CPH Ltd.

2021

ANNUAL REPORT

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CHAIRMAN'S MESSAGE

Dear Shareholders,

With the COVID-19 pandemic continuing to impact the global economy, the resultant uncertainty affected major economic events around the world as countries struggled to keep their economies open. As a result, the pace of the Group's plan to divest our remaining assets of the printed circuit board business ("**PCB segment**") and the sale of our Singapore factory (previously classified as investment property) were affected. In spite of the challenges, we continued to pursue our strategic goals and hope that the Group will be able to complete the acquisition of its new business soon to embark on the new venture.

During the year, the Group completed the sale transaction of our Malaysian factory in January 2021. The sale and purchase agreement for the property was previously signed on 6 August 2020. We accepted the Option to Purchase for our factory in Singapore for a consideration of S$6.5 million in November 2020. Shareholders' approval for the Singapore factory disposal was obtained at a general meeting held by way of electronic means on 24 February 2021. Jurong Town Corporation has given its consent for the transfer of lease for the property to the purchaser and we are thus working to complete the sale as early as possible.

On 29 September 2020, we entered into an agreement to acquire a 100% stake in Shanaya Environmental Services Pte. Ltd. ("**Shanaya**") and in the process triggered a reverse takeover exercise ("**RTO**"). Pre-admission notification for the proposed RTO was submitted to Singapore Exchange Securities Trading Limited ("**SGX-ST**") and is currently pending review.

PERFORMANCE REVIEW

The Group had ceased operation of its PCB Segment in November 2019, and hence no revenue was recorded for the financial year ended 31 March 2021 ("**FY2021**"). The Group, however, reported a gross loss of S$0.03 million during the year mainly due to write-off of unsold inventories.

Other income for our discontinued PCB segment in FY2021 were attributed to the disposal of assets held for sale amounting to S$0.41 million and sale of scrap materials of S$0.04 million. Other income for our continuing operations comprised rental income of S$0.34 million which was lower than the rental income for the prior financial year ("**FY2020**") due to below optimal occupancy and a provision of one month rental rebate to qualifying tenants; as well as government grants from the Jobs Support Scheme (JSS), Wage Credit Scheme (WCS) and Special Employment Credit (SEC) totalling S$0.13 million.

Concurrently, the Group's administrative and other expenses for FY2021 was S$2.38 million as compared to S$1.16 million in the previous year. This increase was due to a fair value loss of S$1.26 million recorded in FY2021 on revaluation of the non-current assets held for sale against a fair value loss of S$0.36 million in FY2020.

The Group also recorded an impairment loss of its property, plant and equipment of S$0.03 million and a provision of impairment of its investment in associate amounting to S$0.03 million. An amount of S$0.26 million was incurred for professional fees relating to the on-going RTO exercise for the proposed acquisition of Shanaya. Additionally, depreciation expenses remained at a similar level of S$0.03 million for both FY2021 and FY2020, while the Group's finance cost increased slightly from S$0.10 million in FY2020 to S$0.11 million in FY2021 due to the increased usage of banking facilities in FY2021.

For the share of results of associate, the Group recorded its share of losses of about S$0.14 million during the year as compared to S$0.23 million in FY2020 as we decided to fully impair the balance amount of our investment in associate during the half year review in view of the continued challenges faced by our investment in the food and beverage industry.

As a result, the Group recorded a loss before income tax from continuing operations of S$2.16 million in FY2021 as compared to a loss before income tax of S$1.07 million in FY2020.

FUTURE PROSPECTS

Following the full divestment of our PCB Segment business, the Group became a cash company as defined under Catalist Rule 1017 since 2 April 2020. As a cash company, we were given a 12-month deadline to fulfil the requirements for a new listing. At the end of this 12 month period in April 2021, we were granted a 6-month extension by SGX-ST to complete the RTO exercise, and we have duly submitted our pre-admission notification on 26 April 2021 for SGX-ST's approval.

Barring any unforeseen circumstances, the Group expects to venture into the new business of waste management and recycling once the relevant approvals have been obtained. We will update shareholders as and when there are material developments to the aforementioned on the SGXNET. We look forward to creating value for our shareholders in the near future.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my gratitude to Mr Chong Cheng Whatt, who stepped down in September 2020 as Executive Director, pursuant to the cessation of the Group's PCB Segment operations in November 2019 and completion of sale of most of the PCB Segment's assets. We would like to thank Mr Chong for his invaluable contribution towards the Group during his service tenure and wish him every success in his future endeavours.

I would also like to take this opportunity to express my appreciation to our management and staff for their commitment and dedication towards the Group all these years. In closing, I would like to thank our valued customers, business associates, bankers and shareholders for their constant support. We look forward to creating value for all our stakeholders following the acquisition of Shanaya and embarking on a new course.

Lee Teong Sang
Independent Non-Executive Chairman

FINANCIAL REVIEW

The Group had ceased its printed circuit boards operations ("**PCB Segment**") in November 2019 and the Company is considered a cash company as defined under Rule 1017 of the Rules of Catalist since 2 April 2020. The Company is in the midst of acquiring a new business that can meet the requirements for a new listing and to this end, the Company has on 29 September 2020, announced the proposed acquisition of Shanaya Environmental Services Pte. Ltd. ("**Shanaya**"). This proposed acquisition will result in a reverse takeover of the Company ("**RTO**") as defined under Chapter 10 of the Rules of Catalist.

The operations under the PCB Segment is classified as "**Discontinued operations**" in the following review of its financial results for the year ended 31 March 2021 ("**FY2021**"):

Discontinued Operations

Revenue

As the Group had ceased operations of its PCB segment in November 2019, no revenue was recorded for FY2021.

Gross Loss

There was no cost of goods sold as there were no sales during FY2021. The gross loss of S$0.03 million was due to write-off of unsold inventories.

Other Income

Other Income for FY2021 were mainly from the disposal of assets held for sale amounting to S$0.41 million and from the sale of scrap materials of S$0.04 million. Other income for FY2020 were mainly from the sale of scrap materials amounting to S$0.10 million.

Expenses

The PCB Segment's administrative and other operating expenses decreased to S$0.21 million in FY2021 as compared to S$0.68 million in FY2020 mainly due to the closure of the Malaysia factory after cessation of operations in November 2019. In particular, there was a reduction in staff cost by S$0.34 million in line with the cessation of operations which was partially offset by an increase in foreign exchange loss of S$0.02 million. Further, in FY2020, there was an impairment of non-current asset held for sale amounting to S$0.15 million. The PCB Segment did not incur any selling and distribution expenses nor finance costs for FY2021 as all its operations had ceased in November 2019.

Profit before Income Tax

As a result of the above, the profit before income tax from discontinued operations for FY2021 amounted to S$0.22 million as compared to a loss before income tax of S$1.65 million in FY2020.

Continuing Operations

Other Income

Other income comprised of rental income and government grants. Rental income reduced from S$0.41 million in FY2020 to S$0.34 million as there were vacant space not leased during FY2021, as well as a provision of one month rental rebate to the qualifying tenants which amounted to S$0.02 million. The government grants comprise of payouts under the Jobs Support Scheme, the Wage credit Scheme and Special Employment credit, which amounted to S$0.13 million in FY2021, as compared to the grants received in FY2020 which comprised only the latter two grants and amounted S$0.01 million.

Interest Income

There was no interest income in FY2021 as fixed deposits with banks had been fully utilized during FY2020.

Expenses

The Group's administrative and other operating expenses for FY2021 was S$2.38 million as compared to S$1.16 million in FY2020. A fair value loss of S$1.26 million was recorded in FY2021 upon revaluation of the non-current assets held for sale, whereas in FY2020, the fair value loss was S$0.36 million. The Group also recorded an impairment loss on its property, plant and equipment of S$0.03 million and a provision of impairment of its investment in associate of S$0.03 million in FY2021.

The Group's administrative and other operating expenses for FY2021 also included an amount of S$0.26 million of professional fees relating to the on-going RTO exercise for the proposed acquisition of Shanaya.

The Group's depreciation expenses remained at a similar level of S$0.03 million for both FY2021 and FY2020.

The Group's finance cost increased slightly from S$0.10 million in FY2020 to S$0.11 million in FY2021 due to the increased usage of banking facilities in FY2021.

FINANCIAL REVIEW

Share of result of associate, net of tax
The Group recorded its share of losses from associate of approximately S$0.14 million in the first half year of FY2021 as compared to S$0.23 million in FY2020. The food and beverage industry that the Group invested in continued to face strong competition and was further adversely impacted by the COVID-19 pandemic during FY2021, and hence during the half year review, the Group has decided to fully impair the balance amount of its investment in associate. As such, the Group did not record any share of losses from associate in the second half year of FY2021.

Loss before income tax
As a result of the above, the Group recorded a loss before income tax from continuing operations of S$2.16 million in FY2021 as compared to a loss before income tax of S$1.07 million in FY2020.

Statement of Financial Position

Investment in associate decreased due to losses made by the associate in the first half of FY2021. The Group has also written off the remaining balance of its investment in associate as a provision of impairment in FY2021 as the Group does not foresee any potential realization of its investment going forward.

Property, plant and equipment decreased due to the depreciation charge of S$0.03 million and a provision for impairment of S$0.03 million.

The Group's investment property was reclassified as non-current asset held for sale as the Group is in the process of disposing the investment property.

As at 31 March 2021, all the trade receivables arising from the discontinued PCB Segment have been collected. Other receivables decreased because the government grants receivable of S$0.09 million recorded as at 31 March 2020 were received during FY2021.

The value of assets classified as held for sale increased as at 31 March 2021 due to the reclassification of both the Group's investment property valued at S$6.5 million and the right-of-use asset relating to lease of the investment property of S$1.62 million.

Trade and other payables increased from S$0.56 million to S$0.62 million mainly due to the professional fees of S$0.21 million relating to the on-going RTO Exercise and an amount of S$0.07 million of deposit money relating to the sale of the Singapore factory. These were offset by the settlement of all trade payables amounting to S$0.05 million, the settlement of deferred government grant income of $$0.08 million and decrease in provision of retrenchment benefit of S$0.10 million in FY2021.

Bank borrowings classified as current liabilities decreased as the money market loan of S$0.80 million outstanding as at 31 March 2020 was fully settled in FY2021. The balance of S$0.19 million represented the current portion of the total bank borrowings of S$0.87 million, with the non-current portion of S$0.68 million being recorded under non-current liabilities accordingly. Overall borrowings increased as the Group utilized its loan facilities for working capital purposes.

The Group has a positive working capital of S$6.25 million as at the end of FY2021. The Group is in the process of completing the sale of the Singapore investment property.

Cash flow and Working Capital

The Group has operating cash outflow of S$0.65 million before working capital changes for FY2021. During FY2021, working capital cash inflows were from the decrease of trade and other receivables of S$0.20 million and the increase of trade and other payables of S$0.10 million. As a result, an amount of S$0.34 million was used for operating activities.

For the investing activities, an amount of S$0.71 million was generated from the proceeds of the sale of assets held for sale during FY2021.

For the financing activities, the Company drew down a net total of S$0.07 million banking facilities to finance its working capital needs. An amount of S$0.18 million was used to pay for lease obligations and interest. Net cash used in financing activities amounted to S$0.11 million in FY2021.

BOARD OF DIRECTORS

LEE TEONG SANG

Independent, Non-Executive Chairman

Mr Lee Teong Sang was first appointed to the Board on 16 September 2004 and was last re-elected on 30 July 2019. Mr Lee was appointed as the Independent Non-executive Chairman of the Company on 1 December 2016. Mr Lee holds a Bachelor of Pharmacy Degree from the University of London and a Master of Business Administration Degree from the University of Sheffield, UK. Mr Lee has more than 30 years of working experience in banking, equity research and investor relations. He is currently the principal consultant of Cyrus Capital Consulting. Mr Lee is also an Independent Director of New Wave Holdings Ltd. and a director of Cyrus Corporation Pte Ltd, Kyrus Investment Pte. Ltd. and Scent Loft Pte. Ltd.

CHOO TUNG KHENG

Managing Director, Executive

Mdm Choo Tung Kheng was first appointed as Executive Director of the Company on 1 July 2011 and the appointment was approved at the following annual general meeting of the Company held on 29 July 2011. On 11 November 2011, she was appointed as Managing Director of the Group. Mdm Choo was last re-appointed as Executive Director of the Company on 30 July 2019.

Mdm Choo has more than 15 years of experience in finance and accounting with local and multinational companies prior to her assuming the role of Executive Director of New Wave Holdings Ltd. from 21 June 2002 till 30 June 2011, after which she was redesignated as the Non-Executive Director.

Mdm Choo is responsible for the formulation of business strategies, implementation of system controls and policies, and the overall operations and financial management of the Group.

ONG KIAN SOON

Non-Executive Director

Mr Ong Kian Soon was first appointed as an Executive Director of the Company on 29 December 1998. He was re-designated as the Non-Executive Director of the Company with effect from 1 July 2011 and was last re-elected on 28 September 2020. Mr Ong has more than 15 years of experience in the areas of accounting, finance, administration and sales prior to joining the Group. He is also an Executive Director of New Wave Holdings Ltd.

TITO SHANE ISAAC

Independent, Non-Executive Director

Mr Tito Shane Isaac was first appointed to the Board on 30 August 2006 and last re-elected on 28 September 2020. Mr Isaac is a practicing advocate and solicitor with 25 years of experience in legal practice. He is the founder and managing partner of Tito Isaac & Co LLP, now a full-service 35-lawyer firm, which he founded in 1999 as a one-lawyer practice. Mr Isaac is the firm's leading litigator with extensive trial and appellate experience, having advocated for individuals and corporations from a range of industries in complex, multi-jurisdictional matters. He is a Fellow of the Singapore Institute of Arbitrators; and a Master Mediator as appointed by the Ministry of Law. For his contributions to the legal profession, he has received appreciation awards from The Minister of Law, Singapore in 2008 and 2014. For representing a Korean citizen, Mr Isaac also received an appreciation award from the Minister of Foreign Affairs and Trade, Republic of Korea in 2012. Mr Isaac is also an Independent Non-Executive Director of New Wave Holdings Ltd. and an Independent Non-Executive Director of Hiap Tong Corporation Ltd.

KEY MANAGEMENT

NG LAY CHOO

Financial Controller, Circuits Plus (M) Sdn. Bhd.

Ms Ng Lay Choo graduated from the University College Dublin, Republic of Ireland and is a Fellow of the Association of Chartered Certified Accountants. She has more than 25 years of experience in audit, finance and administration. Ms Ng is responsible for the areas of finance and administration of the Group's subsidiary, Circuits Plus (M) Sdn. Bhd.

TAN YEAT CHIA

Corporate Services Manager

Mr Tan Yeat Chia holds a diploma in Business Information Technology from Temasek Polytechnic. He first joined the Company in January 2009 as Assistant Manager – Corporate Services and was promoted to his present position on 18 January 2012. Mr Tan assists the Executive Directors with the business development initiatives and provides support services which include monitoring and analysing financial and operational data of the Group.

Mr Tan is the son of Mdm Choo Tung Kheng, the Managing Director of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Lee Teong Sang
(Chairman, Independent, Non-Executive)

Choo Tung Kheng
(Managing Director, Executive)

Ong Kian Soon
(Non-Executive Director)

Tito Shane Isaac
(Independent, Non-Executive Director)

AUDIT COMMITTEE
Lee Teong Sang (Chairman)
Tito Shane Isaac
Ong Kian Soon

NOMINATING COMMITTEE
Tito Shane Isaac (Chairman)
Lee Teong Sang
Ong Kian Soon

REMUNERATION COMMITTEE
Lee Teong Sang (Chairman)
Tito Shane Isaac
Ong Kian Soon

COMPANY SECRETARY
Yoo Loo Ping (Appointed on 1 April 2021)

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SHARE REGISTRAR
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#32-01 Singapore Land Tower
Singapore 048623

AUDITOR
BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Partner-in-Charge: Tan Boon Kai
(Appointed since the financial year ended 31 March 2021)

PRINCIPAL BANKER
United Overseas Bank Limited

SPONSOR
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#10-00 Income at Raffles
Singapore 049318

CORPORATE GOVERNANCE REPORT

CPH Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining good corporate governance to enhance and protect the interests of the Company's shareholders and maximising long-term success of the Company and Group.

The following report describes the Company's corporate governance practices with specific reference to the Code of Corporate Governance 2018 (the "**Code**") for the financial year ended 31 March 2021 ("**FY2021**") and the relevant provisions in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Rules of Catalist**"). The Board of Directors of the Company (the "**Board**") is pleased to inform that the Company is substantially in compliance with the principles and provisions of the Code and any deviations are explained below. Such compliance is regularly reviewed to ensure transparency and accountability.

BOARD MATTERS

The Board's Conduct of its Affairs

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

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

- deciding and approving strategic plans, key business initiatives, major investments and funding requirement matters;
- providing entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- monitoring the performance of the Management and the Group towards achieving adequate shareholders' values, including but not limited to reviewing the financial performance of the Group;
- ensuring the adequacy and effective internal controls and risk management system to safeguard shareholders' interest and Group's assets;
- identifying the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- constructively challenging Management and review its performance;
- setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders are understood and duly met;
- considering sustainability issues as part of its strategic formulation;
- ensuring transparency and accountability to key stakeholder groups; and

CORPORATE GOVERNANCE REPORT

- ensuring compliance with the Code, the Companies Act (Chapter 50) of Singapore ("**Companies Act**"), the Company's Constitution, the Rules of Catalist, accounting standards and other relevant statutes and regulations.

All Directors exercise due diligence and independent judgment, and are obliged to act in good faith and consider at all times the interests of the Company. Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. Where a potential conflict of interest arises, the Director concerned will recuse himself/herself from discussions and decisions involving the issue of conflict and refrains from exercising any influence over other members of the Board in respect of the issue.

