



# OTS HOLDINGS LIMITED

(Company Registration Number: 201505559W)  
(Incorporated in the Republic of Singapore on 3 March 2015)

# PRESERVING TRADITIONS INSPIRING GENERATIONS



Invitation in respect of 41,000,000 Invitation Shares (comprising 35,000,000 New Shares and 6,000,000 Vendor Shares) as follows:

- A** 1,000,000 Public Offer Shares at S\$0.23 each by way of a public offer in Singapore ("Public Offer"); and
- B** 40,000,000 Placement Shares at S\$0.23 each by way of placement, including 2,200,000 Shares ("Reserved Shares") reserved for subscription and/or purchase by the management and employees of our Company and our subsidiaries, as well as business associates and others who have contributed to the success of our Group (to be determined by us at our sole discretion) ("Placement", and together with the Public Offer, "Invitation"),

payable in full on application.

Sponsor, Issue Manager,  
Underwriter and Placement Agent



**SAC Capital Private Limited**  
(Company Registration Number: 200401542N)  
(Incorporated in the Republic of Singapore)

## OFFER DOCUMENT DATED 8 JUNE 2021

(Registered by the Singapore Exchange Securities Trading Limited ("SGX-ST"), acting as agent on behalf of the Monetary Authority of Singapore ("Authority"), on 8 June 2021)

This Invitation (as defined herein) is made in or accompanied by an offer document ("Offer Document") that has been registered by the SGX-ST, acting as agent on behalf of the Authority on 8 June 2021. The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with.

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser(s). You are responsible for your own investment choices.

SAC Capital Private Limited ("Sponsor" and "Issue Manager") has on behalf of OTS Holdings Limited ("Company") made an application to the SGX-ST for permission to deal in, and for the listing and quotation of, all the ordinary shares ("Shares") in the capital of the Company that are already issued, including the Shares offered by Ong Bee Song ("Vendor", and such Shares offered by the Vendor, "Vendor Shares"), the SAC Capital Shares (as defined herein) and the new Shares which are the subject of this Invitation (as defined herein) ("New Shares", and together with the Vendor Shares, "Invitation Shares") on the Catalist Board of the SGX-ST ("Catalist").

Acceptance of applications for the Invitation Shares will be conditional upon, among other things, issue of the New Shares and permission being granted by the SGX-ST for the listing and quotation of all our Shares that are already issued (including the Vendor Shares), the SAC Capital Shares and the New Shares on Catalist. Monies paid in respect of any application accepted will be returned at the applicant's own risk, without interest or any share of revenue or other benefit arising therefrom, if the admission and listing do not proceed for any reason and applicants will not have any claims against us, the Vendor, or the Sponsor, Issue Manager, Underwriter and Placement Agent (as defined herein). The dealing in and quotation of our Shares will be in Singapore dollars.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed and complies with the Catalist Rules (as defined herein). Neither the Authority nor the SGX-ST has in any way considered the merits of the Invitation Shares being offered for investment.

We have not lodged or registered this Offer Document in any other jurisdiction.

Investing in our Shares involves risks which are described in the section "Risk Factors" of this Offer Document.

After the expiration of six (6) months from the date of registration of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document, and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Document.

“ Our vision is to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region. ”

Established in 1993, OTS Holdings Limited (“OTS” or “Company”, and together with its subsidiaries, “Group”) is a brand builder and food manufacturing group in the consumer industry with a strong niche in ready-to-eat and ready-to-cook meat products with key markets in Singapore and Malaysia.

**WE ARE BRAND BUILDERS**

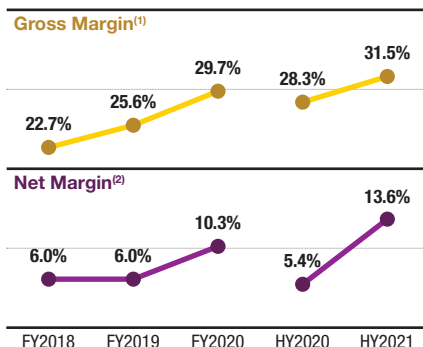
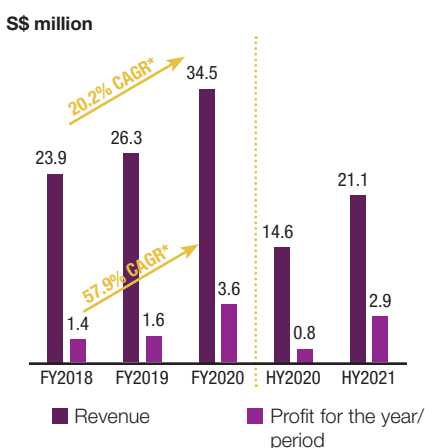
- Our flagship heritage brand “Golden Bridge”, was created by our late founder, Ong Tuan Seng, and it embodies our belief that we should serve as a connection between consumers’ preferences and our quality food products.
- Led by an experienced management team in the ready-to-eat and ready-to-cook meat product manufacturing industry.
- By placing strong emphasis on the branding and positioning of our Group’s flagship brands, “Golden Bridge” and “Kelly’s” have become established household names within the ready-to-eat and ready-to-cook meat products market in Singapore and Malaysia.
- Targeting the growing halal food market, we established a prominent retail brand, “El-Dina”, and a food service brand, “Kizmiq” under our subsidiary, Ellaziq Private Limited, a halal food specialist in Singapore.
- We also produce seasonal food products (such as roast meats, hams and pork knuckles) during festive periods such as Chinese New Year and Christmas.

Non-Halal		Halal
<b>Retail Brands</b>		
<b>Food Service Brands</b>		
As at the Latest Practicable Date, we have more than 1,100 stock keeping units (“SKUs”) across 13 main product types under our six house brands.		

**RICH HERITAGE AND A MAJOR PLAYER IN SINGAPORE**

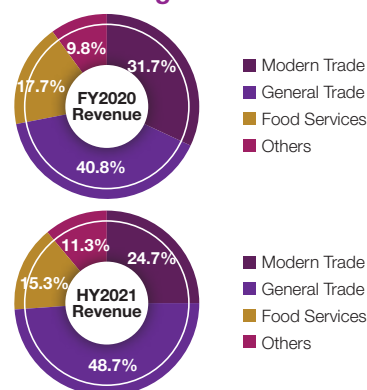
- Established track record of over 27 years in the industry.
- We believe we are one of the largest meat product manufacturing companies in Singapore with the capability to manage and process as many as four (4) product categories – chilled, frozen, dried and shelf-stable ready-to-eat and ready-to-cook meat products – within one single facility.

S\$ million (financial year end: 30 June)	(Audited)			(Unaudited)	
	FY2018	FY2019	FY2020	HY2020	HY2021
Revenue	23.9	26.3	34.5	14.6	21.1
Gross Profit	5.4	6.7	10.2	4.2	6.7
Profit before income tax	1.4	1.2	4.4	1.2	3.5
<b>Profit for the year/period</b>	<b>1.4</b>	<b>1.6</b>	<b>3.6</b>	<b>0.8</b>	<b>2.9</b>

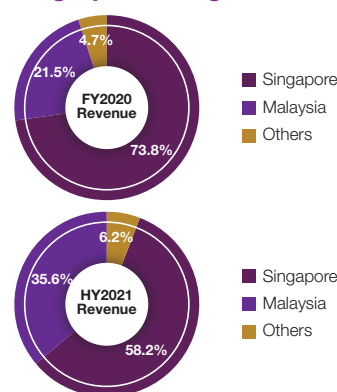


(1) The gross margin has been computed based on the gross profit divided by revenue for the relevant financial year/period.  
 (2) The net margin has been computed based on the profit divided by revenue for the relevant financial year/period.

**Business Segments**



**Geographical Segments**



(The differences in the figures stated herein and the figures set out in the offer document are due to rounding.)

