANY SECRETARY

Mr Lee Wei Hsiung
Mr 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.
6 Raffles Quay, #24-02,
Singapore 048580

AUDITORS

Nexia TS Public Accounting Corporation
80 Robinson Road, #25-00
Singapore 068898
Director-in-Charge: Titus Kuan Tjian
Appointed since financial year ended 31 March 2019

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)
80 Robinson Road, #11-02
Singapore 068898

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

The Hong Kong and Shanghai Banking
Corporation Limited
21 Collyer Quay
HSBC Building
Singapore 049320

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