The Board meets at least twice in a year to approve, amongst others, the Group's half year and full year financial results. The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad-hoc meetings are also convened as and when they are deemed necessary. As provided in the Company's Constitution, the Board may convene telephonic and videoconferencing meetings. At each meeting, the Board is provided with adequate and timely information by the Management on matters to be deliberated, thus facilitating an informed decision-making process.

The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The Management provides the Board with half-yearly accounts as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. Besides the Board papers, Directors are also updated on initiatives and developments on the Group's business and are provided with statistics and explanatory materials as necessary. The Management also provides at each meeting an updated report on risk management and internal controls. All Directors are given separate and unrestricted access to the Company's Management at all times in carrying out their duties. Any additional materials or information requested by the Directors to make informed decisions are promptly furnished by Management. When necessary, the Directors, whether as a group or individually, can seek independent professional advice at the Company's expense for the discharge of their duties.

All Directors are required to declare their board appointments. When a Director has multiple board representations, the Nominating Committee will consider whether the Director is able to adequately carry out his/her duties as a director of the Company, taking into consideration the Directors' number of listed company board representations and other principal commitments. Directors with multiple board representations must ensure that sufficient time and attention are given to the affairs of the Group.

The Directors also have separate and independent access to the Company Secretary. The Company Secretary attends all Board and Board Committees' meetings and ensures that Board procedures are followed, and that the Company complies with the requirements of the Companies Act and the Rules of Catalist. The Company Secretary also ensures that there are good information flows within the Board and its Board Committees and between Management and the Non-Executive Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

CORPORATE GOVERNANCE REPORT

To ensure compliance with legislative and regulatory requirements, including requirements under the Rules of Catalist, the Board through Management reviews the relevant compliance reports and ensures that Management seeks the Board's approval of such reports or requirements.

In compliance with the Rules of Catalist, the Board provides a negative assurance statement to the shareholders in its half-yearly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements to be false or misleading in any material aspect.

The Company has procured undertakings from all Directors and Executive Officers in compliance with Rule 720(1) of the Rules of Catalist.

Other matters specifically reserved for the Board's approval are those involving material acquisitions and disposal of assets, major investments and divestments, corporate or financial restructuring, share issuances, fundings, major policies on key areas of operations, dividends to shareholders, release of the Group's half-year and full-year results and interested person transactions of a material nature.

To facilitate effective management, the Board delegates certain functions to the various Board committees whose actions are monitored and endorsed by the Board. These committees include the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"), all of which operate within clearly defined terms of reference and functional procedures. Each of these Board Committees reports its activities regularly to the Board with their decisions and recommendations. However, the ultimate responsibility on all matters lie with the Board. The terms of reference and further details of the activities of the Board Committees in FY2021 are set out under the respective sections in this Report.

The Company recognises the importance of appropriate training for its Directors. The Board ensures that incoming new Directors are familiarised with the Group's businesses and corporate governance practices upon their appointment, to facilitate the effective discharge of their duties. Newly appointed Directors will be provided a formal letter setting out their duties and obligations. The Company will also ensure that first-time Directors undergoes the training as prescribed by the Rules of Catalist. There was no new Director appointed during FY2021.

Directors are constantly kept abreast of latest developments in regulatory, legal and accounting frameworks that are of relevance to the Group through participation in briefings, seminars and workshops. The training of Directors will be arranged and funded by the Company.

CORPORATE GOVERNANCE REPORT

Briefing and updates provided to the Directors for FY2021 include:

– briefing by the external auditor, BDO LLP, on the developments in financial reporting and governance standard at the half-yearly financial review meetings;

– updates by the corporate secretary on regulatory changes in light of the COVID-19 situation including extension of time for holding meetings and filing annual returns, and subsequent updates on conduct of meetings; new rules on statutory audit and changes to rules on qualifications of property valuers and standards for property valuation reporting issued through Singapore Exchange Regulation (SGX RegCo); and updates to the SGX Guidance Note on Accounting Standards for Financial Statements.

– updates on relevant developments and amendments to listing rules and releases issued by SGX-ST.

The Directors also attend other appropriate courses and seminars to keep abreast with changes in regulations, financial reporting standards, continuing listing obligations as well as industry-related matters during FY2021.

The Board meets regularly on a half-yearly basis and ad-hoc Board Committee or Board meetings are convened when they are deemed necessary. The number of Board and Board Committee meetings held during FY2021 and the attendance of each Director are set out as follows:

	Board		AC		NC		RC	
	No. of Meetings held(1)	**No. of Meetings attended**	**No. of Meetings held**(1)	**No. of Meetings attended**	**No. of Meetings held**(1)	**No. of Meetings attended**	**No. of Meetings held**(1)	**No. of Meetings attended**
Lee Teong Sang	2	2	2	2	1	1	1	1
Choo Tung Kheng	2	2	–	2*	–	1*	–	1*
Ong Kian Soon	2	2	2	2	1	1	1	1
Chong Cheng Whatt(2)	1	1	–	1*	–	1*	–	1*
Tito Shane Isaac	2	2	2	2	1	1	1	1

Notes:
(1) Represents the number of meetings held as applicable to each individual Director.
* Attendance at meetings that were held on a "By Invitation" basis.
(2) Mr Chong Cheng Whatt resigned as Executive Director on 29 September 2020.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

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

The Board currently comprises four (4) Directors, one (1) of whom holds an executive position:

Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Lee Teong Sang	Independent Non-Executive Chairman	Chairman	Member	Chairman
Choo Tung Kheng	Managing Director, Executive	–	–	–
Ong Kian Soon	Non-Executive Director	Member	Member	Member
Tito Shane Isaac	Independent Non-Executive Director	Member	Chairman	Member

As a majority of the Board is made up of Non-Executive Directors, the Company is in compliance with provision 2.3 of the Code. The Chairman of the Board is independent and more than one-third of the Board members are Independent Directors. Hence, the Board and the NC are satisfied that the Board has substantial independent elements to exercise objective judgment on corporate affairs independently.

As set out under the Code, an independent director is one who is independent in conduct, character and judgment, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment in the best interests of the company. The NC assess and reviews annually the independence of a Director bearing in mind the salient factors as set out under the Code as well as all other relevant circumstances and facts.

Each Non-Executive Director is required to complete a checklist annually to confirm his independence based on the provisions as set out in the Rules of Catalist, the Code and the Practice Guidance. The NC adopts the Catalist Rule 406(3)(d) and the Code's definition of what constitute an "independent" director in its review. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. The NC takes into account, among other things, whether a Director has a business relationship with the Company, its related companies and its substantial shareholders, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

CORPORATE GOVERNANCE REPORT

The NC had reviewed the independence of the two Independent Directors, namely Mr Lee Teong Sang and Mr Tito Shane Isaac. Having made its review on an annual basis, taking into consideration the independence checklist provided by the Independent Directors as mentioned under Principle 2 above and the requirements of Rule 406(3)(d) of the Rules of Catalist, the NC has affirmed that Mr Lee Teong Sang and Mr Tito Shane Isaac have satisfied the criteria for independence. Each of the Independent Directors has also confirmed his independence.

Mr Lee Teong Sang and Mr Tito Shane Isaac have served as Independent Directors of the Company for more than nine years. The Board has subjected their independence to a particularly rigorous review. The NC is of the view that Mr Lee Teong Sang and Mr Tito Shane Isaac have expressed individual viewpoints, debated issues and objectively scrutinised and challenged the Management when deemed necessary and they are able to bring independent judgment to bear on business activities in the discharge of their duties as a Board member and Board committee member. They have sought clarification and amplification whenever deemed necessary, including through direct access to the Management. Mr Lee Teong Sang and Mr Tito Shane Isaac also possess in-depth knowledge relating to the Group's business operations and have continuously contributed impartial and constructive advice at Board level.

Having considered the NC's opinion, the Board is of the view that Mr Lee Teong Sang and Mr Tito Shane Isaac have demonstrated strong independence in character and judgment over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interest of the minority shareholders and there is no material conflict between the tenure of their appointment as Independent Directors of the Company and their ability to discharge their duties as Independent Directors of the Company.

On or after 1 January 2022, a director who has served on the board for a cumulative period of 9 years will no longer be eligible to be designated as an independent director unless a resolution from shareholders present and voting at the general meeting is sought and approved in the manner described in Rule 406(3) (d)(iii) of the Rules of Catalist. In anticipation of Rule 406(3)(d)(iii) of the Rules of Catalist that will take effect on 1 January 2022 and to ensure that the designation of Mr Lee Teong Sang, who has served for more than 9 years as at 1 January 2022 as an Independent Director is not affected, the Company will table a resolution at the forthcoming annual general meeting ("**AGM**") through a two-tier shareholders' vote on the continued appointment of Mr Lee Teong Sang as an Independent Director.

In anticipation of Rule 406(3)(d)(iii) of the Rules of Catalist which will take effect on 1 January 2022, the shareholders had at the AGM of the Company held on 28 September 2020 ("FY2020 AGM"), approved the resolution on the continuation of Mr Tito as an Independent Director until the earlier of (i) his retirement or his resignation, or (ii) the conclusion of the Company's third annual general meeting following the FY2020 AGM.

CORPORATE GOVERNANCE REPORT

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. The current Board has the requisite blend of expertise, skills and attributes to oversee the Group's business. Collectively, they have competencies in areas which are relevant and valuable to the Group, such as accounting and finance, business and management experience, industry knowledge, management, legal practices, strategic planning and customer-based experience and knowledge. This enables the Management to benefit from the external and expert perspectives of the Directors who constructively challenge key issues and strategies put forth by the Management.

The NC has reviewed annually the composition and size of the Board to ensure that the size is appropriate for effective decision making. The Board, with the concurrence of the NC, is of the view that size is appropriate, having taken into consideration the nature and scope of the Group's operations. The NC is also of the view that the current Board comprises persons who collectively, have core competencies necessary to lead and manage the Group effectively.

Their core competencies and gender distribution are tabled below:

Balance and Diversity of the Board		
	Number of Directors	**Proportion of Board (%)**
Core Competencies		
– Business and management	4	100
– Legal	1	25
– Industry knowledge and experience	2	50
– Investor relations	1	25
Gender		
– Male	3	75
– Female	1	25

The NC will continuously review the composition, balance and diversity of the Board on an annual basis, considering the ongoing requirements of the Group to ensure that it possesses the necessary competencies to be effective.

The Company does not have a Board diversity policy but its Board consists of professionals from various disciplines. It recognises that a diverse Board of an appropriate size is an important element which will better pave the way for the Company to achieve its strategic objectives, foster constructive debate and avoid groupthink. A diverse Board also enhances the decision-making process through perspectives derived from differentiating skillsets, business experience, gender, age and culture, nationalities, tenure of service and other distinguishing qualities of the Directors. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

CORPORATE GOVERNANCE REPORT

The Company will consider the implementation of the Board diversity policy after the completion of its proposed acquisition of Shanaya Environmental Services Pte. Ltd. (as announced on 29 September 2020), which will result in a reverse takeover of the Company as defined under Chapter 10 of the Rules of Catalist, when there is more clarity on the prospects and direction of the Group.

To facilitate more effective check on management, the Independent Directors meet as and when necessary and at least once a year without the presence of the Management.

The Non-Executive Directors communicate regularly to discuss matters related to the Group, including, *inter alia*, the performance of the Management in the absence of the Executive Directors and Management. Where appropriate, the Independent Directors provide feedback to the Board after such meetings.

Chairman and Chief Executive Officer

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 Lee Teong Sang, an Independent Non-Executive Director holds the position as Chairman of the Board while Mdm Choo Tung Kheng is the Managing Director of the Company. Both positions are held by separate individuals to ensure an appropriate balance of power, increased accountability and greater capacity for independent decision-making.

The Chairman leads the Board to ensure effectiveness on all aspects of its role. With assistance from the Company Secretary who co-ordinates with the Management and Managing Director, the Chairman sets the meeting agenda and ensures that Directors are provided with complete, adequate and timely information. Board papers are sent to Directors at least three days in advance in order for Directors to be adequately prepared for the meetings. The Chairman ensures effective communication with shareholders and encourages constructive relations within the Board and between the Board and the Management by promoting a culture of transparency and openness in such relationship and in discussion at meetings. Management staff who have prepared the Board papers or who can provide additional insights into the matters to be discussed at Board Meetings, are invited to carry out presentations or attend the Board meeting at the relevant time, as and when appropriate. The Chairman also facilitates the effective contribution of Non-Executive Directors and promotes high standards of corporate governance.

The Managing Director works with the Board to determine the strategy for the Group and is responsible for the mapping of business plans and operational decisions of the Group. The Managing Director also works together with the Management to ensure that the Group operates in accordance with its strategic and operational objectives.

All the Board Committees are chaired by Independent Directors and more than one-third of the Board consists of Independent Directors.

As the Chairman is a separate independent individual, there is no need for a lead independent director to be appointed.

CORPORATE GOVERNANCE REPORT

Board Membership

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

The NC is responsible for making recommendations on all board appointments and re-nominations, having regard to the contribution and performance of the Director seeking re-election.

The NC comprises three (3) Directors; namely, Mr Tito Shane Isaac (Chairman), Mr Lee Teong Sang and Mr Ong Kian Soon. A majority of the NC, including its Chairman, are independent.

The written terms of reference of the NC have been approved and adopted. The key responsibilities of the NC includes, to:

- evaluate and review nominations for appointment and re-appointment to the Board and the various committees (including alternate directors, if any);
- review and nominate a Director for re-election to the Board, having regard to the Director's contribution and performance;
- determine annually and as and when circumstances require if a Director is independent;
- recommend to the Board the process for the evaluation of the performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board;
- decide whether a Director who has multiple board representations is able to and has been adequately carrying out his/her duties as Director of the Company;
- review and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman/Managing Director) and key management personnel;
- review the training and professional development programmes for the Board and its directors; and
- other acts as may be required by the SGX-ST and the Code of Corporate Governance from time to time.

The Company does not have a formal criteria of selection for the appointment of new directors to the Board. The appointment of a new director would be required when a vacancy on the Board arises or when the NC has assessed and identified certain expertise and skills that are required in the context of strengths and weaknesses of the existing Board to complement and strengthen the Board.

CORPORATE GOVERNANCE REPORT

In identifying suitable candidates, the NC may:

1. advertise or use services of external advisers to facilitate the search;

2. approach alternative sources such as the Singapore Institute of Directors; or

3. consider candidates from a wide range of backgrounds from internal or external sources.

After short listing the candidates through comparing the needs of the Board against the skills and experience offered by each candidate, the NC shall:

(a) consider and interview all candidates on merit against objective criteria, taking into consideration that appointees have sufficient time to devote to the position; and

(b) evaluate and agree to a preferred candidate for recommendation to and appointment by the Board.

Rule 720(4) of the Rules of Catalist states that the Company must have all Directors submit themselves for re-nomination and re-appointment at least once every three years and the Company is in compliance with this Rule. The NC reviews and recommends to the Board the re-nomination of retiring Directors standing for re-election and re-appointment. The review ensures that the Director to be re-nominated or re-appointed has contributed to the ongoing effectiveness of the Board, exercised sound business and objective judgment, and has demonstrated leadership experience, high levels of professional skills and appropriate personal qualities.

According to Article 89 of the Company's Constitution, Mr Lee Teong Sang will retire at the Company's forthcoming AGM. Mr Lee is eligible for re-election and has consented to continue in office, and the Board has accepted the NC's recommendation for his re-election. In making the recommendation, the NC had considered the overall contribution and performance of Mr Lee Teong Sang. Mr Lee does not have any relationships, including immediate family relationships with the other Directors, the Company or its substantial shareholders. The disclosure of information on the Director seeking re-election can be found on pages 33 to 34 of the Annual Report.

The Board has not capped the maximum number of listed company board representations each Director may hold as the NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments, and not guided by a numerical limit. All Directors are required to declare their Board representations annually. When a Director has multiple board representations and principal commitments, the NC will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC has reviewed and is satisfied that Mr Lee Teong Sang, Mdm Choo Tung Kheng, Mr Ong Kian Soon and Mr Tito Shane Isaac, who sit on multiple board representatives presently, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Directors of the Company, notwithstanding their multiple board appointments.

CORPORATE GOVERNANCE REPORT

In making this assessment, the NC has considered the size and composition of the Board and the nature and size of the Group's operations.

The NC has reviewed the time and attention spent on the Company's affairs, and is satisfied that all the Directors have discharged their duties adequately for the financial year in review.

Each member of the NC has abstained from reviewing and voting on any resolution relating to the assessment of his independence, performance or his re-nomination as Director, or in any matter where he has an interest.

The Company currently does not have any alternate director on Board and none of the Directors hold shares in the subsidiaries of the Company.

Key information regarding the Directors, including their present and past three years' directorships in other listed companies and principal commitments is set out below:

Directors	**Board Membership**	**Date of initial appointment**	**Date of last appointment**	**Directorships in other listed companies**		**Principal Commitments**
				Current	**Past 3 Years**	**Current**
Lee Teong Sang	Independent Non-Executive Chairman	16 September 2004	30 July 2019	New Wave Holdings Ltd.	Nil	Principal Consultant at Cyrus Capital Consulting, Director of Cyrus Corporation Pte Ltd, Kyrus Investment Pte. Ltd. and Scent Loft Pte. Ltd.
Choo Tung Kheng	Managing Director	1 July 2011	30 July 2019	New Wave Holdings Ltd.	Nil	Nil
Ong Kian Soon	Non-Executive Director	29 December 1998	28 September 2020	New Wave Holdings Ltd.	Nil	Chief Executive Officer of New Wave Holdings Ltd.
Tito Shane Isaac	Independent Non-Executive Director	30 August 2006	28 September 2020	New Wave Holdings Ltd. and Hiap Tong Corporation Ltd.	Nil	Managing Partner of Tito Isaac & Co LLP

CORPORATE GOVERNANCE REPORT

Board Performance

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

On an annual and formal basis, the NC assesses the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board as well as the effectiveness of each Board Committee.

With the recommendation of the NC, the Board has adopted an internal process for evaluating the effectiveness of the Board as a whole and its Board Committees. The NC has proposed a set of performance criteria, approved by the Board, against which actual performances are measured.