## TECHNOLOGY DRIVEN MANUFACTURING CAPABILITIES

- We own and operate three modern food manufacturing facilities, two in Singapore and one in Bulan Island, Indonesia.
- We believe we were among the first in our industry in Singapore to adopt certain modules of an enterprise resource planning (“ERP”) system in 2003.
- Made several upgrades and improvements leading eventually to the implementation of an ERP system today which enables us to track and monitor every aspect of our process and products with speed, accuracy and ease.

## STRONG FOCUS ON INNOVATION

- From challenging ourselves to improve our recipes to exploring technological innovations to enhance efficiency and quality in our manufacturing processes, we continue to push new boundaries as food innovators.
- Supported by our in-house research and development team, we are committed to continuously creating better products to respond swiftly and in a timely manner to market trends and support the diverse tastes of our customers.

## PROSPECTS



### INCREASING DEMAND OF PLANT-BASED PRODUCTS AS SUSTAINABLE PROTEIN ALTERNATIVES:

The global plant-based meat market size by revenue is estimated to cross US\$12 billion by 2025, growing at a compound annual growth rate (“CAGR”) of more than 18% during the period from 2019 to 2025<sup>(a)</sup>

- ✓ Growing public awareness and social consciousness of the sustainability of animal-based protein consumption
- ✓ COVID-19 accelerating the shift to meatless alternatives<sup>(b)</sup>



### OVERSEAS MARKETS:

- ✓ In Malaysia, the total market size of the processed meat market was close to approximately S\$371 million<sup>(d)</sup> in 2018. Between 2018 and 2023, the market value for frozen processed meat, chilled processed meat and shelf-stable meat is forecasted to grow at a CAGR of 3.6%, 3.0% and 2.4% respectively<sup>(e)</sup>



### INCREASING AWARENESS OF FOOD SECURITY IN SINGAPORE:

National stockpiling is the third core strategy in Singapore’s Food Security Roadmap<sup>(c)</sup>

- ✓ Singapore’s dependence on food imports requires it to have a multi-prong approach to achieve food security.
- ✓ Canned food has a longer shelf life than fresh or frozen food, and storing these items would also not require refrigeration, making them a good option for padding up the national stockpile.

(a) Information obtained from an article by Research and Markets, “Plant-based Meat Market - Global Outlook and Forecast 2020-2025: In-depth Analysis and Data-driven Insights on the Impact of COVID-19”, Yahoo News (9 September 2020) <<https://sg.news.yahoo.com/plant-based-meat-market-global-150500108.html>> (last accessed on 14 May 2021).

(b) Information obtained from an article by Sagi Karni, “Food security: How S’pore, Israel can “feed” off innovations”, The Straits Times (21 January 2021) <<https://www.straitstimes.com/opinion/food-security-how-spore-israel-can-feed-off-innovations>> (last accessed on 14 May 2021).

(c) Information obtained from an article by Agri-Food and Veterinary Authority of Singapore, “AVA’s food security roadmap for Singapore”, Singapore Food Agency (27 February 2020) <<https://www.sfa.gov.sg/food-for-thought/article/detail/ava-s-food-security-roadmap-for-singapore>> (last accessed on 14 May 2021).

(d) Based on the average closing exchange rates of EUR 1: S\$1.5925 for the calendar year 2018, as extracted from Bloomberg L.P.

(e) Information obtained from a report titled “The Food and Beverage Market Entry Handbook: Malaysia: a Practical Guide to the Market in Malaysia for European Agri-food Products” by the Consumers, Health, Agriculture and Food Executive Agency (Chafea) acting under the mandate from the European Commission <[https://ec.europa.eu/chafea/agri/sites/chafea/files/malaysia-handbook-2020\\_en.pdf](https://ec.europa.eu/chafea/agri/sites/chafea/files/malaysia-handbook-2020_en.pdf)> (last accessed on 14 May 2021).

(f) Information obtained from the website of Food Export Association of the Midwest USA and Food Export USA-Northeast <<https://foodexport.org/export-insights/market-and-country-profiles/philippines-country-profile>> (last accessed on 14 May 2021).



## ESTABLISHED DISTRIBUTION CHANNELS

- Our brands have been **widely marketed and sold in major supermarkets (such as NTUC Fairprice, Sheng Siong and Giant)**, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia.
- In addition, we intend to **strengthen our presence on e-commerce platforms and via our websites.**
- Our food products have been **marketed and sold in more than 25 countries, including Brunei, Hong Kong, Myanmar, India and the European Union.**

## BUSINESS STRATEGIES AND FUTURE PLANS

- Actively develop and manage brand and product portfolio with the intention of launching **our new plant-based food products by early 2022.**
- **Expand our business overseas in Malaysia, Indonesia and Philippines,** through the continued replication of our successful business model.
- Improvement and/or expansion of production efficiency and capacities to **enable us to remain cost competitive in the long run.**
- **Expansion of our business** through acquisitions, joint ventures or strategic alliances.

## QUALITY ASSURANCE & CERTIFICATIONS



Since 2015, the food safety management systems of our production facilities in Singapore have received the **FSSC 22000 Food Safety System Certification**, which demonstrates that our production facilities have robust food safety management systems in place.



We have **been achieving Grade 'A' status for excellence in food hygiene and food safety standards from the Singapore Food Agency or the Agri-Food & Veterinary Authority of Singapore** (as the case may be) for certain types of processing such as retort canning, sausage and ham processing since 2010 for Golden Bridge Foods Manufacturing Pte Ltd and since 2011 for Ellaziq Private Limited.



We have **obtained halal certification from Majlis Ugama Islam Singapura in Singapore** for the products that are manufactured at our halal production facility in Singapore. In Malaysia, the manufacturing of our products is outsourced to a contract manufacturer, which has also obtained the **requisite halal certification from the Department of Islamic Development Malaysia (JAKIM) in Malaysia.**



In addition, **our two production facilities in Singapore are the only two out of the three meat processing plants in Singapore** which have obtained approval for the export of meat products from Singapore to the European Union.

## SUMMARY



**Rich Heritage and a Major Player in Singapore**



**Multi-Brand, Multi-Product Portfolio**



**Technology Driven Manufacturing Capabilities**



**Strong Focus on Innovation**



**Quality Assurance**



**Established Distribution Channels**



**Business and Geographical Expansion**

## HOW TO APPLY

**Applications for the Public Offer Shares may be made through:**

- ATMs and Internet Banking websites of DBS Bank, OCBC and UOB, online portals of iFAST Financial Pte Ltd, or through the mobile banking interface of DBS Bank and UOB
- Printed WHITE Public Offer Shares Application Form which forms part of this Offer Document

## IMPORTANT DATES

Opening date and time of the Public Offer	8 June 2021, at 6.00 p.m.
Closing date and time of the Application List	15 June 2021, at 12.00 noon
Commence trading on a "ready" basis	17 June 2021, at 9.00 a.m.



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## CORPORATE INFORMATION

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<b>BOARD OF DIRECTORS</b>	:	Yu Lai Boon Ong Bee Chip Ong Chew Yong Chan Hiang Tiak Tan Poh Hong	<i>(Non-Executive Chairman and Independent Director)</i> <i>(Managing Director)</i> <i>(Executive Director)</i> <i>(Independent Director)</i> <i>(Independent Director)</i>
<b>COMPANY SECRETARY</b>	:	Lee Pay Lee (ACIS)	
<b>REGISTERED OFFICE</b>	:	30 Senoko South Road Singapore 758088	
<b>SHARE REGISTRAR AND SHARE TRANSFER AGENT</b>	:	<b>Tricor Barbinder Share Registration Services</b> , a division of Tricor Singapore Pte. Ltd. 80 Robinson Road #11-02 Singapore 068898	
<b>VENDOR</b>	:	Ong Bee Song c/o 30 Senoko South Road Singapore 758088	
<b>SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT</b>	:	<b>SAC Capital Private Limited</b> 1 Robinson Road #21-00, AIA Tower Singapore 048542	
<b>SOLICITORS TO THE INVITATION AND LEGAL ADVISERS TO OUR COMPANY ON SINGAPORE LAW</b>	:	<b>Lee &amp; Lee</b> 50 Raffles Place #06-00, Singapore Land Tower Singapore 048623	
<b>LEGAL ADVISERS TO OUR COMPANY ON MALAYSIA LAW</b>	:	<b>Kadir Andri &amp; Partners</b> Suite A-38-8, Level 38 Menara UOA Bangsar No. 5 Jalan Bangsar Utama 1 59000 Kuala Lumpur, Malaysia	
<b>LEGAL ADVISERS TO OUR COMPANY ON INDONESIA LAW</b>	:	<b>Ali Budiardjo, Nugroho, Reksodiputro Counsellors at Law</b> Graha CIMB Niaga 24th Floor Jl. Jenderal Sudirman Kav. 58 Jakarta 12190 Indonesia	
<b>LEGAL ADVISERS TO THE SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT ON SINGAPORE LAW</b>	:	<b>Vincent Lim &amp; Associates LLC</b> 18 Cross Street #07-11, Cross Street Exchange Singapore 048423	

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## CORPORATE INFORMATION

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<b>INDEPENDENT AUDITOR AND REPORTING ACCOUNTANT</b>	<b>:</b> <b>RSM Chio Lim LLP</b> 8 Wilkie Road #04-08, Wilkie Edge Singapore 228095  Partner-in-charge: Pang Hui Ting (a member of the Institute of Singapore Chartered Accountants)
<b>INDEPENDENT FINANCIAL ADVISER</b>	<b>:</b> <b>Xandar Capital Pte. Ltd.</b> 3 Shenton Way #24-02, Shenton House Singapore 068805
<b>PRINCIPAL BANKER</b>	<b>:</b> <b>DBS Bank Ltd.</b> 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>RECEIVING BANK</b>	<b>:</b> <b>DBS Bank Ltd.</b> 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

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## DEFINITIONS

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In this Offer Document and the accompanying Application Forms, unless the context otherwise requires, the following definitions apply throughout:

### Companies within our Extended Group

<i>“Company”</i>	:	OTS Holdings Limited
<i>“Delta Bridge Indonesia”</i>	:	PT Delta Bridge Foods
<i>“Delta Bridge Singapore”</i>	:	Delta Bridge Pte. Ltd.
<i>“Ellaziq Malaysia”</i>	:	Ellaziq (Malaysia) Sdn Bhd
<i>“Ellaziq Singapore”</i>	:	Ellaziq Private Limited
<i>“Extended Group”</i>	:	Our Company and our subsidiaries and associated companies as at the date of this Offer Document
<i>“Extended Group Company”</i>	:	Any company within our Extended Group
<i>“GB Malaysia”</i>	:	GB Global (Malaysia) Sdn Bhd
<i>“GB Philippines”</i>	:	GB Global Philippines Corporation
<i>“Golden Bridge”</i>	:	Golden Bridge Foods Manufacturing Pte Ltd
<i>“Group”</i>	:	Our Company and our subsidiaries as at the date of this Offer Document
<i>“Group Company”</i>	:	Any company within our Group

### Other Corporations, Organisations and Agencies

<i>“ACRA”</i>	:	Accounting and Corporate Regulatory Authority of Singapore
<i>“Authority”</i>	:	The Monetary Authority of Singapore
<i>“AVA”</i>	:	Agri-Food & Veterinary Authority of Singapore, which has since been integrated into the Singapore Food Agency
<i>“Bank Negara”</i>	:	Bank Negara Malaysia, the central bank of Malaysia
<i>“BCS”</i>	:	BCS Development Pte. Ltd.
<i>“CDP” or “Depository”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund



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## DEFINITIONS

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<i>“DBS Bank”</i>	:	DBS Bank Ltd.
<i>“Giant”</i>	:	Cold Storage Singapore (1983) Pte Ltd, trading as “Giant”
<i>“Hock Eek Seng”</i>	:	Hock Eek Seng Machinery Pte Ltd
<i>“Independent Auditor and Reporting Accountant”</i>	:	RSM Chio Lim LLP
<i>“Independent Financial Adviser” or “Xandar Capital”</i>	:	Xandar Capital Pte. Ltd.
<i>“JTC”</i>	:	JTC Corporation
<i>“KFC”</i>	:	Kentucky Fried Chicken Management Pte Ltd
<i>“KMP Group”</i>	:	KMP Private Limited and its subsidiaries, which own and manage a diversified portfolio of private equity investments and food related businesses
<i>“MUIS”</i>	:	Majlis Ugama Islam Singapura
<i>“NTUC Fairprice”</i>	:	NTUC Fairprice Co-operative Limited
<i>“PRC”</i>	:	People’s Republic of China
<i>“Prime Supermarket”</i>	:	Prime Supermarket Limited
<i>“Principal Banker”</i>	:	DBS Bank Ltd.
<i>“Receiving Bank”</i>	:	DBS Bank Ltd.
<i>“Redmart”</i>	:	Redmart Limited
<i>“SAC Capital”, “Sponsor”, “Issue Manager”, “Underwriter” or “Placement Agent”</i>	:	SAC Capital Private Limited
<i>“Singapore Food Agency”</i>	:	Singapore Food Agency, the regulatory agency that oversees food safety and food security in Singapore
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Registrar” and “Share Transfer Agent”</i>	:	Tricor Barbinder Share Registration Services, a division of Tricor Singapore Pte. Ltd.

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## DEFINITIONS

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*“Sheng Siong”* : Sheng Siong Group Ltd

*“SIC”* : Securities Industry Council of Singapore

*“Swee Heng”* : Swee Heng Bakery Pte Ltd

### Legislation and Regulations

*“Catalist Rules”* : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time

*“Companies Act”* : Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time

*“EFM Act”* : Employment of Foreign Manpower Act, Chapter 91A of Singapore, as amended, modified or supplemented from time to time

*“Listing Manual”* : The provisions of Sections A and B of the listing manual of SGX-ST (including the Catalist Rules), as amended, modified or supplemented from time to time

*“SFA”* : Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time

*“SFR”* : Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified or supplemented from time to time

*“SoF Act”* : Sale of Food Act, Chapter 283 of Singapore, as amended, modified or supplemented from time to time

*“Take-overs Code”* : The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

### General

*“Application Forms”* : The printed application forms to be used for the purpose of the Invitation and which form part of this Offer Document

*“Application List”* : The list of applications for the subscription and/or purchase of the Invitation Shares

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## DEFINITIONS

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- “associate”* : As defined in the SFR:
- (a) in relation to an entity, means:
    - (i) in a case where the entity is a substantial shareholder, controlling shareholder, substantial interest-holder or controlling interest-holder, its related corporation, related entity, associated company or associated entity; or
    - (ii) in any other case:
      - (A) a director or an equivalent person of the entity;
      - (B) where the entity is a corporation, a controlling shareholder of the entity;
      - (C) where the entity is not a corporation, a controlling interest-holder of the entity;
      - (D) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the entity; or
      - (E) a subsidiary, a subsidiary entity, an associated company, or an associated entity, of the controlling shareholder or controlling interest-holder, as the case may be, of the entity; and
  - (b) in relation to an individual, means:
    - (i) any member of the individual’s immediate family;
    - (ii) a trustee of any trust of which the individual or any member of the individual’s immediate family is:
      - (A) a beneficiary; or
      - (B) where the trust is a discretionary trust, a discretionary object,when the trustee acts in that capacity; or
    - (iii) any corporation in which the individual, one or more members of the individual’s immediate family, or the individual and one or more members of the individual’s immediate family together, whether directly or indirectly, has or have interests in voting shares of an aggregate of not less than 30% of the total votes attached to all voting shares,

or, if the context so requires, the term “associate” may have the meaning given to it in the Catalist Rules