The performance criteria for the evaluation of the Board as a whole and its Board Committees includes, *inter alia*, the structure of the Board and the Board Committees, conduct of meetings, corporate strategy and planning, risk management and internal controls, recruitment and evaluation, compensation, succession planning, financial reporting and communications with shareholders. Each Board member has completed the assessment checklists for the evaluation of the Board and each Board Committee for the financial year under review, which are collated and evaluation results are presented to the NC Chairman for evaluation. Based on the evaluation results, the NC Chairman presents his recommendations to the Board. The key objective of this evaluation exercise is to obtain constructive feedback from each Director to continually improve the Board's and each of the Board Committees' performance. Individual Director's performance through self-assessment by completing the individual Director Assessment Checklist which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at meetings and the technical knowledge of the Directors.

For FY2021, the NC, in assessing the contribution of each Director, had considered each Director's attendance and participation at Board and Board Committee meetings, his/her qualifications, experience and expertise and the time and effort dedicated to the Group's business and affairs including the Management's access to the Directors for guidance or exchange of views as and when necessary. In assessing the effectiveness of the Board as a whole, both quantitative and qualitative criteria are considered.

The NC has assessed the Board and Board Committee's performance to-date, as well as the performance of each individual Director, and is of the view that the performance of the Board, the Board Committees and each individual Director were satisfactory for the financial year under review. The Board has met its performance objectives for FY2021.

The performance criteria are not subject to changes from year to year. Nonetheless, where circumstances deem it necessary for any of the criteria to be changed, the Board will justify such changes.

The Company did not engage any external facilitator for the evaluation process during FY2021. Where necessary, the NC will consider such an engagement.

CORPORATE GOVERNANCE REPORT

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 ("**KMP**"). No Director is involved in deciding his or her own remuneration.

The RC comprises three (3) Directors; namely, Mr Lee Teong Sang (Chairman), Mr Tito Shane Isaac and Mr Ong Kian Soon. All of the RC members are non-executive directors and the majority of the RC, including the Chairman, are independent.

The written terms of reference of the RC have been approved and adopted. The key responsibilities of the RC includes, to:

- review and recommend to the Board a framework of remuneration that will attract, retain and motivate Directors and KMP and the specific remuneration packages for each Director (executive, non-executive and independent) as well as for the KMP;

- review the Company's obligations arising in the event of termination of the Executive Directors' and KMP's contracts of service, to ensure that such clauses are fair and reasonable and not overly-generous;

- consider whether Directors, the Managing Director and KMP should be eligible for benefits under share schemes and such other long-term incentive schemes as may from time to time be implemented; and

- consider the disclosure requirements for Directors' and top 5 KMP's remuneration as required by the Code.

The members of the RC are familiar with executive compensation matters as they manage their own businesses and/or in holding other senior management positions and directorships.

As part of its review, the RC shall ensure that the Directors and KMP are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC will also take into consideration the Company's relative performance and the performance of individual Directors.

The RC's recommendations will be submitted for endorsement by the Board. The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix remuneration for Directors and KMP. The Board did not engage any external remuneration consultant to advise on remuneration matters for FY2021. None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him/her.

Level and Mix of Remuneration

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

In its review and recommendations for remuneration and the remuneration framework, the RC ensures that the Directors and KMP are adequately but not excessively remunerated as compared to industry benchmarks and other comparable companies. The RC also takes into account the Group's relative performance and the performance of individual Directors and KMP, linking rewards to corporate and individual performance. Accordingly, ensuring that remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long-term.

Executive Directors are paid a basic salary, allowances and performance-related bonus for their contributions. The performance-related bonus was payable based on both qualitative and quantitative performance criteria. Qualitative criteria included leadership skills, people development, commitment and teamwork. Quantitative performance conditions measure the achievement of individual and corporate performance targets such as sales and profitability targets. In view of the cessation of our core printed circuit board business in November 2019, the Group was not profitable in FY2021.

The Non-Executive Director and Independent Directors receive a directors' fee for their effort and time spent, responsibilities and level of contribution to the Board and Board Committees, and are subject to shareholders' approval at the AGM of the Company. The RC also ensures that the remuneration of the Non-Executive Director and Independent Directors are appropriate to their level of contribution and they should not be over-compensated to the extent that their independence is comprised. There are no share-based compensation schemes in place for Independent Directors and Non-Executives Directors. No Director is involved in deciding his or her own remuneration package.

The Company has entered into fixed-term service agreements with the Executive Directors, namely Mdm Choo Tung Kheng and Mr Chong Cheng Whatt, who has resigned during the financial year. The service agreements are valid for a period of two years and are subject to renewal on such terms and conditions as the parties agreed in writing.

The Group has entered into separate letters of employment with the KMP. Such letters typically provide for the salaries payable to the KMP, their working hours, medical benefits, annual leave entitlement, grounds for termination and certain restrictive covenants.

All revisions to the remuneration packages for the Directors and KMP are subject to the review and approval of the Board.

Having reviewed and considered the variable components of the Executive Directors' and the KMP's remuneration, the Company does not use contractual provisions to allow the Company to reclaim incentive components of the remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

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

The Board is of the view that full disclosure of the specific remuneration of each individual Director and Managing Director is not in the best interests of the Company, taking into account the sensitive nature of the subject, the highly competitive business environment in which the Group operates and the potential negative impact such disclosure will have on the Group. Despite having varied from Provision 8.1(a) of the Code, the Board believes that consistent with the intent of Principle 8 of the Code by disclosing on a named basis and in bands of S$250,000 including the provision of a breakdown in percentage terms, sufficient information has been disclosed for shareholders' understanding with respect to the Group's level and mix of remuneration.

	Salary %	**Bonus** %	**Others** %	**Fees** %	**Total** %
Remuneration Band and Name of Director					
Below S$250,000					
Choo Tung Kheng	84	9	7	–	100
Chong Cheng Whatt[(1)]	100	–	–	–	100
Ong Kian Soon	–	–	–	100	100
Lee Teong Sang	–	–	–	100	100
Tito Shane Isaac	–	–	–	100	100

Note:
(1) Mr Chong Cheng Whatt resigned as Executive Director on 29 September 2020.

There were only two KMP (who are not Directors or the CEO) for FY2021. As such, disclosure was only made in respect of the remuneration of these two KMP of the Group. A breakdown, showing the level and mix of each of the KMP's remuneration (who are not Directors or the CEO) in bands of S$250,000 for FY2021 is as set out below:

	Salary %	**Bonus** %	**Others** %	**Fees** %	**Total** %
Remuneration Band and Name of Key Management Personnel					
Below S$250,000					
Ng Lay Choo	100	–	–	–	100
Tan Yeat Chia[(1)]	91	9	–	–	100

Note:
(1) Mr Tan Yeat Chia is the son of Mdm Choo Tung Kheng, the Managing Director of the Company, whose remuneration band falls below S$100,000.

The Board believes that the disclosure provides sufficient overview of the remuneration of the Group while maintaining confidentiality of the KMP's remuneration matters.

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Save as disclosed above, the Company does not have any other employee who is a substantial shareholder or an immediate family member of a Director, the CEO and substantial shareholders of the Company in FY2021.

The aggregate remuneration paid to the two KMP, who are not Directors or Managing Director, is not disclosed, which does not comply with Provision 8.1(b) of the Code. The Board is of the opinion that to deter poaching by competitors, disclosure of the aggregate remuneration paid to the top two KMP would not be in the best interest of the Company.

For FY2021, there were no terminations, retirement or post-employment benefits granted to Directors and KMP other than the standard contractual notice period termination payment in lieu of service. The Company does not have any share-based compensation scheme or any long-term scheme involving the offer of shares or options in place.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Board acknowledges that it is responsible for ensuring that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets. At every AC and Board meeting (which is on a half-yearly basis), the AC, together with the Board, reviews the adequacy and effectiveness of the Group's system of internal controls put in place to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information are reliable.

The Group's control environment provides the foundation upon which all other components of internal controls are built upon. It provides discipline and structure, setting the tone of the organisation and influencing the control consciousness of its staff. A weak control environment foundation hampers the effectiveness of even the best designed internal control procedure.

The Board does not establish a separate Board risk committee as it believes that the size and complexity of the Group's operations does not yet merit this. The Board has appointed a Risk Officer ("**RO**") who is independent of the Group's operations to provide executive oversight and co-ordination of the Group's risk management governance, as well as to handle the internal audit function. The Board is currently assisted by the AC, the RO and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. The Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. It reviews all significant control policies and procedures and highlights all significant matters to the Directors and the AC.

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The AC, with the assistance of the RO, reviews the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems established by the Management on a half-yearly basis.

The RO and external auditors have, during the course of their audit, carried out a review of the adequacy and effectiveness of key internal controls within the scope of their audit. Material non-compliance and internal control weaknesses noted, if any, during their respective audits and their recommendations are reported to the AC. In the review work performed by both the RO and the external auditors for FY2021, no exceptions were noted. The AC will review the RO's comments and findings and ensure that there are adequate and effective internal controls in the Group and follow-up actions as recommended by the RO are implemented.

The Board has received assurance ("**Assurance**") from:

(i) the Managing Director and the Financial Controller that the financial records have been properly maintained and the financial statements for the financial year ended 31 March 2021 give a true and fair view of the Company's operations and finances; and

(ii) the Managing Director, the Non-Executive Director and Financial Controller in charge of the risk management and internal control framework that in FY2021, the Company's risk management and internal control systems in place are adequate and effective in addressing the material risks in the Company in its current business environment including material financial, operational, compliance and information technology controls, and risk management systems.

Based on the internal controls established and maintained by the Group, work performed by the external auditors and reviews performed by the Management, various Board Committees and the Assurance received, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management and internal controls systems, which addresses the financial, operational, compliance and information technology controls and risk management systems, were adequate and effective for FY2021. The AC will continue to assess the adequacy and effectiveness of the internal control systems annually.

An overview of the key risks, the extent of the Group's exposure and the approach to managing these risks are set out on pages 99 and 104 of the Annual Report.

Audit Committee

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

The AC comprises three (3) Directors; namely, Mr Lee Teong Sang (Chairman), Mr Tito Shane Isaac and Mr Ong Kian Soon. All of the AC members are non-executive and the majority of the AC, including the Chairman, are independent.

CORPORATE GOVERNANCE REPORT

The written terms of reference of the AC have been approved and adopted. The key terms of reference of the AC includes, to:

- review with the external auditors and the Risk Officer their evaluation of the system of internal accounting controls, the audit plans and the audit report including the adequacy, effectiveness, scope and results of the external audit, the reports on the risk management reviews conducted twice yearly, and the independence and objectivity of the external auditors;
- review the financial statements and statement of financial position and statement of comprehensive income including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance, before submission to the Board for approval;
- review the internal control procedures, its scope and the results and to ensure co-ordination between the external auditors and the Management; and review the assistance given by Management to the external auditors, and discuss problems and concerns, if any, arising from the interim and final audits;
- review and report to the Board at least annually, on the adequacy and effectiveness of the Company's internal controls;
- review the adequacy and effectiveness of the Company's internal audit function (as applicable);
- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response;
- make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Rules of Catalist;
- review potential conflicts of interest, if any;
- review the assurance from the Managing Director and Financial Controller on the financial records and financial statements;
- undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the AC;
- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and

CORPORATE GOVERNANCE REPORT

- generally undertake such other functions and duties as may be required by statute or the Rules of Catalist, or by such amendments as may be made from time to time.

The AC also has explicit authority to investigate any matters within its terms of reference, full access to and cooperation by the Management and has full discretion to invite any Director or executive officer to attend its meetings.

All the members of the AC have had many years of experience in business and financial advisory, corporate and finance, investment and senior management positions in different sectors. The Board is of the view that the members of the AC have sufficient management and/or financial expertise and experience to discharge the AC's functions. None of the AC members were previous partners or Directors of the Company's external audit firm or auditing corporation nor does any of them have any financial interest in the audit firm.

The AC has met with the external auditor, without the presence of the Management during FY2021. Matters discussed include the reasonableness of the financial reporting process, the internal control process, the adequacy of resources, audit arrangements with particular emphasis on the observations and recommendations of the external auditor, the scope and quality of their audits and the independence and objectivity of the external auditors and any matters that may be raised.

The AC had reviewed the audit plan and AC report presented by the external auditor. The AC also received from the external auditor regular updates on changes and amendments to accounting standards to enable the AC members to keep abreast of such changes, and issues which have a direct impact on financial statements. Following its review, the AC recommended to the Board for approval, the audited annual financial statements. On a half yearly basis, the AC also reviews the interested person transactions and the financial results announcements before their submission to the Board for approval.

The AC reviews the independence of the external auditor annually. The AC, having reviewed the volume and scope of non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The AC is also satisfied with the external auditors' confirmation of their independence. The aggregate amount of fees paid to the external auditor of the Company, BDO LLP, broken down into audit and non-audit services during FY2021 is as follows:

Description	**Amount**	**Percentage (%)**
Audit fees	S$44,991	71
Non-audit fees	S$18,595	29
Total	**S$63,586**	**100**

On the basis of the above, the AC is satisfied with the standard and quality of work performed by BDO LLP.

CORPORATE GOVERNANCE REPORT

Accordingly, the AC has recommended to the Board the re-appointment of BDO LLP as the Company's external auditor at the forthcoming AGM. The Company is in compliance with Rules 712 and 715 of the Rules of Catalist in relation to its external auditors.

Each member of the AC abstains from voting on any resolutions and making any recommendation and/or participating in discussion on matters in which he is interested in.

Internal Audit

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company's assets. Rule 719(1) of the Rules of Catalist requires an issuer to have adequate and effective systems of internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

The Company has in place a system of internal controls which has been approved and endorsed by the AC and Board. The nature and size of the Group's present operations does not warrant the Group having a separate internal audit function within the Group, nor the need to engage a professional audit firm to carry out an audit of the Group's internal controls or risk management governance. Instead, the Company has appointed an independent contractor, being an individual whom the Group generally referred to as the RO, to perform the internal audit function, and he reports directly to the AC and the Board. The RO was previously an employee of the Group, employed in a different capacity from his internal audit function. He has since officially resigned from his previous position and is currently hired on a part-time basis to handle the internal audit function only. He, therefore, is clearly independent of the activities he audits and is objective in performing his duties. The AC and the Board also ensure that he is adequately resourced and has the full co-operation of the Management staff. In his performance of the internal audit function of the Group, he has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Group.

The annual internal audit plan is submitted to the AC. The internal audit scope is within the internal audit requirements that have been agreed by the AC. The role of the RO in the management of risks is to:

- design, implement and monitor the risk management and internal control systems of the Group in accordance with Board policies on risks and controls, using effective processes and procedures;

- identify the risks relevant to the businesses of the Group and manage the risks in accordance with the risk policies and directions from the Board;

- identify changes to risks or emerging risks and promptly bring these to the attention of the Board where appropriate; and

- ensure the quality, adequacy and timeliness of the information that goes to the Board.

CORPORATE GOVERNANCE REPORT

The Board is of the view that during FY2021, the Group's systems of internal controls including financial, operational, compliance and information technology controls, and its risk management systems are adequate and effective in safeguarding the Group's assets. During FY2021, the AC also enquired and reviewed reports from the RO and the external auditors on any material non-compliance and internal control weakness. The AC has reviewed with the RO and the external auditors on their findings of the existence and adequacy and effectiveness of material internal control procedures as part of their audit for the financial year under review. Any material non-compliance or lapses in internal controls, together with recommendation for improvement are reported to the AC. Timely and proper implementation of all required corrective, preventative or improvement measures is closely monitored.

The AC met with the RO without presence of the Management in relation to the work done for the financial year under review. The AC has reviewed and is satisfied with the independence, adequacy and effectiveness of the RO's scope and the internal audit function for FY2021.

The Board has concurred with the AC that the Group's systems of internal controls and risk management systems are adequate and effective during FY2021. The AC and Board will continue to monitor and assess the adequacy and effectiveness of the internal control systems annually.

Whistleblowing Policy

The Company has, with the help of the AC, formulated the guidelines for a whistle-blowing policy to provide a channel for employees of the Group or any other external parties to report in good faith and in confidence their concerns about possible improprieties in the matter of financial reporting or in other matters. The objective of the policy is to ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken. The employee may report his concerns to his immediate supervisor, or if that is unsuitable, then to the Head of Department or to any Executive Director. Alternatively, the employee may choose to write directly to the Chairman of the AC at a given address. The AC oversees the administration of the whistle-blowing policy. The whistle-blowing policy is also extended to external parties. The external parties may raise their concerns or lodge any complaint of improprieties conducted by the staff or officers of the Company to the AC by submitting a whistle-blowing report via email to auditcom@circuitsplus.com.sg, as stated in the Company's website. No whistle-blowing reports had been received for FY2021.

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.

The Group's corporate governance culture and awareness promotes fair and equitable treatment for all shareholders. All shareholders enjoy specific rights under the Companies Act and the Constitution of the Company. All shareholders are treated fairly and equitably.

CORPORATE GOVERNANCE REPORT

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

Shareholders are given the opportunity to participate effectively in and vote at general meetings of the Company. Prior to and/or at general meetings, shareholders will be informed of the rules and voting procedures relating to the general meetings.

The Company's Constitution permits voting in abstentia only by appointment of proxy. Whilst there is no limit imposed on the number of proxy votes for relevant intermediaries, the Constitution of the Company allows each shareholder (other than a relevant intermediary as defined in Section 181(6) of the Companies Act) to appoint up to two proxies to attend annual general meetings. The Companies Act allows relevant intermediaries which include entities holding capital markets services licence to provide custodial services for securities, banking corporation licensed under the Banking Act (Chap. 19) and the CPF Board to appoint multiple proxies.

The Company tables separate resolutions at general meetings on each distinct issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolution are "bundled", the Company explains the reasons and material implications in the notice of meeting. Each item of special business included in the notice of the meeting is accompanies, where appropriate, by an explanation or circular in respect of the proposed resolution. A proxy form is always prepared together with the notice of general meeting provided to the shareholders. The resolutions will be put to vote by poll and an announcement of the results showing the number of votes cast and against each resolution and the respective percentages for general meetings will be made subsequent to the meeting.