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## DEFINITIONS

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<i>“ATM”</i>	:	Automated teller machine of a Participating Bank
<i>“Audit Committee”</i>	:	The audit committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“ASEAN”</i>	:	Association of Southeast Asian Nations
<i>“BCS Restructuring”</i>	:	Has the meaning given to it in the section “Extended Group Structure – BCS Restructuring and Transfers of Employee Shares” of this Offer Document
<i>“Board”</i>	:	The board of Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“CAGR”</i>	:	Compound annual growth rate
<i>“Catalist”</i>	:	The sponsor-supervised listing platform of the SGX-ST
<i>“Code of Corporate Governance”</i>	:	The Code of Corporate Governance issued by the Authority on 6 August 2018
<i>“Constitution”</i>	:	The constitution of our Company, as amended or modified from time to time
<i>“Continuing Sponsorship Agreement”</i>	:	The continuing sponsorship agreement dated 8 June 2021 entered into between, among others, our Company and SAC Capital, pursuant to which our Company appointed SAC Capital and SAC Capital has agreed to act as continuing sponsor
<i>“Controlling Shareholder”</i>	:	As defined in the Catalist Rules, a person who:  (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in our Company (unless otherwise determined by SGX-ST); or  (b) in fact exercises control over our Company,  or shall have the meaning given to it in the SFR if the context so requires
<i>“COVID-19”</i>	:	Coronavirus disease 2019
<i>“Directors”</i>	:	The directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“EBITDA”</i>	:	Earnings before interest expenses, income taxes, depreciation and amortisation

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## DEFINITIONS

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<i>“Electronic Applications”</i>	:	Applications for the Public Offer Shares made through an ATM, the internet banking websites or mobile banking interfaces of the relevant Participating Banks, or through the online portals of the Participating Agent, upon and subject to the terms and conditions of this Offer Document
<i>“Employee Shares”</i>	:	The 1,000,000 Shares which were transferred to 35 of our employees nominated by BCS to recognise and reward them for their past contributions and services, and to align their interests with our Group to encourage greater dedication and loyalty to our Group, as described in the section “Extended Group Structure – BCS Restructuring and Transfers of Employee Shares” of this Offer Document
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive Directors of our Company as at the date of this Offer Document, being Ong Bee Chip and Ong Chew Yong, unless otherwise stated
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Offer Document, unless otherwise stated
<i>“FY”</i>	:	The financial year ended or ending 30 June (as the case may be)
<i>“GDP”</i>	:	Gross domestic product
<i>“Group Financial Controller”</i>	:	The group financial controller of our Company as at the date of this Offer Document, unless otherwise stated
<i>“GST”</i>	:	Goods and services tax
<i>“HY”</i>	:	The six-month financial period ended or ending 31 December (as the case may be)
<i>“immediate family”</i>	:	As defined in the Catalist Rules, in relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent
<i>“Independent Directors”</i>	:	The non-executive independent Directors of our Company as at the date of this Offer Document, unless otherwise stated
<i>“Interested Person”</i>	:	Has the meaning given to it in the section “Interested Person Transactions” of this Offer Document

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## DEFINITIONS

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<i>“Internal Restructuring”</i>	:	The internal restructuring exercise as described in the section “Extended Group Structure – Internal Restructuring” of this Offer Document
<i>“Invitation”</i>	:	The Placement and the Public Offer
<i>“Invitation Price”</i>	:	S\$0.23 for each Invitation Share
<i>“Invitation Shares”</i>	:	The 41,000,000 Shares, comprising 35,000,000 New Shares and 6,000,000 Vendor Shares, which are the subject of the Invitation, comprising 1,000,000 Public Offer Shares and 40,000,000 Placement Shares (including 2,200,000 Reserved Shares)
<i>“IPT General Mandate”</i>	:	Has the meaning given to it in the section “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document
<i>“Jobs Support Scheme”</i>	:	A scheme introduced by the Singapore Government to help enterprises retain their local employees during the period of economic uncertainty caused by the COVID-19 outbreak
<i>“Latest Practicable Date”</i>	:	10 May 2021, being the latest practicable date prior to the lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority
<i>“Listing”</i>	:	The listing of our Company and the quotation of our Shares on Catalist
<i>“Listing Date”</i>	:	The date of commencement of dealing in our Shares on Catalist
<i>“Managing Director”</i>	:	The managing director of our Company as at the date of this Offer Document
<i>“Mandated Interested Person”</i>	:	Has the meaning given to it in the section “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document
<i>“Mandated Transactions”</i>	:	Has the meaning given to it in the section “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	:	Net asset value
<i>“New Shares”</i>	:	The 35,000,000 new Shares offered by our Company for subscription which are the subject of the Invitation



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## DEFINITIONS

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<i>“Nominating Committee”</i>	:	The nominating committee of our Company as at the date of this Offer Document, unless otherwise stated
<i>“NTA”</i>	:	Net tangible assets (after non-controlling interests)
<i>“Offer Document”</i>	:	This offer document dated 8 June 2021 issued by our Company in respect of the Invitation
<i>“Official List”</i>	:	The list of issuers maintained by the SGX-ST in relation to Catalist
<i>“Participating Agent”</i>	:	iFAST Financial Pte Ltd
<i>“Participating Banks”</i>	:	United Overseas Bank Limited ( <b>“UOB”</b> ), DBS Bank Ltd. (including POSB Bank) ( <b>“DBS Bank”</b> ) and Oversea-Chinese Banking Corporation Limited ( <b>“OCBC”</b> ), and each a <b>“Participating Bank”</b>
<i>“PER”</i>	:	Price earnings ratio
<i>“Period Under Review”</i>	:	The period which comprises FY2018, FY2019, FY2020 and HY2021
<i>“Placement”</i>	:	The placement of 40,000,000 Placement Shares (including 2,200,000 Reserved Shares) by the Placement Agent to investors on behalf of our Company and the Vendor for subscription and/or purchase at the Invitation Price, subject to and on the terms and conditions set out in this Offer Document
<i>“Placement Shares”</i>	:	The 40,000,000 Invitation Shares which are the subject of the Placement (including 2,200,000 Reserved Shares)
<i>“Public Offer”</i>	:	The offer of the Public Offer Shares by our Company and the Vendor to the public in Singapore for subscription and/or purchase at the Invitation Price, subject to and on the terms and conditions set out in this Offer Document
<i>“Public Offer Shares”</i>	:	The 1,000,000 Invitation Shares which are the subject of the Public Offer
<i>“Relevant Period”</i>	:	The Period Under Review and the period from 1 January 2021 to the Latest Practicable Date
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Offer Document, unless otherwise stated

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## DEFINITIONS

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<i>“Reserved Shares”</i>	:	The 2,200,000 Invitation Shares under the Placement which are reserved for the management and employees of our Group as well as business associates and others who have contributed to the success of our Group (to be determined by us at our sole discretion)
<i>“SAC Capital Shares”</i>	:	The 347,827 new Shares to be allotted and issued to SAC Capital by our Company as part satisfaction of SAC Capital’s management fees as the Sponsor and Issue Manager
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<i>“Senoko Property”</i>	:	The property located at 30 Senoko South Road Singapore 758088
<i>“Service Agreements”</i>	:	The service agreements entered into between our Company and each of Ong Bee Chip and Ong Chew Yong, as described in the section “Directors and Management – Service Agreements” of this Offer Document
<i>“SFRS(I)” or “SFRS(I)s”</i>	:	Singapore Financial Reporting Standards (International)
<i>“SGXNET”</i>	:	Singapore Exchange Network, the corporate announcement system maintained by SGX-ST for the submission of information and announcements by listed companies
<i>“Share Split”</i>	:	The sub-division of 14,771,188 Shares into 178,652,173 Shares, which was effected on 1 June 2021
<i>“Shareholder(s)”</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of our Company
<i>“Sponsorship and Management Agreement”</i>	:	The full sponsorship and management agreement dated 8 June 2021 entered into between our Company, the Vendor, and SAC Capital pursuant to which SAC Capital agreed to manage and sponsor the Invitation, as described in the section “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document
<i>“Stop Order”</i>	:	Has the meaning given to it in the section “Details of the Invitation” of this Offer Document

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## DEFINITIONS

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<i>“Substantial Shareholder”</i>	:	A person who has an interest in not less than 5.0% of the total votes attached to all voting shares (excluding treasury shares) in our Company
<i>“Underwriting and Placement Agreement”</i>	:	The underwriting and placement agreement dated 8 June 2021 entered into between our Company, the Vendor and SAC Capital in connection with the Invitation and the Listing, as described in the section “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document
<i>“Vendor”</i>	:	Ong Bee Song
<i>“Vendor Shares”</i>	:	The 6,000,000 Shares offered by the Vendor for purchase which are the subject of the Invitation

### Currencies, Units and Others

<i>“EUR”</i>	:	Euro, the official currency of 19 of the 27 European Union member countries
<i>“IDR” or “Rupiah”</i>	:	Indonesian Rupiah, being the lawful currency of Indonesia
<i>“nm”</i>	:	Not meaningful
<i>“PHP”</i>	:	Philippine peso, the lawful currency of the Republic of the Philippines
<i>“RM”</i>	:	Malaysian Ringgit, being the lawful currency of Malaysia
<i>“sq m”</i>	:	Square metre
<i>“S\$”, “Singapore Dollar” and “cent”</i>	:	Singapore Dollars and cents, respectively, being the lawful currency of the Republic of Singapore
<i>“US\$”</i>	:	United States Dollars, being the lawful currency of the United States of America
<i>“%” or “per cent.”</i>	:	Per centum or percentage

The expression “subsidiary” shall have the meaning given to it in the SFR and the Companies Act. The expression “associated company” shall have the meaning given to it in the SFR.

The expressions “Depositor”, “Depository Agent” and “Depository Register” have the meanings given to them respectively in section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

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## DEFINITIONS

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Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereof and used in this Offer Document, the Application Forms and/or the Electronic Applications shall, where applicable, have the meaning given to it under the Companies Act, the SFA, the SFR, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference in this Offer Document, the Application Forms and/or the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time or date in this Offer Document, the Application Forms and/or the Electronic Applications shall be a reference to Singapore time or date, unless otherwise stated.

Any reference to “we”, “us”, “our”, “ourselves” or their other grammatical variations in this Offer Document is a reference to our Company, our Extended Group or any member of our Extended Group as the context requires.

Any discrepancies in the tables included herein between the listed amounts and the total thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Any information on our website or any website directly or indirectly linked to such website does not form part of this Offer Document and should not be relied upon by any applicant for the Invitation Shares.

Unless we indicate otherwise, all information in this Offer Document is presented on the basis of our Group.

Our customers, suppliers, partners and competitors named in this Offer Document may be referred to in this Offer Document by their trade names. Each of our contracts with our customers and/or suppliers may be with an entity or entities in that customer’s or supplier’s group of companies.

All currency exchange rates quoted in this Offer Document have been extracted from Bloomberg L.P.. Bloomberg L.P. has not consented to the inclusion of such information in this Offer Document for the purposes of section 249 of the SFA and is therefore not liable for the relevant information under sections 253 and 254 of the SFA. While our Directors have taken reasonable care to ensure that the information has been accurately and correctly extracted from the sources above and reproduced in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.



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## GLOSSARY OF TECHNICAL TERMS

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To facilitate a better understanding of our business, the following glossary provides a description of some of the technical terms and abbreviations used in this Offer Document. The meanings assigned to the terms and abbreviations should not be treated as definitive, and may not correspond to standard industry meanings or usage of these terms.

“°C”	:	degree Celsius
“Chinese sausages”	:	Preserved Chinese sausages (referred to in Chinese as “腊肠”)
“cold store” or “cold room”	:	A refrigerated temperature-controlled facility used for the storage of meat products
“ERP system”	:	Enterprise resource planning system
“FSSC 22000”	:	A Global Food Safety Initiative (GFSI) benchmarked food safety system certification standard, which is based on existing International Organisation for Standardisation (ISO) standards
“halal”	:	In relation to any product, service or activity, means the requirements of Muslim law are complied with in the production, processing, marketing, display or carrying out of that product, service or activity
“halal production facility”	:	Our production facility at 30 Senoko South Road Singapore 758088, which produces halal food products which have obtained halal certification under the product scheme from MUIS in Singapore
“non-halal production facility”	:	Our production facility at 30 Senoko South Road Singapore 758088, which produces non-halal food products
“ready-to-eat and ready-to-cook meat products”	:	Fresh meat and poultry products which have been modified or processed (mainly through curing, salting, smoking, drying or canning) to either improve its taste or extend its shelf life, which can be broadly categorised into ready-to-eat and ready-to-cook meat products. Ready-to-eat meat products are products that are safe to eat without additional preparation, although they may receive additional preparation (for example, reheating) for a better taste or appearance. Ready-to-cook meat products are products where additional preparation or cooking is required before it is safe to consume
“retort”	:	Any closed vessel or other equipment used for the thermal processing of food
“SKUs”	:	Stock keeping units, a unique identifier of each distinct product, with products that are the same except for their different flavours or different packaging assigned as different stock keeping units

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Document, statements made in press releases and oral statements that may be made by us, the Vendor, or our Directors, Executive Officers or employees acting on our behalf that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these forward-looking statements by terms such as “expects”, “believes”, “plans”, “intends”, “predicts”, “estimates”, “anticipates”, “may”, “will”, “would” and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements include, without limitation, statements as to our expected financial condition, our expected revenue and profitability, cost measures, business strategies, plans and prospects, expected growth in demand, expected industry trends and developments, anticipated expansion plans and completion and start-up dates for projects, and other matters discussed in this Offer Document regarding matters that are not historical fact.

Forward-looking statements are only predictions and reflect our current views with respect to future events. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- (a) the regulatory environment, as well as laws and regulations, in the countries in which we operate or intend to operate;
- (b) the overall economic environment and general economic and market conditions in the countries in which we operate or intend to operate;
- (c) competition in the food and, in particular, ready-to-eat and ready-to-cook meat products industry in the countries and/or cities in which we operate or intend to operate;
- (d) our ability to anticipate and respond to changes in the food and, in particular, ready-to-eat and ready-to-cook meat products industry;
- (e) the prices of our raw materials, including factors influencing the prices of raw materials, such as regional and global supply and demand;
- (f) changes in consumer demands, trends, taste and preferences;
- (g) our ability to execute our business strategies and plans and to achieve our anticipated growth;
- (h) changes in the markets in which we operate or intend to operate, and in customer demands, trends and preferences;
- (i) changes in currency exchange or interest rates;

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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- (j) changes in our future capital needs and the availability of financing and capital to fund these needs;
- (k) other matters not yet known to us; and
- (l) other factors beyond our control.

Some of these risks, uncertainties and other factors are discussed in greater detail in this Offer Document, including, but not limited to, the discussions under the sections “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans” of this Offer Document.

All forward-looking statements made by or attributable to us, the Vendor, or person(s) acting on our or the Vendor’s behalf, contained in this Offer Document are expressly qualified in their entirety by such risks, uncertainties and other factors. Our actual future results, performance or achievements may differ materially from those anticipated in these forward-looking statements as a result of these risks, uncertainties and other factors. Given the risks, uncertainties and other factors that may cause our actual future results, performance or achievements to be materially different from those expected, expressed or implied by the forward-looking statements in this Offer Document, undue reliance must not be placed on these statements which apply only as at the date of this Offer Document. None of our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent, nor any other person represents or warrants that our actual future results, performance or achievements will be as discussed in these statements.

Further, we, the Vendor, and the Sponsor, Issue Manager, Underwriter and Placement Agent disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future, save as may be required under the SFA, the SFR and/or the Catalist Rules. Please see the section “Details of the Invitation” of this Offer Document for details.

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## INDUSTRY AND MARKET DATA

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This Offer Document includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information.

While we believe that the third party information and data contained in this Offer Document are reliable, and our Company, the Vendor, and the Sponsor, Issue Manager, Underwriter and Placement Agent have taken reasonable care to ensure that the information is extracted accurately and in its proper context, we cannot ensure the accuracy of the information or data, and our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent and any of our or their affiliates and advisers have not independently verified this information or data or ascertained the underlying assumptions relied upon therein. Consequently, none of our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or our or their respective officers, agents, employees and advisers makes any representation as to the accuracy or completeness of such information and are not obliged to provide any updates on the same.