The Company encourages shareholders' participation at general meetings and all shareholders are given the opportunity to voice their views and to direct queries regarding the Group to Directors, including the chairman of each of the Board Committees. All Directors were present at the last AGM held on 28 September 2020 and the extraordinary general meeting held on 24 February 2021, by way of electronic means. The Company's external auditors are also always present at the AGMs to assist the Board in addressing any queries from shareholders in respect of the conduct of audit and the preparation and content of the auditors' report.

All resolutions at general meetings will be via poll to better reflect shareholders' shareholding and promote greater transparency. The detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced immediately at the meeting and also disclosed via SGXNET on the same day.

Due to the COVID-19 restriction orders in Singapore, the Company has adopted the alternative arrangements for the convening, holding and conducting of the AGM for FY2021 in accordance with the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**"), as set out in the second column of the First Schedule of the Order. Minutes of the AGM to be held in July 2021 will be published within one (1) month after the AGM date, in accordance with the requirements under the Order.

CORPORATE GOVERNANCE REPORT

The Company currently does not have a fixed dividend policy. The declaration and payment of future dividends will depend upon the Group's operating results, cash flows projections and investment plans. The Company does not propose any dividend payment as the Company did not have any distributable profits for FY2021.

Engagement with Shareholders

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

The Company is committed to maintaining high standards of corporate disclosure and transparency and will ensure that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory requirements and the Rules of Catalist. The Company also strives to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects. The Company believes that supplying reliable and timely information will strengthen the relationship with its shareholders based on trust and accessibility.

The Company values dialogue sessions with its shareholders and believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET, press release and the corporate website. To ensure a level playing field and provide confidence to shareholders, unpublished price sensitive information is not selectively disclosed. Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. For meetings held by way of electronic means in FY2021, shareholders were given sufficient time to pose their questions and were given the choice to either pose them electronically via an e-platform set up for the purpose, or to send their questions via emails or by letters through the post. The members of the AC, NC and RC will be present at each AGM to answer questions relating to matters overseen by the respective committee. Shareholders may also pose their queries or their viewpoints to the Company via email to CPH_IR@circuitsplus.com.sg.

Shareholders are provided with the half-yearly and full year results and annual financial reports on a timely manner. In presenting the annual financial statements and half-yearly financial results announcements to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via the SGXNET. Notice of general meeting is announced through SGXNET, posted on the corporate website and published in the Business Times. Notwithstanding the aforementioned, as the Company has adopted the alternative arrangements for the convening, holding and conducting of the AGM for FY2021 in accordance with the Order, the notice of AGM for the upcoming AGM will not be published in the Business Times.

The Directors may decide, if the need arises, to organise media/analyst briefings to enable a better appreciation of the Group's performance and developments, which will also act as platforms to solicit and understand the views of shareholders and investors.

CORPORATE GOVERNANCE REPORT

Although the Company has not adopted a formal investor relations policy to regularly convey pertinent information to the shareholders, the Board acknowledges its obligation to furnish timely information to shareholders and ensures that full disclosure of material information in its Annual Report to comply with statutory requirements and the Rules of Catalist is made. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.

MANAGING STAKEHOLDERS RELATIONSHIPS

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 the key stakeholders through an annual assessment of their impact to the Group's operations and vice versa. The stakeholders who could have an impact on the Company's long term sustainability and its service standards are our shareholders, employees, customers, suppliers, regulators as well as the community. The Company regularly engaged the stakeholders through various formal and informal means and through different communication channels including formal meetings, telephonic discussions, induction and training programmes for employees, seminars and trade shows. The Company believes that its interests are best served if the Company could carefully consider and balance the needs and interests of the material stakeholders. Information regarding the Company and its subsidiaries are also available on the SGXNET and the Company's corporate website at www.circuitsplus.com.sg.

General information on the Group such as annual reports, financial results and corporate updates are released on the SGXNET. More details on the Company's approach to stakeholder engagement will be provided in the Sustainability Report which the Company will release within the stipulated five (5) months from the end of FY2021.

Dealings in Securities

In line with Rule 1204(19) of the Rules of Catalist, the Group has adopted an internal compliance code to provide guidance to its officers with regard to dealings in the Company's securities. The code prohibits dealing in the Company's securities by the Company, Directors and employees of the Group while in possession of unpublished price-sensitive information and 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 the announcement of the results. The Company, its Directors and officers of the Group are also not allowed to deal in the Company's securities on short-term considerations. The Directors and officers are also required to adhere to the provisions of the Companies Act and any other relevant regulations with regard to their securities transactions. Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading periods.

CORPORATE GOVERNANCE REPORT

The Board confirms that for FY2021, the Group has complied with Rule 1204(19) of the Rules of Catalist.

Material Contracts

There were no material contracts of the Company or its subsidiaries involving the interest of the Managing Director, any Director or controlling shareholder either still subsisting as at 31 March 2021 or if not then subsisting, entered into since the end of the previous financial year.

Interested Person Transactions

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the Rules of Catalist.

The AC is satisfied that the review procedures for interested person transactions and the reviews to be made half-yearly by the AC in relation thereto are adequate to ensure that the interested person transactions will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. The Company confirms that there were no interested person transactions of S$100,000 or more entered into during the financial year under review.

Non-Sponsorship Fees

The total amount of non-sponsor fees paid/payable to the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2021 was S$150,000.

Sustainability Report

The Company acknowledges the importance of sustainability risks in today's business environment and will continue to implement appropriate policies and procedures to address such risks. The Group has identified its material environment, social and governance (ESG) factors and they are economic performance, anticorruption, energy conservation, waste management, diversity and equal opportunity for its employment practices, occupational health and safety, corporate governance, enterprise risk management and business ethics. Further details on the aforementioned will be set out in the Company's Sustainability Report for FY2021 which will be issued and published separately on the SGXNET by 31 August 2021.

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Lee Teong Sang is the Director seeking re-election at the Company's forthcoming Annual General Meeting ("**AGM**") (the "**Retiring Director**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (the "**Rules of Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Retiring Director as set out in Appendix 7F to the Rules of Catalist:

	MR LEE TEONG SANG
Date of Appointment	16 September 2004
Date of Last Re-appointment (if applicable)	30 July 2019
Age	62 years
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company have considered, among others, the recommendation of the Nominating Committee ("**NC**") and have reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lee Teong Sang ("**Mr Lee**") for re-election as Independent Non-Executive Director and Chairman of the Company. The Board has concluded that Mr Lee possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Chairman Chairman of the Audit Committee and the Remuneration Committee and a member of the Nominating Committee
Professional qualifications	Master of Business Administration Degree from the University of Sheffield, UK Bachelor of Pharmacy Degree from the University of London

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR LEE TEONG SANG
Working experience and occupation(s) during the past 10 years	April 1999 to Present: Principal Consultant of Cyrus Capital Consulting and director of Cyrus Corporation Pte Ltd (sole proprietor of Cyrus Capital Consulting) May 2011 to Present: Director of Kyrus Investment Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	
Other Directorships for the past 5 years	Nil
Other Present Directorships	New Wave Holdings Ltd. Cyrus Corporation Pte Ltd Kyrus Investment Pte. Ltd. Scent Loft Pte. Ltd.
Other Principal Commitments	Principal Consultant at Cyrus Capital Consulting

Mr Lee Teong Sang has provided a negative confirmation on items (a) to (k) of Appendix 7F to the Rules of Catalist.

DIRECTORS' STATEMENT

The Directors of CPH Ltd. (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2021 and the statement of financial position of the Company as at 31 March 2021.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Choo Tung Kheng	(Managing Director)
Ong Kian Soon	(Non-Executive Director)
Lee Teong Sang	(Independent, Non-Executive Chairman)
Tito Shane Isaac	(Independent, Non-Executive Director)

3. Arrangements to enable Directors to acquire shares or debentures

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

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), none of the Directors of the Company who held 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 detailed below:

	Number of ordinary shares			
	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have interests	
	Balance at 1 April 2020	Balance at 31 March 2021	Balance at 1 April 2020	Balance at 31 March 2021
Company				
Choo Tung Kheng[1]	247,012,315	247,012,315	1,200	1,200
Ong Kian Soon	10,534,000	10,534,000	–	–

Note:

(1) Mdm Choo Tung Kheng is deemed to be interested in the 1,200 shares held by her spouse, the late Mr Tan Ming.

Pursuant to Section 7 of the Act, Mdm Choo Tung Kheng is deemed to have an interest in all related corporations of the Company at the beginning and end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 April 2021 in the shares of the Company have not changed from those disclosed as at 31 March 2021.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

DIRECTORS' STATEMENT

6. Audit Committee

The Audit Committee comprises the following members, who are all Non-Executive Directors and a majority of whom, including the Chairman, are Independent Directors. The members of the Audit Committee during the financial year and at the date of this statement are:

Lee Teong Sang (Chairman)
Tito Shane Isaac
Ong Kian Soon

The Audit Committee carries out its functions in accordance with Section 201B (5) of the Act, and the Code of Corporate Governance, including the following:

(i) reviews the audit plans and results of the external auditor;

(ii) reviews the Group's financial and operational results and accounting policies;

(iii) reviews the consolidated financial statements of the Group and the statement of financial position of the Company before their submission to the Directors of the Company and the external auditor's report on those financial statements;

(iv) reviews the half-year and full year announcements on the results of the Group and financial position of the Group and of the Company;

(v) ensures the co-operation and assistance given by the management to external auditor;

(vi) makes recommendations to the Board on the appointment of external auditor; and

(vii) reviews the Interested Person Transactions as defined in Chapter 9 of the Rules of Catalist of SGX-ST as required by SGX-ST and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The Audit Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditor has unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditor of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

7. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Choo Tung Kheng
Director

Ong Kian Soon
Director

Singapore
18 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPH LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CPH Ltd. (the "Company") and its subsidiaries (the "Group"), as set out on pages 44 to 106, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2021;
- 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 statement of financial position 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 2021, and of its 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 of the current period. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPH LTD.

1 Going concern

During the financial year, the Group had incurred a loss of $1,936,816 and had cash outflow from operating activities of $340,089. With the cessation of the Printed Circuits Board business segment in November 2019, the Group generates income solely from leasing its investment property to third parties. As at 31 March 2021, the Group had cash and cash equivalents of $553,619.

As disclosed in Note 4, notwithstanding that these conditions exist; management has assessed that there is no material uncertainty related to these conditions that may cast significant doubt on the Group's ability to continue as a going concern.

The Group is dependent upon its ability to generate sufficient cash flows to meet scheduled loan repayments and hence to operate within its existing debt facilities. Management's use of going concern basis of accounting include a number of assumptions regarding the timing of cash receipt from the disposal of property, the cash inflows generate from additional income stream upon the completion of the proposed acquisition, anticipated levels of future cash flows and compliance with covenants.

This is a key audit matter due to the level of significant judgement made by management in determining the future plans, including cash flow projections of the Group which will affect the level of available funds in order for the Group to continue as going concern.

Related Disclosures

Refer to Note 4 to the financial statements.

Audit Response

Our procedures included, amongst others, the following:

- Held meetings and discussions with management to obtain understanding of its future business plans;
- Reviewed management's monthly cash flows projections and evaluated the key assumptions made;
- Performed stress test on the related key assumptions such as the timing of cash proceeds from disposal of property;
- Reviewed the Group's available and unutilised banking facilities, including the compliance with debt covenants; and;
- Assessed the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPH LTD.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPH LTD.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CPH LTD.

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

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 partner on the audit resulting in this independent auditor's report is Tan Boon Kai.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
18 June 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group 2021 $	Group 2020 $	Company 2021 $	Company 2020 $
ASSETS					
Non-current assets					
Subsidiaries	5	**–**	–	**4,014,278**	5,533,278
Associate	6	**–**	166,433	**–**	–
Property, plant and equipment	7	**18,738**	81,175	**–**	–
Investment property	8	**–**	9,379,601	**–**	–
		18,738	9,627,209	**4,014,278**	5,533,278
Current assets					
Inventories	9	**–**	28,194	**–**	–
Trade and other receivables	10	**41,434**	238,897	**1,777,615**	2,237,175
Prepayments		**17,115**	21,098	**8,570**	8,570
Cash and cash equivalents	11	**553,619**	294,790	**26,727**	17,117
		612,168	582,979	**1,812,912**	2,262,862
Non-current assets classified as held for sale	12	**8,119,156**	300,747	**–**	–
		8,731,324	883,726	**1,812,912**	2,262,862
Total assets		**8,750,062**	10,510,935	**5,827,190**	7,796,140
EQUITY AND LIABILITIES					
Equity					
Share capital	13	**24,764,175**	24,764,175	**24,764,175**	24,764,175
Foreign currency translation account	14	**(178,879)**	(241,186)	**–**	–
Share-based payment reserve	15	**10,000**	10,000	**10,000**	10,000
Accumulated losses		**(19,003,812)**	(17,066,996)	**(19,310,029)**	(17,096,595)
Total equity attributable to owners of the parent		**5,591,484**	7,465,993	**5,464,146**	7,677,580
Non-current liabilities					
Bank borrowings	16	**677,516**	–	**–**	–
Lease liabilities	17	**–**	1,620,831	**–**	–
		677,516	1,620,831	**–**	–
Current liabilities					
Trade and other payables	18	**621,866**	557,266	**363,044**	118,560
Bank borrowings	16	**193,297**	800,000	**–**	–
Lease liabilities	17	**1,673**	66,845	**–**	–
		816,836	1,424,111	**363,044**	118,560
Liabilities directly associated with non-current assets classified as held for sale	12	**1,664,226**	–	**–**	–
		2,481,062	1,424,111	**363,044**	118,560
Total liabilities		**3,158,578**	3,044,942	**363,044**	118,560
Total equity and liabilities		**8,750,062**	10,510,935	**5,827,190**	7,796,140

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 $	2020 $
Revenue	19	**–**	–
Other items of income			
Other income	20	**471,611**	424,629
Other items of expense			
Administrative expenses		**(1,053,485)**	(808,416)
Other expenses		**(1,322,472)**	(354,273)
Finance costs	21	**(114,940)**	(102,674)
Share of results of associate, net of tax		**(136,996)**	(233,911)
Loss before income tax from continuing operations	22	**(2,156,282)**	(1,074,645)
Income tax expense	23	**(3)**	(10)
Loss from continuing operations		**(2,156,285)**	(1,074,655)
Profit/(Loss) from discontinued operations, net of tax	24	**219,469**	(1,651,107)
Loss for the financial year, attributable to owners of the parent		**(1,936,816)**	(2,725,762)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operation		**62,307**	36,564
Total comprehensive income for the financial year, attributable to owners of the parent		**(1,874,509)**	(2,689,198)
Loss per share from continuing operations, attributable to owners of the parent (cents)			
– Basic	25	**(0.18)**	(0.09)
– Diluted	25	**(0.18)**	(0.09)
Earnings/(Loss) per share from discontinued operations, attributable to owners of the parent (cents)			
– Basic	25	**0.02**	(0.13)
– Diluted	25	**0.02**	(0.13)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Share capital $	Foreign currency translation account $	Share-based payment reserve $	Accumulated losses $	Total equity $
Balance as at 1 April 2020	24,764,175	(241,186)	10,000	(17,066,996)	7,465,993
Continuing operations					
Loss for the financial year	–	–	–	(2,156,285)	(2,156,285)
Discontinued operations					
Profit for the financial year	–	–	–	219,469	219,469
Other comprehensive income:					
Exchange differences on translating foreign operation	–	62,307	–	–	62,307
Total comprehensive income for the financial year	–	62,307	–	(1,936,816)	(1,874,509)
Balance as at 31 March 2021	**24,764,175**	**(178,879)**	**10,000**	**(19,003,812)**	**5,591,484**
Balance as at 1 April 2019	24,764,175	(277,750)	10,000	(14,341,234)	10,155,191
Continuing operations					
Loss for the financial year	–	–	–	(1,074,655)	(1,074,655)
Discontinued operations					
Loss for the financial year	–	–	–	(1,651,107)	(1,651,107)
Other comprehensive income:					
Exchange differences on translating foreign operation	–	36,564	–	–	36,564
Total comprehensive income for the financial year	–	36,564	–	(2,725,762)	(2,689,198)
Balance as at 31 March 2020	24,764,175	(241,186)	10,000	(17,066,996)	7,465,993

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 $	2020 $
Operating activities		
Loss before income tax from continuing operations	**(2,156,282)**	(1,074,645)
Profit/(Loss) before income tax from discontinued operations	**219,469**	(1,651,107)
Loss before income tax	**(1,936,813)**	(2,725,752)
Adjustments for:		
Depreciation of property, plant and equipment	**29,847**	328,202
Gain on disposal of assets classified as held for sale	**(411,378)**	(15,477)
Property, plant and equipment written-off	**–**	255
Impairment loss on plant and equipment	**32,590**	146,497
Impairment loss on investment in associate	**29,437**	–
Interest expense	**114,940**	122,319
Interest income	**(4)**	(4,164)
Inventories write-off/write-down	**28,106**	212,346
Bad trade receivables written off	**–**	5,760
Change in fair value of investment property	**1,260,445**	357,426
Share of results of associate, net of tax	**136,996**	233,911
Unrealised foreign exchange loss	**70,465**	49,734
Operating cash flows before working capital changes	**(645,369)**	(1,288,943)
Working capital changes:		
Inventories	**–**	646,730
Trade and other receivables	**196,903**	955,081
Prepayments	**3,965**	21,871
Trade and other payables	**104,415**	(646,883)
Cash used in operations	**(340,086)**	(312,144)
Income tax paid	**(3)**	(10)
Net cash used in operating activities	**(340,089)**	(312,154)
Investing activities		
Purchase of plant and equipment	**–**	(2,700)
Proceeds from assets held for sale	**710,893**	22,879
Interest received	**4**	4,164
Net cash from investing activities	**710,897**	24,343
Financing activities		
Proceeds from bank borrowing	**1,000,000**	800,000
Repayment of bank borrowing	**(929,187)**	–
Repayment of lease obligations	**(66,847)**	(63,428)
Interest paid	**(114,940)**	(122,319)
Proceeds from trust receipts	**–**	1,645,622
Repayment of trust receipts	**–**	(2,317,478)
Net cash used in financing activities	**(110,974)**	(57,603)
Net change in cash and cash equivalents	**259,834**	(345,414)
Cash and cash equivalents at beginning of financial year	**294,790**	639,420
Effect of foreign exchange rate changes on cash and cash equivalents	**(1,005)**	784
Cash and cash equivalents at end of financial year (Note 11)	**553,619**	294,790

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

1. GENERAL CORPORATE INFORMATION

CPH Ltd. (the "Company") is a public limited liability company, incorporated and domiciled in Singapore with its registered office address and principal place of business at 8 First Lok Yang Road, Singapore 629731. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's registration number is 199804583E.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2021 were authorised for issue in accordance with a Directors' resolution dated 18 June 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including the related interpretations of ("SFRS(I) INTs") and are prepared under the historical cost convention, except as disclosed in the accounting policies below and on a going concern basis as disclosed in Note 4 to the financial statements.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

The preparation of financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 April 2020

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore ("ASC") that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant or not material to the Group's business activities or require accounting which is consistent with the Group's current accounting policies.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the ASC that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by to the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same financial year as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations

Business combinations from 1 April 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is re-measured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

Business combinations before 1 April 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but has no control or joint control over those policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Investment in an associate is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Associate (Continued)

In applying the equity method of accounting, the Group's share of its associate's post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income. These post-acquisition movements are adjusted against the carrying amount of the investments. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or has made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in an associate.