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## SELLING RESTRICTIONS

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This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the laws or regulations, or the legal or regulatory requirements, of any jurisdiction except for the lodgement and/or registration of this Offer Document in Singapore in order to permit the public distribution of this Offer Document and a public offering of the Invitation Shares in Singapore. The distribution of this Offer Document and the offering of the Invitation Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Document are required by our Company, the Vendor, and the Sponsor, Issue Manager, Underwriter and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to our Company, the Vendor, or the Sponsor, Issue Manager, Underwriter and Placement Agent.

Persons to whom a copy of this Offer Document has been issued shall not circulate to any other persons, reproduce or otherwise distribute this Offer Document or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

By accepting this Offer Document, you agree to be bound by the foregoing limitations. No part of this Offer Document may be (a) copied, photocopied or duplicated in any form by any means; or (b) distributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose.

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## DETAILS OF THE INVITATION

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### LISTING ON CATALIST

An application has been made by the Sponsor and Issue Manager to the SGX-ST for permission to deal in, and for the listing and quotation of, all our Shares that are already issued (including the Vendor Shares), the SAC Capital Shares, and the New Shares on Catalist. The dealing in, and quotation of, our existing issued Shares (including the Vendor Shares), the SAC Capital Shares and the New Shares will be in Singapore Dollars.

Such permission will be granted when we have been admitted to the Official List of Catalist. Our acceptance of applications for the Invitation Shares will be conditional upon, among others, permission being granted by the SGX-ST to deal in, and for the listing and quotation of, all of our Shares that are already issued (including the Vendor Shares), the SAC Capital Shares, and the New Shares on Catalist. Monies paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the completion of the Invitation does not occur because such permission is not granted for any reason, or if the admission, listing and trading of all our Shares that are already issued (including the Vendor Shares), the SAC Capital Shares, and the New Shares do not proceed for any reason, and the applicant will not have any claim against us, the Vendor, our Directors, or the Sponsor, Issue Manager, Underwriter and Placement Agent. No Shares will be allotted and issued and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the shares or units of shares traded on Catalist. Applicants should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with their professional adviser(s).

The Invitation is made in or accompanied by this Offer Document that has been lodged with and registered by the SGX-ST, acting as agent on behalf of the Authority. We have not lodged or registered this Offer Document in any other jurisdiction.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Document. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Document, including the correctness of any of the statements or opinions made or reports contained in this Offer Document. The SGX-ST does not normally review the application for admission to Catalist but relies on the Sponsor and Issue Manager confirming that our Company is suitable to be listed on Catalist and complies with the Catalist Rules. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Invitation Shares being offered or in respect of which the Invitation is made, for investment.

Admission to the Official List of Catalist is not to be taken as an indication of the merits of the Invitation, our Company, our subsidiaries, our Shares that are already issued (including the Vendor Shares), the SAC Capital Shares or the New Shares.

The registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority, does not imply that the SFA, the SFR, the Catalist Rules or any other legal or regulatory requirements have been complied with.



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## DETAILS OF THE INVITATION

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After the expiration of six (6) months from the date of registration of this Offer Document, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Document, and no officer or equivalent person or promoter of our Company will authorise or permit the offer of any securities, or the allotment, issue or sale of any securities, on the basis of this Offer Document.

Our Company and the Vendor are subject to the provisions of the SFA, the SFR and the Catalist Rules regarding corporate disclosure and the contents of this Offer Document. In particular, pursuant to section 241 of the SFA, if after this Offer Document is registered by the SGX-ST, acting as agent on behalf of the Authority, but before the close of the Invitation, our Company or the Vendor becomes aware of:

- (a) a false or misleading statement in this Offer Document;
- (b) an omission from this Offer Document of any information that should have been included in it under section 243 of the SFA, the SFR or the Catalist Rules; or
- (c) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST, acting as agent on behalf of the Authority, and which would have been required by section 243 of the SFA, the SFR or the Catalist Rules to be included in this Offer Document, if it had arisen before this Offer Document was lodged,

and that is materially adverse from the point of view of an investor, we and the Vendor may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority, pursuant to section 241 of the SFA.

In the event that a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Invitation shall be kept open for at least 14 days after the lodgement of such supplementary or replacement offer document.

Where prior to the lodgement of the supplementary or replacement offer document, applications have been made under this Offer Document to subscribe for and/or purchase the Invitation Shares and:

- (a) where the Invitation Shares have not been issued and/or transferred to the applicants, our Company and the Vendor will (as required by law and subject to the SFA), at our Company and the Vendor's sole and absolute discretion, either:
  - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to withdraw their applications, and take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document, as the case may be, to the applicants who have indicated they wish to obtain, or who have arranged to receive, a copy of the supplementary or replacement offer document;
  - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, provide the applicants with a copy of the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to withdraw their applications; or

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## DETAILS OF THE INVITATION

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- (iii) (A) treat the applications as withdrawn and cancelled, in which case the applications shall be deemed to have been withdrawn and cancelled; and (B) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, return to the applicants all monies they have paid on account of their applications, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or
- (b) where the Invitation Shares have been issued and/or transferred to the applicants but trading has not commenced, our Company and the Vendor will (as required by law and subject to the SFA), at our Company and the Vendor's sole and absolute discretion, either:
  - (i) (A) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement offer document, give the applicants notice in writing of how to obtain, or arrange to receive, a copy of the same and provide the applicants with an option to return to us and/or the Vendor the Invitation Shares which they do not wish to retain title in; and (B) take all reasonable steps to make available within a reasonable period the supplementary or replacement offer document to the applicants who have indicated that they wish to obtain, or have arranged to receive, a copy of the supplementary or replacement offer document;
  - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement offer document, give the applicants the supplementary or replacement offer document, as the case may be, and provide the applicants with an option to return to us and/or the Vendor the Invitation Shares which they do not wish to retain title in; or
  - (iii) treat the issue and/or transfer of the Invitation Shares as void, in which case the issue and/or transfer of the Invitation Shares shall be deemed to be void, and our Company and the Vendor shall:
    - (A) if documents purporting to evidence title to the Invitation Shares ("**title documents**") have been issued to the applicants, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, inform the applicants to return the title documents to our Company and the Vendor within 14 days from the date of lodgement of the supplementary or replacement offer document, and within seven (7) days from the date of receipt of the title documents or the date of lodgement of the supplementary or replacement offer document, whichever is the later, pay to the applicants all monies paid by them for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk; or
    - (B) if no title documents have been issued to the applicants, within seven (7) days from the date of lodgement of the supplementary or replacement offer document, pay to the applicants all monies paid by them for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicants' own risk,

and the applicants shall not have any right or claim against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or our or their advisers or agents.

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## DETAILS OF THE INVITATION

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An applicant who wishes to exercise his option under paragraph (a)(i) or (ii) to withdraw his application shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this, whereupon we and the Vendor shall, within seven (7) days from the receipt of such notification, return to the applicant all monies paid in respect of the application for those Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk. The applicants shall not have any right or claim against our Company, our Directors, the Vendor, or the Sponsor, Issue Manager, Underwriter and Placement Agent, or our or their advisers or agents.

An applicant who wishes to exercise his option under paragraph (b)(i) or (ii) to return the Invitation Shares issued and/or transferred to him shall, within 14 days from the date of lodgement of the supplementary or replacement offer document, notify us of this and return all documents, if any, purporting to be evidence of title to those Invitation Shares to our Company and/or the Vendor, whereupon we and the Vendor shall, subject to compliance with applicable laws and our Constitution, within seven (7) days from the receipt of such notification and documents, if any, return to the applicant all monies paid by him for those Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, and the issue and/or transfer of those Invitation Shares shall be deemed to be void, and the applicants shall not have any right or claim against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent, or our or their advisers or agents.