The financial statements of the associate is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to align the accounting policies with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure on an item of property, plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (Continued)

Property, plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the assets over their estimated useful live as follows:

	Years
Plant and machinery	5 to 10
Office equipment, furniture and fittings	3 to 10
Air-conditioners	6 to 7
Motor vehicles	5
Renovation	5 to 10

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

All leased assets were classified as right-of-use assets and accounted for in accordance with Note 2.16 to the financial statements.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Investment property is subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The costs of maintenance, repairs and minor improvement are charged to profit or loss when incurred.

On disposal or retirement of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8 Inventories

Inventories are stated at the lower of cost (first-in, first-out method) and net realisable value.

Costs include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress and manufactured goods, costs include cost of material, direct labour and an appropriate portion of manufacturing overheads.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Where necessary, the carrying value of inventories are adjusted to the lower of cost and net realisable value to account for obsolete, slow-moving and defective inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets

The Group classifies its financial assets into one of the categories below, depending 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 shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment allowances for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised on the face of the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment allowances for non-trade receivables from subsidiaries and third parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Receivables are considered as credit impaired when significant financial difficulties and non-payment of past due balances have occurred.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.11 Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognised on as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell, except for investment property that is measured at fair value model in accordance with SFRS(I) 1-40. The assets are not depreciated or amortised while classified as held-for-sale.

Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation.

2.14 Inter-company non-interest bearing loan

In the Company's separate financial statements, prior to financial year ended 31 March 2015, a non-interest bearing loan to a subsidiary is stated at fair value at inception and classified as non-current financial asset. The difference between the fair value and the loan amount at inception was recognised as additional investment in a subsidiary in the Company's separate financial statements. Subsequently, this loan was measured at amortised cost using the effective interest method. The unwinding of the difference was recognised as interest income in profit or loss over the expected repayment period. At the beginning of financial year ended 31 March 2015 this loan to subsidiary was restructured as an interest-bearing loan with interest rate at 2.25% per annum, it is unsecured and repayable on demand.

2.15 Financial liabilities

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes parties to the contractual provisions of the financial instruments.

Financial liabilities of the Group are classified as amortised cost.

The accounting policies adopted for financial liabilities classified as amortised cost are set out below:

(i) Trade and other payables

Trade and other payables (excluding Goods and Services Tax ("GST") payable, provision for retrenchment benefits and deferred government grant) are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group, and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.15 Financial liabilities (Continued)

(ii) Bank borrowings

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

Bank borrowings which are due to be settled within 12 months after the end of the financial year are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the financial year and before the financial statements are authorised for issue. Other bank borrowings due to be settled more than 12 months after the end of the financial year are presented as non-current borrowings in the statements of financial position.

(iii) Financial guarantee contracts

The Company has issued corporate guarantees to banks for borrowings of a subsidiary and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if this subsidiary breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and

(b) the amount of loss provisions determined in accordance with SFRS(I) 9.

Derecognition of financial liabilities

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Leases

When the Group is the lessee:

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

- Right-of-use assets

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

  These right-of-use asset is 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 depreciated based on the following bases:

Office equipment, furniture and fittings	2.2 years

  Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

  Right-of-use asset which meets the definition of an investment property is presented within "Investment property" and accounted for in accordance with Note 2.6.

- 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.16 Leases (Continued)

When the Group is the lessee: (Continued)

- Lease liabilities (Continued)

  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 Company exercising that option.

  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 modification in the scope or the consideration of the lease that was not part of the original term.

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

- Short-term and low value leases

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.16 Leases (Continued)

When the Group is the lessee: (Continued)

- Variable lease payments

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

When the Group is lessor of operating leases

Leases where the Group does not transfer substantially all risks and rewards incidental to the ownership are classified as operating leases.

Assets leased out under operating leases are included in investment property.

Rental income from operating leases (net of any incentives given to lessees) is recognised in profit or loss on a straight-line basis over the lease term.

2.17 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) represents a separate major line of business or geographical area of operations;

(b) is part of a single co-ordinated plan to dispose of a separate major line or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

2.18 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. Most of the Group's revenue is derived from fixed price contracts and therefore the amount of revenue earned for each contract is determined by reference to these fixed prices.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (Continued)

Sales of goods

The Group manufactures and sells of single-sided, double-sided and multi-layered printed circuit board products to corporate customers. Revenue from sales of goods under discontinued operations (Note 24) is recognised at point in time when control of the products have been transferred, being when the goods are delivered to the customers, the customers have full discretion to direct the use of the products, and there are no unfulfilled obligation that could affect the customers' acceptance of the goods. Delivery occurs when the risk of obsolescence and loss have been transferred, and being acknowledged by customers for in-country sales. Whereas, for oversea sales, acknowledgement are in accordance with the terms and conditions of shipping incoterms. There is no element of significant financing component in the Group's revenue transactions as customers are required to pay with a credit term of 30 to 60 days.

Revenue from sales of goods is recognised based on the price specified in the contract, net of discounts and sales rebates. Certain customers are subject to contractual volume rebates based on aggregate sales over a specific period. At the end of each financial year, the Group reviews and updates the transaction price as necessary. Accumulated experience is applied to estimate and provide for the volume rebate, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Interest income

Revenue is recognised on a time-apportionment basis using the effective interest method.

Lease income

Lease income arising from rental of investment property is recognised on a straight-line basis over the term of the relevant lease.

2.19 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss. Such grants are presented under "Other income".

Grants which are receivable in relation to expenses to be incurred in the subsequent financial period, are included as government grant receivables and deferred government grant income, classified as current assets and current liabilities respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Employee benefits

Retirement benefit costs

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution plan.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the end of the financial year as a result of services rendered by employees up to the end of the financial year.

2.21 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.22 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Taxes (Continued)

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Taxes (Continued)

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.23 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the respective entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are recognised in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are recognised in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purposes of presenting consolidated financial statements, the results and financial positions of the Group's entities 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 rate at the end of the financial year;

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Foreign currency transactions and translation (Continued)

(ii) income and expenses are translated at average exchange rate for the financial year (unless this 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 foreign currency exchange differences are recognised in other comprehensive income and presented in the foreign currency translation account in equity. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the managing director who make strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Classification of non-current assets as held for sale

On 13 November 2020, the Group had granted an option to purchase to an independent buyer to sell the investment property. Management estimates that the sale is highly probable and will complete within the next 12 months and hence, classified it as non-current assets as held for sale under *SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations.* Management has determined those liabilities associated with the disposal of the investment property including the lease liabilities of the leasehold land and refundable rental deposits to be classified as liabilities directly associated with the non-current assets classified as held for sale. Management determined that the disposal of leasehold property was not a major line of business of the Group and the rental related income and expenses were not presented as discontinued operation.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses within the next financial year, are discussed below.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(i) Impairment of investment in subsidiaries

In determining whether an investment in subsidiaries is impaired requires an estimation of the recoverable amount of the investments as at end of the financial year. For those subsidiaries with indication of impairment, management determined the recoverable amount using the fair value less costs of disposal using the key assumptions as disclosed in Note 5 to the financial statements. The carrying amount of the Company's investment in subsidiaries as at 31 March 2021 was $4,014,278 (2020: $5,533,278).

(ii) Loss allowance of other receivables

Loan receivable from subsidiary

Management determines whether there is significant increase in credit risk of subsidiary since initial recognition. Management considers the financial performance and results of the subsidiaries, including the underlying assets that the subsidiaries owned. Based on the review of the recoverable amount as at the end of the financial year and the fair value of the underlying assets, management has determined that loss allowance made during the financial year of $14,000 (2020: $20,000) is adequate.

As at 31 March 2021, the carrying amount of loan receivable from subsidiary was $1,777,615 (2020: $2,237,175) (Note 10).

(iii) Impairment of investment in associate

In determining whether an investment in associate is impaired requires an estimation of the recoverable amount of the investments as at end of the financial year. For associate with indication of impairment, management determined the recoverable amount using the fair value less costs of disposal. The carrying amount of the Company's investment in associate as at 31 March 2021 was $Nil (2020: $166,433).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. GOING CONCERN

During the financial year ended 31 March 2021, although the Group incurred a loss of $1,936,816 and had cash outflows from operating activities of $340,089, the Group had net tangible assets of $5,591,484 as at 31 March 2021. Accordingly, the Directors of the Company are of the view that the use of going concern assumption to prepare the financial statements is appropriate based on the following factors:

(i) The adequacy of funds required to meet its debt obligations and working capital requirements based on a 15-months projected cash flows for the Group from 1 April 2021.

(ii) In November 2020, the Group entered into an option to purchase with a buyer to dispose its investment property in Singapore for $6,500,000. The option was exercised by the buyer on the same day and has a validity period of up till 13 August 2021. On 3 June 2021, consent was received from JTC Corporation for the disposal. The consent comes with conditions to be fulfilled by both the Group and buyer no later than 6 months from 3 June 2021. The Group expects these conditions to be fulfilled, disposal completed and proceeds from the disposal received by July 2021.

(iii) In September 2020, the Company has entered into a conditional sales and purchase agreement in respect of the proposed acquisition of 100% of the issued share capital of Shanaya Environmental Services Pte. Ltd. ("Target Company"). There will be cash inflows generated from additional income stream upon the completion of proposed acquisition. As at the date of the financial statements, the Company is still in the process of preparing the necessary documents which are expected to be submitted to the SGX-ST for approval. Thereafter, an extraordinary general meeting will be convened to seek the approval of the shareholders of the Company for the proposed acquisition.

Accordingly, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due for the ensuing twelve months.

5. SUBSIDIARIES

	Company	
	2021	**2020**
	$	**$**
Unquoted equity shares, at cost	**23,398,925**	23,398,925
Discount implicit in inter-company non-interest bearing loan	**659,598**	659,598
Allowances for impairment losses	**(20,044,245)**	(18,525,245)
	4,014,278	5,533,278

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. SUBSIDIARIES (CONTINUED)

At the end of the current financial year, the Company carried out a review on the recoverable amount of its investments in subsidiaries with indicators of impairment. Its subsidiary, Circuit Plus Pte Ltd ("CPS") which in turn holds the investment in Circuit Plus (M) Sdn Bhd ("CPM"), has been incurring losses. The management has determined the recoverable amount of both CPS and CPM using the fair value less costs of disposal method which comprised primarily the following methods and assumptions:

Category	**Methods and assumptions**
Investment property classified as held for sales	The fair value is the agreed price between willing selling and buyer, adjusted for costs of disposal.
Non-current liability	The carrying amount of the non-current liability approximate its fair value as it is carried at amortised cost discounted at an appropriate rate.
Other assets and liabilities	The carrying amount of current assets and current liabilities approximate their fair values.

The fair value hierarchy used in determining the above is considered as Level 3 as the assessment included unobservable inputs. The assessment for impairment as above resulted in recognition of impairment loss of $1,519,000 (2020: $2,851,000) where the investment in subsidiaries have been written down to $4,014,278 (2020: $5,533,278).

Movements in allowances for impairment losses:

	Company	
	2021	**2020**
	$	**$**
Balance at beginning of financial year	**18,525,245**	19,429,189
Allowance made during the financial year	**1,519,000**	2,851,000
Write off due to liquidation of a subsidiary	**–**	(3,754,944)
Balance at end of financial year	**20,044,245**	18,525,245

In the previous financial year, the Company has completed the member's voluntary liquidation of Circuit Plus (Asiatic) Pte Ltd and the accumulated impairment losses of $3,754,944 was written off accordingly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. SUBSIDIARIES (CONTINUED)

The particulars of the subsidiaries are as follows:

Name of company	Place of incorporation/ registration and principal place of business	Principal activities	Proportion of ownership interest held by the Group 2021 %	2020 %
Held by the Company				
Circuits Plus Pte Ltd[1]	Singapore	Sale of printed circuit boards and advance interconnect substrates	**100**	100
CP Lifestyle Pte. Ltd.[1]	Singapore	Investment holding company	**100**	100
Held by Circuits Plus Pte Ltd				
Circuits Plus (M) Sdn. Bhd.[2]	Malaysia	Manufacture and sale of printed circuit boards and advance interconnect substrates	**100**	100

Notes:

(1) Audited by BDO LLP, Singapore

(2) Audited by BDO PLT, Malaysia

The Audit Committee and the Board of Directors are of the opinion that Rule 712 and Rule 715 of the SGX-ST Listing Manual (the "Listing Manual") have been complied with.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

6. ASSOCIATE

	Group	
	2021	2020
	$	$
Unquoted equity investment, at carrying value		
Balance at beginning of financial year	**166,433**	400,344
Share of results, net of tax	**(136,996)**	(233,911)
Impairment loss on associate	**(29,437)**	–
Balance at end of financial year	**–**	166,433

The particulars of the associate are as follows:

Name of company	Place of incorporation/ registration and principal place of business	Principal activities	Proportion of ownership interest held by the Group 2021 %	2020 %
Held by CP Lifestyle Pte. Ltd.				
Joy Garden Restaurant Pte. Ltd.	Singapore	Carry on business as restaurant	**25**	25

During the financial year, management carried out a review for the investment in its in associate with indicators of impairment, which had been incurring losses historically. The Covid-19 pandemic has a significant impact on food and beverage operations. An impairment loss of $29,437 was recognised by the Group to write down the cost of investment in its associate to zero.

Movements in allowances for impairment losses:

	2021
	$
Balance at beginning of financial year	**–**
Allowance made during the financial year	**29,437**
Balance at end of financial year	**29,437**

6. ASSOCIATE (CONTINUED)

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group is as follows:

	Group	
	2021	**2020**
	$	**$**
Current assets	**743,404**	1,149,209
Non-current assets	**1,146,987**	1,294,355
Current liabilities	**(2,540,299)**	(1,620,051)
Non-current liability	**(156,280)**	(157,780)
Net (liabilities)/assets	**(806,188)**	665,733
Share of net assets (25%), representing the carrying amount of the investment	**(201,547)**	166,433
Revenue	**470,662**	4,733,658
Loss for the financial year, representing total comprehensive income	**(1,331,607)**	(935,644)

The Group's carrying amount of the associate has been capped at zero. Losses totalling $195,906 of the associate have not been recognised because the Group has no obligation in respect of its losses.

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings	Air-conditioners	Renovation	Total
	$	**$**	**$**	**$**
Group				
Cost				
Balance at 1 April 2020 and 31 March 2021	**314,588**	**59,705**	**40,941**	**415,234**
Accumulated depreciation and impairment				
Balance at 1 April 2020	244,747	57,182	32,130	334,059
Depreciation for the financial year	26,725	177	2,945	29,847
Impairment loss	24,378	2,346	5,866	32,590
Balance at 31 March 2021	295,850	59,705	40,941	396,496
Carrying amount				
Balance at 31 March 2021	**18,738**	**–**	**–**	**18,738**

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold property $	Plant and machinery $	Office equipment, furniture and fittings $	Air-conditioners $	Motor vehicles $	Renovation $	Total $
Group							
Cost							
Balance at 1 April 2019	–	–	315,188	57,005	–	40,941	413,134
Additions	–	–	–	2,700	–	–	2,700
Written off	(600)	–	–	–	–	–	(600)
Disposal	–	(11,575)	(2,461)	–	(10,571)	–	(24,607)
Reclassified from Disposal Group	2,026,443	5,546,510	40,750	–	10,724	–	7,624,427
Reclassified to assets classified as held for sale	(2,011,011)	(5,403,342)	(34,565)	–	–	–	(7,448,918)
Currency re-alignment	(14,832)	(131,593)	(4,324)	–	(153)	–	(150,902)
Balance at 31 March 2020	–	–	314,588	59,705	–	40,941	415,234
Accumulated depreciation and impairment							
Balance at 1 April 2019	–	–	218,236	56,739	–	28,036	303,011
Depreciation for the financial year	80,319	212,838	28,923	443	1,585	4,094	328,202
Written off	(345)	–	–	–	–	–	(345)
Disposal	–	(11,574)	(2,460)	–	(3,171)	–	(17,205)
Reclassified from Disposal Group	1,699,914	5,198,887	36,376	–	1,739	–	6,936,916
Reclassified to assets classified as held for sale	(1,767,899)	(5,347,961)	(32,311)	–	–	–	(7,148,171)
Impairment loss	–	(146,497)	–	–	–	–	(146,497)
Currency re-alignment	(11,989)	94,307	(4,017)	(153)	–	78,148	
Balance at 31 March 2020	–	–	244,747	57,182	–	32,130	334,059
Carrying amount							
Balance at 31 March 2020	–	–	69,841	2,523	–	8,811	81,175

At the end of the current financial year, the Group has carried out a review of their property, plant and equipment and made an impairment loss of $32,590 relating to office equipment, fixtures and fittings, air-conditioners and renovation which form part of the investment property classified as asset held for sale. The impairment loss was recognised in profit or loss under “Other expenses”.

Right-of-use of asset under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Office equipment, furniture and fittings $
Group	
Cost	
Balance at 1 April 2020 and 31 March 2021	26,978
Accumulated depreciation and impairment	
Balance at 1 April 2020	10,117
Depreciation for the financial year	2,698
Balance at 31 March 2021	12,815
Carrying amount	
Balance at 31 March 2021	14,163

	Leasehold property $	Office equipment, furniture and fittings $	Total $
Group			
Cost			
Balance at 1 April 2019	–	26,978	26,978
Written off	(600)	–	(600)
Reclassified from Disposal Group	2,026,443	–	2,026,443
Reclassified to assets classified as held for sale	(2,011,011)	–	(2,011,011)
Currency re-alignment	(14,832)	–	(14,832)
Balance at 31 March 2020	–	26,978	26,978
Accumulated depreciation and impairment			
Balance at 1 April 2019	–	7,419	7,419
Depreciation for the financial year	80,319	2,698	83,017
Written off	(345)	–	(345)
Reclassified from Disposal Group	1,699,914	–	1,699,914
Reclassified to assets classified as held for sale	(1,767,899)	–	(1,767,899)
Currency re-alignment	(11,989)	–	(11,989)
Balance at 31 March 2020	–	10,117	10,117
Carrying amount			
Balance at 31 March 2020	–	16,861	16,861

As at 31 March 2021, office equipment with carrying amount of $14,163 (2020: $16,861) was secured over the lease liabilities as disclosed in Note 17 to the financial statements. These assets will be seized and returned to lessor in the event of default by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

8. INVESTMENT PROPERTY

	Leasehold land	Group Leasehold property	Total
	$	$	$
At fair value			
Balance at 1 April 2019	1,737,027	8,000,000	9,737,027
Fair value loss	(57,426)	(300,000)	(357,426)
Balance at 1 April 2020	1,679,601	7,700,000	9,379,601
Fair value loss	(60,445)	(1,200,000)	(1,260,445)
Reclassified to assets classified as held for sale (Note 12)	(1,619,156)	(6,500,000)	(8,119,156)
Balance at 31 March 2021	–	–	–

The Group leases a piece of land in Singapore. Right-of-use of asset under leasing arrangements are presented together with the owned investment property of the same class.

On 13 November 2020, the Group granted an option to a third party to purchase the investment property for a consideration of $6,500,000. This option to purchase was exercised on the same day by the third party and will expire on 13 August 2021 (see Note 4(ii)). Accordingly, the leasehold property and the right-of-use asset (leasehold land) were classified as assets held for sale where the sale is expected to be completed within the next twelve months from the financial year end. The fair value of the leasehold property was based on the agreed selling price with the third party. The resulting fair value of the investment property is level 2 of the fair value hierarchy. This is a change from level 3 of the fair value hierarchy of the previous financial year where the valuation technique is mentioned below.

The fair value of right-of-use asset was assessed by comparing the discounted estimated future lease payments of the leasehold land (based on rate as at the reporting date) against the right-of-use asset for the remaining lease term.

Following the fair value assessment performed as above, the total fair value loss relating to the investment property of $1,260,445 was recognised in the Group’s profit or loss under other expenses.

In the previous financial year, the Group’s leasehold property were valued by GB Global Pte Ltd, an independent professional valuation firm with relevant experience in the location and category of the investment property held by the Group. The valuation was arrived at by using the sales comparison approach by making reference to market evidence of comparable properties in similar locations, adjusted for differences in key attributes such as area, age, condition and tenure, dates of transaction and the prevailing economic conditions affecting the property market, among others. The valuation is based on the assets’ highest and best use, which is in line with its actual use.

The significant unobservable input in respect of this valuation technique for leasehold property is the selling price per square metre and right-of-use asset is discount rate. The higher the selling price per square metre and the lower the discount rate, the higher the fair value and vice versa.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

8. INVESTMENT PROPERTY (CONTINUED)

The resulting fair value of the investment property changed from level 3 to level 2 fair value measurement during the current financial year upon third party exercise the option to purchase.

In the previous financial year, the carrying amount of the Group's investment property was pledged for the banking facilities as set out in Note 16 to the financial statements.

Valuation policies and procedures

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The Directors have exercised their judgement in relying on the valuation reports and are satisfied that the fair value is reflective of current market situation.

The Group's investment property was as follows:

Location	Description	Tenure	Approximate site area (sqm)	
			Land	**Built-up**
No. 8 First Lok Yang Road Singapore 629731	Factory building	60 years lease from 1977	6,509	4,124

The following amounts were recognised in the Group's profit or loss:

	Group	
	2021	**2020**
	$	**$**
Rental income from investment property	**338,680**	406,737
Direct operating expenses (including repairs and maintenance) arising from rental-generating investment property	**33,385**	32,984

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

8. INVESTMENT PROPERTY (CONTINUED)

Reconciliation of movements in Level 3 fair value measurement

	Investment property	
	2021	**2020**
	$	**$**
Balance at beginning of financial year	9,376,601	8,000,000
Adoption of SFRS(I) 16	–	1,737,027
Fair value loss recognised in profit or loss	–	(357,426)
Transfer to level 2 fair value measurement	(9,379,601)	–
Balance at end of financial year	–	9,379,601

9. INVENTORIES

	Group	
	2021	**2020**
	$	**$**
Raw materials	**–**	28,194

During the financial year, the Group carried out a review of the realisable values of its inventories and the review led to inventories write-off of $28,106 (2020: write-down of $212,346) in the Group's profit or loss under "loss from discontinued operations, net of tax".

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Trade receivables				
– third parties	**–**	32,898	**–**	–
Non-trade receivables				
– third parties	**37,507**	17,582	**–**	–
– loan to a subsidiary	**–**	–	**1,777,615**	2,237,175
– subsidiary	**–**	–	**191,000**	177,000
Loss allowance	**–**	–	**(191,000)**	(177,000)
	–	–	**–**	–
Government grant receivables	**3,257**	89,055	**–**	–
Utilities and rental deposits	**670**	99,362	**–**	–
	41,434	238,897	**1,777,615**	2,237,175

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are unsecured, non-interest bearing and generally on 30 to 60 days' terms.

The loan to a subsidiary is unsecured, bears interest at a rate of 2.25% (2020: 2.25%) per annum and repayable on demand.

The non-trade amounts due from third parties and subsidiary are unsecured, non-interest bearing and repayable on demand.

Government grant receivables which are presented against deferred government grant income are related to Jobs Support Scheme ("JSS") announced by the Singapore Government to provide wage support to employers to help them retain their local employees during this period of economic uncertainty. In determining the timing of recognition of the JSS grant income, the management evaluated the Group is impacted from April 2020 onwards following the circuit-breaker measure, hence JSS grant income is recognised in the profit or loss from the month of April 2020 onwards. In the previous financial year, there was an amount of $17,371 attributable to property tax rebates included in government grant receivables.

Movement in loss allowance on non-trade receivables from a subsidiary:

	Company	
	2021	**2020**
	$	**$**
Balance at beginning of financial year	**177,000**	157,000
Loss allowance recognised during the year		
– credit impaired	**14,000**	20,000
Balance at end of financial year	**191,000**	177,000

The balance owing by CP Lifestyle Pte. Ltd. was credit impaired as this subsidiary has been incurring losses where it is not probable that the balance due will be recoverable in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

The age analysis of trade receivables which were past due but not impaired are as follows:

	Group	
	2021	2020
	$	$
Past due less than 6 months	–	31,974

The currency profiles of trade and other receivables at the end of the financial year were as follows:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Singapore dollar	**41,434**	102,089	**1,777,615**	2,237,175
United States dollar	**–**	1,009	**–**	–
Ringgit Malaysia	**–**	135,799	**–**	–
	41,434	238,897	**1,777,615**	2,237,175

11. CASH AND CASH EQUIVALENTS

The currency profiles of cash and cash equivalents at the end of the financial year were as follows:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Singapore dollar	**487,054**	113,199	**26,727**	17,117
United States dollar	**15,170**	25,326	**–**	–
Ringgit Malaysia	**51,395**	156,265	**–**	–
	553,619	294,790	**26,727**	17,117

12. ASSETS CLASSIFIED AS HELD FOR SALE

In November 2020, the Group entered into an option to purchase to dispose its investment property for a consideration of $6,500,000. Accordingly, the investment property was classified as held for sale which comprised leasehold property and the right-of-use asset (leasehold land) because the sale is highly probable and expected to be completed within the next twelve months (Note 8).

In addition, the liabilities associated with the assets held for sale were classified as liabilities directly associated with non-current assets classified as held for sale as the disposal is a single transaction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

12. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities classified as held for sale as at 31 March 2021 were as follows:

	Group	
	2021	**2020**
	$	**$**
Non-current assets classified as held for sale		
Investment property (Note 8)	**8,119,156**	–
Property, plant and equipment (Note 7)	**–**	300,747
	8,119,156	300,747
Liabilities directly associated with non-current assets classified as held for sale		
Trade and other payables	**45,070**	–
Lease liabilities (Note 17)	**1,619,156**	–
	1,664,226	–

In the previous financial year, assets classified as held for sale comprised right-of-use asset (leasehold property) and certain plant and machinery belonging to the PCB segment where the sale is expected to be completed within the next twelve months. On 6 August 2020, the Group had entered into a Sale and Purchase Agreement with a third party to dispose of the leasehold property for a sale consideration of approximately $654,000 (RM2 million equivalent) and also completed the sale of its plant and machinery for a sale consideration of approximately $56,000 (RM170,000 equivalent). The transaction was completed in January 2021.

The fair value measurement of investment property classified as held for sale was disclosed in Note 8 to the financial statements.

As the end of the financial year, the carrying amount of the Group's investment property classified as held for sale was pledged for the banking facilities as set out in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

13. SHARE CAPITAL

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares		$	$
Issued and fully paid:				
At beginning and end of financial year	**1,229,226,124**	1,229,226,124	**24,764,175**	24,764,175

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

14. FOREIGN CURRENCY TRANSLATION ACCOUNT

The Group's foreign currency translation account comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation whose functional currencies are different from that of the Group's presentation currency and is non-distributable.

15. SHARE-BASED PAYMENT RESERVE

The Group and the Company

The share-based payment reserve represents the fair value of the shares transferred by a former Director and ex-shareholder of the Company at the date of transfer to the employees for services provided to the Group.

The share-based payment reserve is non-distributable.

16. BANK BORROWINGS

	Group	
	2021	2020
	$	$
Non-current		
Unsecured – temporary bridging loan	**677,516**	–
Current		
Secured – money market loan	**–**	800,000
Unsecured – temporary bridging loan	**193,297**	–
	870,813	800,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

16. BANK BORROWINGS (CONTINUED)

Temporary bridging loan

The Group entered into a banking facility amounting to $1,000,000 on 4 April 2020 which was drawn down by a subsidiary of the Company. The loan carries an interest of 3% per annum. The loan is supported by a corporate guarantee issued by the Company. The repayment is to be made via 60 monthly instalments which commenced from June 2021.

Banking facilities (including money market loan)

As at 31 March 2021, banking facilities amounting to $527,140 (2020: $2,290,000), granted to the Group were secured by way of:

(a) pledge over investment property classified as held for sales of a subsidiary; and

(b) corporate guarantees given by the Company.

Bank borrowings were arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

	Group	
	2021	**2020**
	%	**%**
Effective interest rates per annum		
Money market loan	**4.84**	4.84
Temporary bridging loan	**3.00**	–

At the end of the financial year, the Group granted and utilised banking facilities were as follows:

	Group	
	2021	**2020**
	$	**$**
Facilities granted	**1,397,953**	2,290,000
Facilities utilised		
– Continuing operations	**907,953**	800,000

The currency profile of bank borrowings at the end of the financial year was Singapore dollar.

In the previous financial year, a subsidiary of the Group had not complied with a financial covenant set by a bank to maintain the required tangible net worth. However, the Group had received confirmation from the bank to grant a waiver for the financial covenant subsequently.

Pursuant to the terms stated in the banking facilities letter, the bank can immediately cancel or recall the facilities and request the Group to make immediate repayments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. LEASE LIABILITIES

	Leasehold land $	Office equipment $	Total $
Group			
Balance at 1 April 2020	1,679,599	8,077	1,687,676
Interest expense	84,718	338	85,056
Lease payments			
– Principal portion	(60,443)	(6,404)	(66,847)
– Interest portion	(84,718)	(338)	(85,056)
Reclassified to liabilities directly associated with non-current assets classified as held for sale (Note 12)	(1,619,156)	–	(1,619,156)
Balance at 31 March 2021	**–**	**1,673**	**1,673**
Balance at 1 April 2019	1,737,027	14,077	1,751,104
Interest expense	87,733	741	88,474
Lease payments			
– Principal portion	(57,428)	(6,000)	(63,428)
– Interest portion	(87,733)	(741)	(88,474)
Balance at 31 March 2020	1,679,599	8,077	1,687,676

The maturity analysis of lease liabilities at the end of each financial year was as follows:

	Group	
	2021 $	2020 $
Contractual undiscounted cash flows		
Within one financial year	**1,685**	151,902
After one financial year but within five financial years	**–**	582,330
After five financial years	**–**	1,826,607
	1,685	2,560,839
Less: Future interest expense	**(12)**	(873,163)
Present value of lease liabilities	**1,673**	1,687,676
Presented in the statement of financial position		
– Current	**1,673**	66,845
– Non-current	**–**	1,620,831
	1,673	1,687,676

The Group leases a piece of land in Singapore. It is customary for lease contract to provide payment to increase each year by inflation, to be reset periodically to market rental rates or fixed payments.

As at 31 March 2021, the incremental borrowing rate and the interest implicit in the lease were 5.25% and 6.27% (2020: 5.25% and 6.27%) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. LEASE LIABILITIES (CONTINUED)

All other leases are on fixed payment basis and no arrangements have been entered into for contingent rental payments.

The Group's lease liabilities of $1,673 (2020: $8,077) was secured over certain office equipment (Note 7).

The currency profile of lease liabilities at the end of the financial year was Singapore dollar.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade payables				
– third parties	**886**	49,014	**–**	–
Non-trade payables				
– third parties	**318,458**	78,816	**229,308**	26,178
Deferred government grant income	**5,639**	85,377	**–**	–
Provision for retrenchment benefit	**–**	104,287	**–**	–
Goods and services tax payable	**6,561**	1,106	**–**	–
Advance deposit	**–**	58,228	**–**	–
Accrued expenses	**290,322**	180,438	**133,736**	92,382
	621,866	557,266	**363,044**	118,560

Trade and other payables are unsecured, non-interest bearing and normally settled between 30 to 90 days' terms.

In the previous financial year, provision for retrenchment benefit relates to additional retrenchment benefit made by a subsidiary relating to the closure of the PCB business operations in November 2019 after receiving a letter from Labour Office in Malaysia where the Group was ordered to make a payment of approximately $104,287 (equivalent to RM317,000) to certain employees. During the current financial year, the labour dispute has been settled with a total sum of $22,932 (RM70,000) was paid as full and final settlement to the employees without any admission of liability or responsibility by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

18. TRADE AND OTHER PAYABLES (CONTINUED)

Deferred government grant income is in respect of the Job Support Scheme and property tax rebate details of which are disclosed in Note 10 to the financial statements.

Included in the advance deposit as at 31 March 2020 is the non-refundable deposit received amounting to $13,158 for the disposal of the assets classified as held for sale (Note 12).

The currency profiles of trade and other payables at the end of the financial year were as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Singapore dollar	**554,294**	340,699	**363,044**	118,560
United States dollar	**–**	7,758	**–**	–
Ringgit Malaysia	**67,572**	208,809	**–**	–
	621,866	557,266	**363,044**	118,560

19. REVENUE

	Group	
	2021	**2020**
	$	**$**
Discontinued operations		
Sale of printed circuits boards	**–**	2,596,098

Revenue from PCB business segment comprised sale of printed circuits boards recognised at a point in time.