Pursuant to section 242 of the SFA, the Authority may, in certain circumstances issue a stop order ("**Stop Order**") to our Company and the Vendor, directing that no Shares or no further Shares to which this Offer Document relates, be allotted, issued or sold. Such circumstances will include a situation where: (a) this Offer Document contains any statement which, in the Authority's opinion, is false or misleading; (b) this Offer Document omits any information that is required to be included under section 243 of the SFA; (c) this Offer Document does not, in the Authority's opinion, comply with the requirements of the SFA; or (d) the Authority is of the opinion that it is in the public interest to issue a Stop Order.

In the event that the Authority issues a Stop Order and applications to subscribe for and/or purchase the Invitation Shares have been made prior to the Stop Order, then:

- (a) where the Invitation Shares have not been issued and/or transferred to the applicants, the applications for the Invitation Shares shall be deemed to have been withdrawn and cancelled and our Company and the Vendor shall, within 14 days from the date of the Stop Order, return to the applicants all monies they have paid on account of their applications for the Invitation Shares; or
- (b) where the Invitation Shares have been issued and/or transferred to the applicants, but trading has not commenced, the issue and/or transfer of the Invitation Shares shall be deemed to be void and our Company and the Vendor shall:
  - (i) if documents purporting to evidence title to the Invitation Shares have been issued to the applicants, within seven (7) days from the date of the Stop Order, inform the applicants to return such documents to us within 14 days from that date, and within seven (7) days from the date of receipt of those documents or the date of the Stop Order, whichever is the later, pay to the applicants all monies paid by them for the Invitation Shares; or

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## DETAILS OF THE INVITATION

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- (ii) if no such documents have been issued to the applicants, within seven (7) days from the date of the Stop Order, pay to the applicants all monies paid by them for the Invitation Shares.

Where monies are to be returned to applicants in respect of any application, it will be returned to the applicant without any interest or share of revenue or other benefit arising therefrom and at the applicant's own risk, and the applicant will not have any right or claim against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent, or our or their advisers or agents.

None of our Company, the Vendor, our Directors, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other parties involved in the Invitation is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations. No information in this Offer Document should be considered as being business, financial, legal or tax advice regarding an investment in our Shares. You should consult your own business, financial, legal, tax or other professional adviser regarding an investment in our Shares.

The Invitation Shares are offered for subscription and/or purchase solely on the basis of the information contained and the representations made in this Offer Document.

No person has been or is authorised to give any information or to make any representation not contained in this Offer Document in connection with the Invitation and, if given or made, such information or representation must not be relied upon as having been authorised by us, the Vendor, our Directors, and/or the Sponsor, Issue Manager, Underwriter and Placement Agent. Neither the delivery of this Offer Document, the Application Forms nor any document relating to the Invitation, nor the Invitation, shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or development reasonably likely to create any change in the affairs, conditions or prospects of our Company or our subsidiaries or the Invitation Shares or in any statement of fact or information contained in this Offer Document since the date of this Offer Document. Where such changes occur and are material or are required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, we and the Vendor will make an announcement of the same to SGX-ST and if required under the SFA, we and the Vendor may lodge a supplementary or replacement offer document with the SGX-ST, acting as agent on behalf of the Authority. All applicants should take note of any such announcement and/or supplementary or replacement offer document and, upon the release of such an announcement and/or supplementary or replacement offer document, shall be deemed to have notice of such changes.

Without prejudice to the foregoing, save as may be expressly and specifically stated in this Offer Document, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of our Company or our subsidiaries or associated companies.

This Offer Document has been prepared solely for the purpose of the Invitation and may not be relied upon by any persons other than the applicants in connection with their application for the Invitation Shares or for any other purpose.

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## DETAILS OF THE INVITATION

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**This Offer Document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Invitation Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised, nor does it constitute an offer, solicitation or invitation to any person to whom it is unlawful to make such offer, solicitation or invitation.**

Notification under section 309B of the SFA: The Shares are prescribed capital market products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Copies of this Offer Document and the Application Forms may be obtained on request, subject to availability, during office hours from:

**SAC Capital Private Limited**  
1 Robinson Road  
#21-00 AIA Tower  
Singapore 048542

An electronic copy of this Offer Document is also available on the SGX-ST website at <http://www.sgx.com>.

**The Invitation will open at 6.00 p.m. on 8 June 2021 and will remain open until 12.00 noon on 15 June 2021 or for such further period or periods as our Directors and the Vendor may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws. In the event a supplementary or replacement offer document is lodged with the SGX-ST, acting as agent on behalf of the Authority, the Invitation will remain open for at least 14 days after the lodgement of the supplementary or replacement offer document.**

**Details of the procedures for applications to subscribe for and/or purchase the Invitation Shares are set out in “Appendix I – Terms, Conditions and Procedures for Applications and Acceptances” of this Offer Document.**

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## INDICATIVE TIMETABLE FOR LISTING

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An indicative timetable for the Invitation and trading in our Shares is set out below for your reference:

Indicative Date and Time	Event
8 June 2021, at 6.00 p.m.	Opening of the Public Offer
15 June 2021 at 12.00 noon	Close of Application List
16 June 2021	Balloting of applications, if necessary (in the event of over-subscription for the Public Offer Shares)  Commence returning or refunding of application monies to unsuccessful or partially successful applicants, if necessary
17 June 2021 at 9.00 a.m.	Commence trading on a “ready” basis
21 June 2021	Settlement date for all trades done on a “ready” basis

The above timetable is only indicative as it assumes that (a) the date of closing of the Application List will be 15 June 2021; (b) the date of admission of our Company to the Official List of Catalist will be on 17 June 2021; (c) the shareholding spread requirement of the SGX-ST will be complied with; and (d) the New Shares will be issued and fully paid up prior to 17 June 2021. **The actual date on which our Shares will commence trading on a “ready” basis will be announced when it is confirmed by the SGX-ST.**

The above timetable and procedures may also be subject to such modification as the SGX-ST may, in its absolute discretion, decide, including the commencement of trading on a “ready” basis. All persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted and/or allocated or are otherwise beneficially entitled to.

We and the Vendor may, at our and the Vendor’s discretion, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent and subject to all laws and regulations and the Catalist Rules, agree to extend or shorten the period during which the Invitation is open, provided that such period may not be less than two (2) Market Days.

In the event of any changes in the closure of the Application List or the period during which the Invitation is open, we and the Vendor will publicly announce the same:

- (a) through an SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>; and/or
- (b) in an English language newspaper in Singapore.

We and the Vendor will publicly announce the results of the Invitation (including the level of subscription for and/or purchase of the Invitation Shares and the basis of allocation and allotment of the Invitation Shares pursuant to the Invitation) as soon as it is practicable after the close of the Application List through the channels in (a) and (b) above.



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## INDICATIVE TIMETABLE FOR LISTING

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**Investors should consult SGX-ST's announcement on the "ready" trading date released on the internet (at the SGX-ST website, <http://www.sgx.com>) or local newspaper(s) in Singapore, or check with their brokers on the date on which trading on a "ready" basis will commence.**

We and the Vendor reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Invitation Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our and the Vendor's decision will be entertained. In deciding the basis of allotment and/or allocation, due consideration will be given to the desirability of allotting and/or allocating the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for our Shares.

Where an application is rejected, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk within 14 days (or such shorter period as the SGX-ST may require) after the close of the Invitation (provided that such refunds are made in accordance with the procedures set out in "Appendix I – Terms, Conditions and Procedures for Applications and Acceptances" to this Offer Document).

Where an application is accepted in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 days after the close of the Invitation (provided that such refunds are made in accordance with the procedures set out in "Appendix I – Terms, Conditions and Procedures for Applications and Acceptances" to this Offer Document).

Where the Invitation does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned within five (5) Market Days after the Invitation is discontinued.

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## PLAN OF DISTRIBUTION

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### THE INVITATION

The Invitation is for 41,000,000 Invitation Shares offered in Singapore comprising 1,000,000 Public Offer Shares and 40,000,000 Placement Shares for subscription and/or purchase under the Public Offer and the Placement respectively at the Invitation Price. The Invitation is managed and underwritten by SAC Capital.