20. OTHER INCOME

	Group	
	2021	**2020**
	$	**$**
Continuing operations		
Government grants	**131,378**	13,728
Interest income	**4**	4,164
Rental income	**338,680**	406,737
Others	**1,549**	–
	471,611	424,629
Discontinued operations		
Others	**453,954**	96,997
	453,954	96,997

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

21. FINANCE COSTS

	Group	
	2021	2020
	$	$
Continuing operations		
Interest expenses		
– bank overdrafts	**101**	6,092
– money market loan	**8,213**	8,108
– temporary bridging loan	**21,570**	–
– lease liabilities (Note 17)	**85,056**	88,474
	114,940	102,674
Discontinued operations		
Interest expenses		
– bank overdrafts	**–**	781
– trust receipts	**–**	18,864
	–	19,645

22. LOSS BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2021	2020
	$	$
Continuing operations		
Administrative expenses		
Audit fees		
– auditors of the Company	**44,991**	66,926
Non-audit fees		
– auditors of the Company	**18,595**	17,054
Depreciation of property, plant and equipment	**29,847**	31,393
Professional fees	**407,734**	113,598
Provision for Directors' fee	**100,000**	42,000
Employee benefits expense(1)		
– salaries, bonus and other benefits	**253,351**	341,188
– defined contribution plans	**18,379**	23,838
Other expenses		
Change in fair value of investment property (Note 8)	**1,260,445**	357,426
Impairment loss on investment in associate	**29,437**	–
Impairment loss on plant and equipment	**32,590**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

22. LOSS BEFORE INCOME TAX (CONTINUED)

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges: (Continued)

	Group	
	2021	**2020**
	$	**$**
Discontinued operations		
Cost of sales		
Cost of inventories	**–**	2,245,726
Depreciation of property, plant and equipment	**–**	295,017
Repair and maintenance	**–**	22,995
Impairment loss on plant and equipment	**–**	146,497
Utilities expenses	**–**	294,714
Retrenchment benefit expenses	**–**	53,334
Employee benefits expense		
– salaries, bonus and other benefits	**–**	644,471
– defined contribution plans	**–**	43,497
Inventories write-off/write-down	**28,106**	212,346
Selling and distribution costs		
Freight and handling	**–**	8,669
Sales commission	**–**	2,085
Administrative expenses		
Audit fees		
– other auditors	**1,016**	6,844
Non-audit fees		
– other auditors	**2,700**	695
Bad trade receivables written off	**–**	5,760
Depreciation of property, plant and equipment	**–**	1,792
Quit rent expenses	**3,825**	6,067
Property, plant and equipment written off	**–**	255
Professional fees	**740**	15,797
Retrenchment benefit expenses	**(80,927)**	104,517
Employee benefits expense(1)		
– salaries, bonus and other benefits	**119,570**	266,185
– defined contribution plans	**4,735**	8,712

(1) Employee benefits expense include the amounts shown as Directors' remuneration in Note 29 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

23. INCOME TAX EXPENSE

	Group	
	2021	**2020**
	$	**$**
Current income tax		
– under provision in prior financial years	**3**	10
Income tax from continuing operations	**3**	10
Income tax from discontinued operations (Note 24)	**–**	–
	3	10

Reconciliation of effective income tax rate

	Group	
	2021	**2020**
	$	**$**
Profit/(Loss) before income tax		
– continuing operations	**(2,156,282)**	(1,074,645)
– discontinued operations (Note 24)	**219,469**	(1,651,107)
	(1,936,813)	(2,725,752)
Share of results of associate, net of tax	**136,996**	233,911
	(1,799,817)	(2,491,841)
Income tax calculated at Singapore's statutory tax rate of 17%	**(305,969)**	(423,613)
Effect of different tax rate of overseas operation	**15,854**	(114,910)
Tax effect of income not subject to income tax	**(20,762)**	(10,568)
Tax effect of non-deductible expenses for income tax purposes	**313,323**	191,294
Deferred tax assets not recognised	**–**	357,478
Utilisation of deferred tax assets not recognised previously	**(7,269)**	–
Under provision of current income tax in prior years	**3**	10
Others	**4,823**	319
	3	10

Unrecognised deferred tax assets

Unrecognised deferred tax assets are attributable to:

	Group	
	2021	**2020**
	$	**$**
Accelerated tax depreciation	**30,100**	25,896
Unutilised tax losses	**2,450,903**	2,406,494
Unabsorbed capital allowances	**632,182**	583,529
Others	**40**	146,436
	3,113,225	3,162,355

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

23. INCOME TAX EXPENSE (CONTINUED)

Unrecognised deferred tax assets (Continued)

As at 31 March 2021, the Group had unutilised tax losses and unabsorbed capital allowances of approximately $12,441,000 (2020: $12,220,000) and $2,634,000 (2020: $2,584,000) respectively available for offset against future taxable profits subject to the agreement by the tax authorities and provisions of the tax legislations of the respective countries in which the Group operates. The unutilised tax losses and unabsorbed capital allowances can be carried forward indefinitely.

These deferred tax assets have not been recognised as there is no certainty that there will be sufficient future taxable profits to realise these future benefits. Accordingly, these deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.22 to the financial statements.

24. DISCONTINUED OPERATIONS

In the previous financial year, upon the cessation of the PCB business segment, the Group was in final discussions with potential buyers to sell the leasehold property and certain plant and machinery belonging to the PCB segment. The management estimates that the sale will be completed within the next 12 months and hence, classified non-current assets belonging to PCB segment as held for sale under SFRS(I) 5 (Note 12). The management determines that the disposal of PCB business segment related assets were a major line of business of the Group. The results of the discontinued operations have been presented separately in the consolidated statement of comprehensive income for the financial year ended 31 March 2021 and 31 March 2020.

The results of the discontinued operations are as follows:

	Group	
	2021	**2020**
	$	**$**
Revenue	**–**	2,596,098
Other income	**42,576**	81,520
Expenses	**(206,379)**	(4,131,856)
Inventories write down/write-off	**(28,106)**	(212,346)
Loss before tax from discontinued operations	**(191,909)**	(1,666,584)
Income tax expense	**–**	–
Loss after tax from discontinued operations	**(191,909)**	(1,666,584)
Gain on disposal of assets classified as held for sale	**411,378**	15,477
Profit/(Loss) from discontinued operation, net of tax	**219,469**	(1,651,107)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

24. DISCONTINUED OPERATIONS (CONTINUED)

The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group	
	2021	**2020**
	$	**$**
Operating cash outflows	**(376,115)**	(101,932)
Investing cash inflows	**710,893**	22,879
Financing cash outflows	**–**	(781)
Total cash outflows	**334,778**	(79,834)

25. EARNINGS/(LOSS) PER SHARE

The calculation for earnings/(loss) per share is based on:

	2021			**2020**		
	Continuing operations	**Discontinued operations**	**Total**	**Continuing operations**	**Discontinued operations**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Numerator						
Profit/(Loss) attributable to owners of parent	**(2,156,285)**	**219,469**	**(1,936,816)**	(1,074,655)	(1,651,107)	(2,725,762)
Denominator						
Actual number of ordinary shares issue during the financial year ('000)	**1,229,226**	**1,229,226**	**1,229,226**	1,229,226	1,229,226	1,229,226
Earnings per share (cents)						
Basic and diluted	**(0.18)**	**0.02**	**(0.16)**	(0.09)	(0.13)	(0.22)

Basic earnings/(loss) per share is calculated by dividing the Group's profit/(loss) after income tax attributable to owners of the parent by the actual number of ordinary shares during the financial year. As the Group has no dilutive potential ordinary shares, the diluted loss per share is equivalent to basic loss per share for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

26. COMMITMENTS

Lease arrangements

The Group as a lessor

The Group leased out office spaces under non-cancellable operating leases. The leases are contracted for a period of one to three years. The future minimum lease receivables under non-cancellable operating leases contracted for at the end of the financial year but not recognised as receivables were as follows:

	2021 $	2020 $
Within one financial year	**95,213**	231,577
After one financial year but within five financial years	**–**	130,184
	95,213	361,761

27. CONTINGENT LIABILITIES

Corporate guarantee

The Company had given corporate guarantees to certain banks in respect of banking facilities granted to the subsidiary. These guarantees are financial guarantee contract as they require the Company to reimburse the banks if the subsidiary fails to make principal or interest payments when due in accordance with the terms of the facilities drawn. As at 31 March 2021, the total banking facilities granted to the subsidiary amounted to $1,397,953 (2020: $2,290,000) and the amount utilised by this subsidiary amounted to $907,953 (2020: $800,000). There has been no default or non-repayment since the utilisation of the banking facilities.

28. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group's businesses have been reorganised into the following segments to better reflect the business activities they are engaged in the current financial year:

(i) Food and beverage business; and

(ii) Printed circuit boards business (discontinued)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

28. SEGMENT INFORMATION (CONTINUED)

The printed circuit boards business segment relates to the manufacture and sale of printed circuit boards and advance interconnect substrates. As at financial year end, this business segment has been classified as discontinued operations as disclosed in Note 24.

The food and beverage business segment relates to the operating of restaurants.

The management has reorganised its operating segments in the current financial year by reallocated rental segment previously classified as separate segment to others segment.

Comparative figures have been restated accordingly to reflect the Group's current business segments.

Unallocated segment of the Group comprises mainly investment holding and other management services neither of which constitutes a separate reportable segment.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

28. SEGMENT INFORMATION (CONTINUED)

Business segment

	Food and beverage $	Printed circuit boards (Discontinued) $	Others $	Unallocated[i] $	Total $
2021					
Results					
Segment results	(29,437)	219,469	208,309	(822,777)	(424,436)
Change in fair value of investment property	–	–	(1,260,445)	–	(1,260,445)
Interest income	–	–	–	4	4
Finance costs	–	–	(84,719)	(30,221)	(114,940)
Share of results of associate, net of tax	(136,996)	–	–	–	(136,996)
(Loss)/Profit before income tax	(166,433)	219,469	(1,136,855)	(852,994)	(1,936,813)
Income tax expense	–	–	–	(3)	(3)
(Loss)/Profit after income tax	(166,433)	219,469	(1,136,855)	(852,997)	(1,936,816)
Non-cash item					
Depreciation of property, plant and equipment	–	–	25,024	4,823	29,847
Assets and liabilities					
Segment assets	–	51,395	8,119,156	579,511	8,750,062
Segment liabilities	–	67,631	1,619,156	1,471,791	3,158,578

(i) Attributable to the corporate expenses that cannot be allocated to any other segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

28. SEGMENT INFORMATION (CONTINUED)

Business segment (Continued)

	Food and beverage $	Printed circuit boards (Discontinued) $	Others $	Unallocated[i] $	Total $
2020					
Results					
Revenue					
External revenue	–	2,596,098	–	–	2,596,098
Segment results	–	(1,631,462)	334,380	(719,178)	(2,016,260)
Change in fair value of investment property	–	–	(357,426)	–	(357,426)
Interest income	–	–	–	4,164	4,164
Finance costs	–	(19,645)	(88,474)	(14,200)	(122,319)
Share of results of associate, net of tax	(233,911)	–	–	–	(233,911)
Loss before income tax	(233,911)	(1,651,107)	(111,520)	(729,214)	(2,725,752)
Income tax expense	–	–	–	(10)	(10)
Loss after income tax	(233,911)	(1,651,107)	(111,520)	(729,224)	(2,725,762)
Non-cash item					
Depreciation of property, plant and equipment	–	296,809	–	31,393	328,202
Capital expenditure					
Property, plant and equipment	–	–	–	2,700	2,700
Assets and liabilities					
Segment assets	166,433	640,620	9,392,215	311,667	10,510,935
Segment liabilities	–	219,077	1,687,676	1,138,189	3,044,942

(i) Attributable to the corporate expenses that cannot be allocated to any other segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

28. SEGMENT INFORMATION (CONTINUED)

Geographic information

Revenue is based on the country in which the external customers' headquarter is located. Non-current assets comprise primarily investment in associate, property, plant and equipment and investment property. Non-current assets are shown by the geographical area in which the assets are located.

	Germany	Switzerland	Malaysia	Japan	Singapore	Others	Total
	$	$	$	$	$	$	$
2021							
Non-current assets	**–**	**–**	**–**	**–**	**18,738**	**–**	**18,738**
2020							
Total revenue from external customers	1,242,314	419,144	656,036	82,719	72,458	123,427	2,596,098
Non-current assets	–	–	–	–	9,627,209	–	9,627,209

In the previous financial year, the revenue from five customers of the Group's printed circuit boards segment amounted to approximately $2,128,000. There were no major customers during the current financial year after the cessation of printed circuit boards segment.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, in addition to the information disclosed elsewhere in these financial statements, the Group entities entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	2021	2020
	$	$
Related parties		
Rental income	**58,870**	68,217
Settlement of liabilities on behalf of	**10,273**	9,830

The related parties include companies where a director and shareholder of the Company have beneficial interests

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel

The remuneration of Directors and other members of key management of the Group during the financial year were as follows:

	Group	
	2021	**2020**
	$	**$**
Continuing operations		
Provision for Directors' fees	**100,000**	42,000
Short-term employee benefits	**219,412**	285,757
Post-employment benefits	**14,726**	19,071
	334,138	346,828
Discontinued operations		
Short-term employee benefits	**60,050**	224,370
Post-employment benefits	**3,718**	18,365
	63,768	242,735

These include the following Directors' remuneration:

	Group	
	2021	**2020**
	$	**$**
Continuing operations		
Directors of the Company	**293,313**	278,749
Directors of subsidiaries	**40,825**	68,079
	334,138	346,828
Discontinued operations		
Directors of the Company	**45,594**	91,872
Directors of subsidiaries	**18,174**	28,380
	63,768	120,252

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's activities expose it to financial risks (including credit risk, interest rate risk, market risk and liquidity risk) arising in the ordinary course of business. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets in the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which the risk is managed and measured. The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

30.1 Credit risks

Credit risks refer to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

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 statements of financial position except for the following:

	Company	
	2021	**2020**
	$	**$**
Corporate guarantees provided to bank for a subsidiary's banking facilities utilised as at the end of financial year	**907,953**	800,000

For the corporate guarantee issued, the Company has assessed that this subsidiary has sufficient financial capabilities to meet its contractual cash flows obligation in the near future hence, does not expect any material loss allowance under 12-month expected credit loss model.

Based on assessment at the end of the financial year, the Group considers that it is more likely than not that no amount will be payable under the arrangement (Note 27). However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.1 Credit risks (Continued)

As at 31 March 2021, the Company had significant credit exposure arising from the non-trade amounts due from subsidiaries amounting to $1,777,615 (2020: $2,237,175).

The management estimates expected credit loss allowance using a forward-looking expected credit loss ("ECL") model. When measuring ECL, the Group performs a review of the historical trends, default payment information, profile of its customers to determine a reasonable probability of default. The management assessed the ECL for trade receivables to be insignificant.

For amount due from subsidiaries, Board of Directors has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Board of Directors monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their financial performance and any default in external debt. For receivables with no indication that credit risk on these receivables have increased significantly, these receivables are measured at 12-month expected credit loss model and subject to immaterial credit loss. The loss allowance as at the financial year end represents allowances made for non-trade receivables that are credit impaired.

The Group's major classes of financial assets are cash and cash equivalents and trade and other receivables. The Company's major classes of financial assets are cash and cash equivalents and non-trade amounts due from subsidiaries.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted and hence, subjected to insignificant credit loss.

30.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises mainly from temporary bridging loan and money market loan. The interest rates and terms of repayment of temporary bridging loan and money market loan are disclosed in Note 16. It is the Group's policy not to enter into derivative contracts to hedge its interest rate risk. The Group obtained quotes from reputable banks to ensure that the most favourable rates are made available to the Group.

At the end of the financial year, if borrowing interest rates had been 50 basis points (2020: 50 basis points) higher with all other variables held constant, the Group's profit would have been $4,354 (2020: $2,000) higher arising from lower/higher interest expense.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.3 Market risks

Foreign currency risks

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The Group transacts business in various foreign currencies and therefore is exposed to foreign exchange risk arising mainly from United States dollar and Singapore dollar transactions. At the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of entities within the Group are as follows:

	Group			
	Assets		Liabilities	
	2021	2020	2021	2020
	$	$	$	$
United States dollar	**15,170**	26,335	**–**	7,758
Singapore dollar	**–**	–	**4,636,587**	5,363,949

The Group has investment in foreign subsidiary, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operation.

As the Company transacts mainly in its functional currency, it is not exposed to significant foreign currency risks.

Exposure to foreign currency risk is monitored on an ongoing basis in accordance with the Group's risk management policies to ensure that the net exposure is at an acceptable level.

Foreign currency sensitivity analysis

The following table details the sensitivity to a 5% (2020: 5%) in Singapore dollar against Ringgit Malaysia. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the financial year, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in Singapore dollar, are included in the analysis.

	Profit or loss	
	2021	2020
Group	$	$
Singapore dollar		
Strengthens against Ringgit Malaysia	**(231,829)**	(268,197)
Weakens against Ringgit Malaysia	**231,829**	268,197

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.4 Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of the overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

Corporate guarantees given by the Company to the banks in connection with banking facilities granted to subsidiaries are disclosed in Note 27 to the financial statements.

Contract maturity analysis

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

	Within one financial year $	After one financial year but within five financial years $	After five financial years $	Total $
Group				
2021				
Financial liabilities				
Non-interest bearing				
– Trade and other payables[(1)]	**609,666**	**–**	**–**	**609,666**
Interest bearing				
– Bank borrowings	**199,096**	**697,841**	**–**	**896,937**
– Lease liabilities	**1,685**	**–**	**–**	**1,685**
	810,447	**697,841**	**–**	**1,508,288**
2020				
Financial liabilities				
Non-interest bearing				
– Trade and other payables[(1)]	457,625	–	–	457,625
Interest bearing				
– Bank borrowings	819,500	–	–	819,500
– Lease liabilities	151,902	582,330	1,826,607	2,560,839
	1,429,027	582,330	1,826,607	3,837,964

(1) Excludes goods and services tax, non-refundable advanced deposit, deferred government grant income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.4 Liquidity risks (Continued)

Contract maturity analysis (Continued)

	Within one financial year $
Company	
2021	
Financial liabilities	
Non-interest bearing	
– Trade and other payables	**363,044**
Financial guarantee contracts	**896,937**
2020	
Financial liabilities	
Non-interest bearing	
– Trade and other payables	118,560
Financial guarantee contracts	819,500

The Group's operations are financed mainly through equity and bank borrowings. The Company's operations are financed mainly through equity. Adequate lines of credit are maintained to ensure the necessary liquidity is available when required.

Corporate guarantee contracts represents the maximum amount that the Company would be called upon to pay at the earliest period should the subsidiary default on the loan repayments to the bank.

The repayment terms of the Group's bank borrowings and lease liabilities are disclosed in Note 16 and Note 17 respectively to the financial statements.

30.5 Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value. The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issues new shares or sell assets to reduce debts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.5 Capital management policies and objectives (Continued)

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves, and bank borrowings as disclosed in Notes 13, 14, 15 and 16 to the financial statements and the statement of financial position.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total capital. The Group and the Company include within net debt, trade and other payables excludes goods and services tax, non-refundable advance deposit and deferred government grant income, bank borrowings and lease liabilities less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Net debt	**928,533**	2,650,511	**336,317**	101,443
Total equity	**5,591,484**	7,465,993	**5,464,146**	7,677,580
Total capital	**6,520,017**	10,116,504	**5,800,463**	7,779,023
Gearing ratio	**14%**	26%	**6%**	1%

The Group has complied with all externally-imposed capital requirements for the financial year ended 31 March 2021 and 31 March 2020, except as disclosed in Note 16 to the financial statements. The Group's overall strategy remains unchanged from 2020.

30.6 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.6 Fair value of financial assets and financial liabilities (Continued)

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – 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); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of the Group's and the Company's current financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the Group's non-current financial liability in relation to bank borrowings and lease liabilities is disclosed in Notes 16 and 17 to the financial statements.

Any changes to the unobservable inputs, to the extent that they increase or decrease the price per square metre and/or discount rate, will result in a corresponding increase or decrease in the fair value of the investment property. There are no significant inter-relationship between unobservable inputs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

30. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

30.7 Categories of financial instruments

The following table sets out the financial instruments as at the end of the financial year:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Financial assets				
Trade and other receivables[1]	**38,177**	149,842	**1,777,615**	2,237,175
Cash and cash equivalents	**553,619**	294,790	**26,727**	17,117
Financial assets, at amortised cost	**591,796**	444,632	**1,804,342**	2,254,292
Financial liabilities				
Trade and other payables[2]	**609,666**	457,625	**363,044**	118,560
Bank borrowings	**870,813**	800,000	**–**	–
Lease liabilities	**1,673**	1,687,676	**–**	–
Financial liabilities, at amortised cost	**1,482,152**	2,945,301	**363,044**	118,560

(1) Excludes government grant receivables.

(2) Excludes goods and services tax, non-refundable advance deposit, deferred government grant income.

STATISTICS OF SHAREHOLDINGS

AS AT 9 JUNE 2021

Issued and fully paid up share capital	:	S$24,764,175
Number of shares	:	1,229,226,124
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share
Number of treasury shares	:	Nil
Number of subsidiary holdings held	:	Nil

Based on the information available to the Company as at 9 June 2021, approximately 78.07% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

Distribution of Shareholdings

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 99	27	0.76	634	0.00
100 – 1,000	175	4.96	86,678	0.01
1,001 – 10,000	1,074	30.41	5,302,262	0.43
10,001 – 1,000,000	2,133	60.39	296,864,818	24.15
1,000,001 and above	123	3.48	926,971,732	75.41
Total:	**3,532**	**100.00**	**1,229,226,124**	**100.00**

Twenty Largest Shareholders

No.	Name	No. of shares	%
1	CHOO TUNG KHENG	247,012,315	20.09
2	POH CHONG PENG	60,000,000	4.88
3	DBS NOMINEES (PRIVATE) LIMITED	35,391,491	2.88
4	UOB KAY HIAN PRIVATE LIMITED	31,749,500	2.58
5	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	30,269,777	2.46
6	TAN ENG CHUA EDWIN	25,502,600	2.07
7	YEO TIONG BOON	21,150,000	1.72
8	LIM KAH HIN	20,000,000	1.63
9	ONG POH CHOO	20,000,000	1.63
10	TAN CHIN WAH	20,000,000	1.63
11	LIM EE CHUAN	17,125,000	1.39
12	PHILLIP SECURITIES PTE LTD	16,601,400	1.35
13	TAN KOCK HENG	15,000,000	1.22
14	NG KWEE PANG	14,993,700	1.22
15	MILANKUMAR MULCHANDBHAI PARIKH	14,000,000	1.14
16	ANG CHIN SAN	13,200,000	1.07
17	ZENG HANG CHENG	11,100,000	0.9
18	TOK SOR HWEE	10,900,000	0.89
19	ONG KIAN SOON	10,534,000	0.86
20	TAN SOO CHONG	10,000,000	0.81
		644,529,783	**52.42**

STATISTICS OF SHAREHOLDINGS

AS AT 9 JUNE 2021

Substantial Shareholders' Information as at 9 June 2021

	Direct interest		Deemed interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Choo Tung Kheng	247,012,315	20.09	1,200(1)	0.00

Note:
1. Mdm Choo Tung Kheng is deemed to be interested in the 1,200 shares held by her spouse, the late Mr Tan Ming.

NOTICE OF ANNUAL GENERAL MEETING

CPH LTD. Company Registration No. 199804583E (Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of CPH Ltd. (the "**Company**") will be convened and held by way of electronic means on Friday, 9 July 2021 at 10:00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2021 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr Lee Teong Sang, who is retiring pursuant to Article 89 of the Company's Constitution and who, being eligible offers himself for re-election, as a Director of the Company.
[See Explanatory Note (i)] **(Resolution 2)**

3. To approve the payment of Directors' fees of S$46,000 for the financial year ended 31 March 2021 (FY2020: S$42,000). **(Resolution 3)**

4. To re-appoint BDO LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 4)**

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

AS SPECIAL BUSINESS

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

6. **Approval for Mr Lee Teong Sang to continue to act as Independent Director pursuant to Rule 406(3)(d)(iii) of the Catalist Rules**

   Ordinary Resolution 5A – Tier 1 and Ordinary Resolution 5B – Tier 2 are inter-conditional.

   That, contingent upon passing of Ordinary Resolution 2 above and subject to the passing of Ordinary Resolution 5B – Tier 2 below, authority be and is hereby given to Mr Lee Teong Sang to continue acting as an Independent Director of the Company pursuant to Rule 406(3)(d)(iii) of the Catalist Rules with effect from 1 January 2022 until the earlier of (i) his retirement or his resignation, or (ii) the conclusion of the Company's third annual general meeting following the passing of this Resolution. **(Resolution 5A – Tier 1)**

   That, contingent upon passing of Ordinary Resolution 2 above and subject to the passing of Ordinary Resolution 5A – Tier 1 above, authority be and is hereby given to Mr Lee Teong Sang to continue to act as an Independent Director of the Company pursuant to Rule 406(3)(d)(iii) of the Catalist Rules with effect from 1 January 2022 until the earlier of (i) his retirement or his resignation, or (ii) the conclusion of the Company's third annual general meeting following the passing of this Resolution.
   [See Explanatory Note (ii)] **(Resolution 5B – Tier 2)**

NOTICE OF ANNUAL GENERAL MEETING

CPH LTD. Company Registration No. 199804583E (Incorporated in the Republic of Singapore)

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

"That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore (the "**Act**"), the Company's Constitution and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements, or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue:

(i) Additional instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force of such additional Instruments in (b)(i) above,

provided that:

(1) 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 total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, 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 the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;

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(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments for (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, and the Company's Constitution for the time being of the Company; and

(4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier or in the case of Shares to be issued in pursuance of the instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments."

[See Explanatory Note (iii)] **(Resolution 6)**

By Order of the Board

Yoo Loo Ping
Company Secretary

Singapore, 24 June 2021

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Explanatory Notes:

(i) **Ordinary Resolution 2** – Mr Lee Teong Sang will, upon re-election as a Director of the Company and subject to the passing of Resolution 5A – Tier 1 and Resolution 5B – Tier 2, remain as the Independent Non-Executive Chairman, Chairman of Audit Committee and Remuneration Committee and member of Nominating Committee. He is considered to be independent pursuant to Rule 704(7) of the Catalist Rules. Detailed information on Mr Lee Teong Sang can be found under the "Board of Directors", "Corporate Governance Report" and "Disclosure of Information on Director Seeking Re-election" sections in the Company's Annual Report 2021.

(ii) **Ordinary Resolution 5A – Tier 1 and Ordinary Resolution 5B – Tier 2** – Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, under Transitional Practice Note 2 of the Catalist Rules, which will come into effect on 1 January 2022, the continuation of an Independent Director, who has been appointed for more than 9 years from the date of his first appointment, to act as an Independent Director will require a majority of shareholders' approval through a two-tiered voting process, whereby voting will be carried out in the following manner:

(a) voting by all shareholders (Tier 1); and

(b) voting by all shareholders, excluding shareholders who also serve as the directors or the chief executive officer of the Company, and associates of such directors and chief executive officer (Tier 2),

collectively, the "**Two-Tiered Voting Process**".

Mr Lee Teong Sang has been a director for an aggregate period of more than 9 years from the date of his first appointment as director. Accordingly, subject to the passing of Resolution 2, Mr Lee Teong Sang can continue to act as Independent Director with effect from 1 January 2022 if both Resolution 5A – Tier 1 and Resolution 5B – Tier 2 are passed.

If Mr Lee Teong Sang did not obtain a majority of shareholders' approval through a Two-Tiered Voting Process, he will cease to be considered independent for purposes of Rule 406(3)(d)(iii) of the Catalist Rules with effect from 1 January 2022. Accordingly, subject to the continuation of Mr Lee as a Director of the Company, he will be re-designated as a non-executive non-independent director of the Company with effect from 1 January 2022.

For avoidance of doubt, if Ordinary Resolutions 5A – Tier 1 and/or Ordinary Resolution 5B – Tier 2 is not passed, Mr Lee Teong Sang will remain as the Independent Non-Executive Chairman, Chairman of Audit Committee and Remuneration Committee and member of Nominating Committee and will be considered independent for the purposes of Rule 406(3)(d)(iii) of the Catalist Rules until 31 December 2021. The Company shall endeavour to search for suitable candidate(s) and fill his vacancy as soon as possible before 1 January 2022, to fulfil the requirements of the Catalist Rules and Code of Corporate Governance, where applicable.

Ordinary Resolution 6 – The resolution, if passed, will empower the Directors of the Company to allot and issue Shares in the capital of the Company and/or Instruments (as defined above), up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which not exceeding 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) may be issued other than on a *pro-rata* basis to existing shareholders. This authority will, unless revoked or varied at a general meeting, expire at 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 earlier.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation".

   Printed copies of the Annual Report 2021 will not be sent to shareholders of the Company. The electronic copies of the Notice of AGM, Proxy Form and the Annual Report 2021 are made available on the Company's website at URL http://www.circuitsplus.com.sg and SGX website at URL http://www.sgx.com/securities/company-announcements.

NOTICE OF ANNUAL GENERAL MEETING

CPH LTD. Company Registration No. 199804583E (Incorporated in the Republic of Singapore)

2. Registration of Live Webcast

The AGM of the Company will be conducted via electronic means. Shareholders will be able to watch or listen to the proceedings via a live webcast or audio-only stream on their mobile phones, tablets or computers.

Shareholders as well as investors who hold shares through relevant Intermediaries (as defined in Section 181(1C) of the Companies Act) (including CPF or SRS Investors) who wish to watch or listen to the proceedings of the AGM via live webcast or audio-only stream must pre-register on the AGM website at URL https://live.motionmediaworks.com/cph_reg not later than 10:00 a.m. on 6 July 2021 ("**Registration Deadline**") to enable the Company to verify their status as shareholders.

Following the verification, authenticated shareholders will receive an email not later than 6:00 p.m. on 7 July 2021 (the "**Confirmation Emai**l") containing instructions on how to access the live webcast or live audio stream of the AGM proceedings.

Shareholders who do not receive the Confirmation Email by 6:00 p.m. on 7 July 2021, but who have registered by the Registration Deadline, should contact Motion Media Works for assistance at tel. no. (+65) 96958365 or email to us at CPH_IR@circuitsplus.com.sg.

Shareholders are reminded that the AGM proceedings are private. Instructions on access to the live webcast or the live audio stream of the AGM proceedings should therefore not be shared with anyone who is not a shareholder of the Company or otherwise not authorised to attend the AGM. This is also to avoid any technical disruptions or overload to the live webcast meeting. Recording of the live webcast in whatever form is also strictly prohibited.

3. Submission of Questions in Advance

Shareholders will not be able to ask questions at the AGM during the live webcast. Shareholders can submit their questions to the Company by the Registration Deadline to the AGM website at URL https://live.motionmediaworks.com/cph_reg or by post to the Company's registered address at 8 First Lok Yang Road, Singapore 629731. All substantial and relevant questions will be responded to prior to, or at the AGM.

When sending in the questions via the AGM website or by post to the Company's registered address, shareholders are also required to provide the following details, failing which the submission will be treated as invalid:

(i) Full name;

(ii) Address;

(iii) NRIC or Passport Number;

(iv) Number of shares held; and

(v) The manner in which the shares in the Company are held (e.g. via CDP, CPF or SRS).

Shareholders who hold their shares through Relevant Intermediaries and who wish to submit questions should approach their respective Relevant Intermediaries early, so that the Relevant Intermediaries may in turn submit their questions for the AGM to the Company via the AGM Website or by post before the Registration Deadline (i.e. not later than 10:00 a.m. on 6 July 2021).

The Company will, within one month after the date of AGM, publish the minutes of the AGM on SGXNET and the Company's website, and the minutes will include the responses to the questions referred to above.

4. Voting

Shareholders who wish to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting to act as proxy and direct the vote at the Meeting.

In appointing the Chairman of the Meeting as proxy, a shareholder of the Company must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

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

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CPH LTD. Company Registration No. 199804583E (Incorporated in the Republic of Singapore)

The Proxy Form must be submitted through any one of the following means:

(i) Physical mail to the Company's registered address at 8 First Lok Yang Road, Singapore 629731; or

(ii) Electronic mail to CPH_IR@circuitsplus.com.sg

by not later than 10:00 a.m. on 7 July 2021 (the "**Cut-off time**"), being forty-eight (48) hours before the time appointed for holding the AGM.

The Proxy Form has been made available on the Company's website at URL http://www.circuitsplus.com.sg and SGX website at URL http://www.sgx.com/securities/company-announcements. Shareholders must complete and sign the Proxy Form, before submitting it by post to the address provided above, or sending it by email to the email address provided above.

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

5. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 10:00 a.m. on 29 June 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the Cut-off time.

6. Shareholders should note that the manner of conduct of the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conduct of the AGM will be announced by the Company on SGXNET. Shareholders are advised to check SGXNET and the Company's website regularly for further updates.

Personal data privacy:

By submitting (a) a proxy form appointing the Chairman of the AGM as the proxy to attend and vote at the AGM and/or any adjournment thereof, or (b) Shareholder's particulars for pre-registration to participate in the AGM via live webcast, or (c) submitting any questions prior to the AGM in accordance with this Notice of AGM, a shareholder consents to the collection, use and disclosure of the member's personal data by the Company (or its agents, advisers or service providers, as the case may be) for the following purposes:

(i) Processing and administration by the Company (or its agents, advisers or service providers, as the case may be) of proxy form appointing the Chairman of the AGM as the proxy for the AGM (including any adjournment thereof);

(ii) Preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(iii) Processing of pre-registration for participation at the AGM for purpose of granting access to members to the live webcast and providing them with any technical assistance when necessary;

(iv) Addressing relevant and substantial questions related to the resolutions to be tabled for approval at the AGM from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and

(v) Enabling the Company (or its agents, advisers or service providers, as the case may be) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes of the AGM. Accordingly, the personal data of a member (such as name, presence at the AGM and any questions raised or motions proposed/seconded) may be recorded by the Company for such purposes.

CPH LTD.

(Company Registration No. 199804583E)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

IMPORTANT:

1. Due to the current COVID-19 situation in Singapore, members will not be able to attend the Annual General Meeting ("**AGM**") in person. Members (whether individuals or corporates) must appoint the Chairman of the Meeting as their proxy to attend and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM.
2 This Proxy Form is not valid for use by investors who hold shares in the Company ("**Shares**") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPF/SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including CPF/SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least seven working days before the AGM to specify voting instructions.
3. Please read the notes to this Proxy Form on instructions, *inter alia*, the appointment of the Chairman of the Meeting as proxy to vote on his/her/its behalf at the AGM.

I/We, ______________________________ (Name), ________________ (NRIC/Passport/Company Registration No.)

of ____ (Address)

being a member/members of CPH LTD. (the "**Company**"), hereby appoint the Chairman of the Meeting as my/our proxy, to attend and vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be held by electronic means on Friday, 9 July 2021 at 10:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for and against, or to abstain from voting on the resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the Meeting as my/our proxy for that resolution will be treated as invalid.

No.	Resolutions	For	Against	Abstain
Ordinary Business				
Ordinary Resolution 1	Adoption of Audited Financial Statements for the financial year ended 31 March 2021 together with the Directors' Statement and the Auditors' Report thereon			
Ordinary Resolution 2	Re-election of Mr Lee Teong Sang as Director			
Ordinary Resolution 3	Approval of Directors' fees of S$46,000 for the financial year ended 31 March 2021			
Ordinary Resolution 4	Re-appointment of BDO LLP as Auditors			
Special Business				
Ordinary Resolution 5A – Tier 1	To approve Mr Lee Teong Sang to continue in office as Independent Director (Tier 1 Voting)			
Ordinary Resolution 5B – Tier 2	To approve Mr Lee Teong Sang to continue in office as Independent Director (Tier 2 Voting)			
Ordinary Resolution 6	Authority to allot and issue new shares			

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

Dated this ________ day of ______________ 2021

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

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

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

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

4. Pursuant to Section 181 of the Companies Act, Cap. 50 of Singapore, any member of the Company who is a Relevant Intermediary is entitled to appoint the Chairman of Meeting as proxy to attend and vote in his/her stead, but the Chairman must be appointed to exercise the rights attached to a different share or shares held by such member.

   "**Relevant Intermediary**" means:

   (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services license to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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

6. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the time appointed for the holding of the AGM, that is, by 10:00 a.m. on 29 June 2021.

7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the Company's registered address at 8 First Lok Yang Road, Singapore 629731; or

   (b) if submitted electronically, be submitted via email to CPH_IR@circuitsplus.com.sg

   in either case, at least 48 hours before the time for holding the AGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

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

9. The instrument appointing Chairman of the Meeting as proxy must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the instrument appointing Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to the Companies Act, Chapter 50 of Singapore is applicable at this AGM.

GENERAL:

The Company shall be entitled to reject the instrument appointing Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing Chairman of the Meeting as proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing Chairman of the Meeting as proxy lodged if the members, being the appointer, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 24 June 2021.

CPH Ltd.

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