Prior to the Invitation, there has been no public market for our Shares. The Invitation Price is determined by our Company and the Vendor in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, taking into consideration, among other things, the prevailing market conditions and estimated market demand for the Invitation Shares determined through a book-building process. The Invitation Price is the same for all Invitation Shares and is payable in full on application.

Investors may apply to subscribe for and/or purchase any number of Invitation Shares in multiples of 1,000 Shares. In order to ensure a reasonable spread of Shareholders, we and the Vendor have the absolute discretion to prescribe a limit to the number of Invitation Shares to be allotted and/or allocated to any single applicant and/or allot and/or allocate the Invitation Shares above or under such prescribed limit as we shall deem fit.

Pursuant to the Sponsorship and Management Agreement and the Underwriting and Placement Agreement entered into between us, the Vendor, and SAC Capital as described in the section "Sponsorship, Management, Underwriting and Placement Arrangements" of this Offer Document, our Company and the Vendor have appointed SAC Capital to manage and act as full sponsor of the Invitation, to underwrite the Public Offer and to undertake the Placement on our behalf and the Vendor's behalf. SAC Capital will receive a management fee for its services rendered in connection with the Listing.

### PUBLIC OFFER SHARES

The Public Offer Shares are made available to members of the public in Singapore for subscription and/or purchase at the Invitation Price. Members of the public may apply for the Public Offer Shares by way of printed Public Offer Shares Application Forms or by way of Electronic Applications. The terms, conditions and procedures for applications and acceptances are described in "Appendix I – Terms, Conditions and Procedures for Applications and Acceptances" to this Offer Document.

An applicant who has made an application for Public Offer Shares by way of the Public Offer Shares Application Form may not make another separate application for Public Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Vendor, and the Sponsor, Issue Manager, Underwriter and Placement Agent.

In the event of an under-subscription for the Public Offer Shares as at the close of the Application List, that number of Public Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent there is an over-subscription for the Placement Shares as at the close of the Application List.

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## PLAN OF DISTRIBUTION

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In the event of an over-subscription for the Public Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Public Offer Shares will be determined by ballot or otherwise as determined by our Directors and the Vendor, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, and approved by the SGX-ST, if required.

No fee is payable by applicants for the Public Offer Shares, save for an administration fee of S\$2.00 for each application made through an ATM, the internet banking websites or the mobile banking interface of the Participating Banks. There is no administrative fee for an application that is made through the online portals of the Participating Agent.

### **PLACEMENT SHARES (EXCLUDING RESERVED SHARES)**

The Placement Shares (excluding Reserved Shares) are made available to retail and institutional investors in Singapore who may apply through their brokers or financial institutions. Applications for the Placement Shares may be made by way of printed Placement Shares Application Forms or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in its absolute discretion deem appropriate. The terms, conditions and procedures for application and acceptance are set out in “Appendix I – Terms, Conditions and Procedures for Applications and Acceptances” to this Offer Document.

In the event of an under-subscription for the Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Public Offer Shares to the extent that there is an over-subscription for the Public Offer Shares as at the close of the Application List.

Subscribers and/or purchasers of the Placement Shares (excluding Reserved Shares) may be required to pay brokerage of up to 1.0% of the Invitation Price (plus GST thereon, if applicable) to the Placement Agent or any sub-placement agent(s) as may be appointed by the Placement Agent.

### **RESERVED SHARES**

To recognise their contributions to our Group, we have reserved 2,200,000 Placement Shares for subscription and/or purchase at the Invitation Price by the management and employees of our Group as well as business associates and others who have contributed to the success of our Group (to be determined by us at our sole discretion). The Reserved Shares will be offered on the same terms as the other Placement Shares in the Placement. These Reserved Shares are not subject to any moratorium and may be disposed of after the Listing. Applications for the Reserved Shares must be made by way of printed Reserved Shares Application Forms or such other form of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in its absolute discretion deem appropriate.

In the event that any of the Reserved Shares are not subscribed for and/or purchased, they will be made available to satisfy excess applications for the Placement Shares (excluding the Reserved Shares) to the extent that there is an over-subscription for the Placement Shares (excluding Reserved Shares) as at the close of the Application List, or, in the event of an under-subscription for the Placement Shares (excluding Reserved Shares) as at the close of the Application List, to satisfy excess applications made by members of the public for the Public Offer Shares to the extent that there is an over-subscription for the Public Offer Shares as at the close of the Application List.

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## PLAN OF DISTRIBUTION

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### **SUBSCRIPTION FOR AND/OR PURCHASE OF THE INVITATION SHARES**

Save for the Reserved Shares, none of our Directors or Substantial Shareholders intends to subscribe for and/or purchase the Invitation Shares pursuant to the Invitation.

None of our management or employees intends to subscribe for and/or purchase more than 5.0% of the Invitation Shares in the Invitation.

To the best of our knowledge, as at the date of this Offer Document, we are not aware of any person who intends to subscribe for and/or purchase more than 5.0% of the Invitation Shares pursuant to the Invitation. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate an interest to subscribe for and/or purchase more than 5.0% of the Invitation Shares. If such person(s) were to make an application for more than 5.0% of the Invitation Shares and are subsequently allotted and/or allocated such number of Invitation Shares, we will make the necessary announcements at an appropriate time. The final allotment and/or allocation of the Invitation Shares will be in accordance with the shareholding spread and distribution guidelines as set out in Rule 406(1) of the Catalist Rules.

No Shares shall be allotted and issued and/or allocated on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by SGX-ST, acting as agent on behalf of the Authority.

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## **SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS**

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Pursuant to the Sponsorship and Management Agreement entered into between our Company, the Vendor, and SAC Capital as the Sponsor and Issue Manager, we appointed SAC Capital to manage the Invitation on our behalf and to provide full sponsorship services in relation to the Invitation, subject to the terms and conditions of the Sponsorship and Management Agreement. SAC Capital will receive a management fee for its services rendered in connection with the Invitation and an annual sponsorship fee for at least six (6) years from the date of the Listing.

Pursuant to the Underwriting and Placement Agreement, SAC Capital agreed: (a) to subscribe and/or purchase and/or procure subscriptions and/or purchasers for the Public Offer Shares not subscribed for and/or purchased by members of the public and not allocated to satisfy excess applications for Placement Shares, and (b) to procure subscriptions and/or purchasers for the Placement Shares, upon and subject to the terms and conditions of the Underwriting and Placement Agreement.

SAC Capital will receive an underwriting commission of 3.0% of the aggregate Invitation Price for the total number of Public Offer Shares underwritten by the Underwriter but excluding the portion of the Public Offer Shares which have been applied to satisfy excess applications for Placement Shares. SAC Capital may, at its absolute discretion, appoint one or more sub-underwriters for the Public Offer Shares. Payment of the underwriting commission shall be made whether or not any allotment, issue or transfer of the Public Offer Shares is made to SAC Capital or its nominees.

SAC Capital will receive a placement commission of 3.0% of the aggregate Invitation Price for the total number of Placement Shares (including the Reserved Shares) successfully procured for subscription and/or purchase by SAC Capital but excluding the portion of the Placement Shares which have been applied to satisfy excess applications for the Public Offer Shares. SAC Capital shall be at liberty to appoint one or more sub-placement agents under the Underwriting and Placement Agreement upon such terms and conditions as SAC Capital may deem fit. Payment of the placement commission shall be made whether or not any allotment, issue or transfer of the Placement Shares is made to SAC Capital or its nominees. Subscribers and/or purchasers of the Placement Shares may be required to pay to SAC Capital an end placees' commission of up to 1.0% of the Invitation Price (including GST, if applicable) for each Placement Share.

Brokerage will be paid by our Company and the Vendor to Participating Banks in respect of successful applications made through Electronic Applications at the rate of 0.25% (or 0.75% in the case of DBS Bank) of the Invitation Price for each Public Offer Share and each Placement Share applied to satisfy excess applications for the Public Offer Shares, as the case may be. In addition, DBS Bank levies a minimum brokerage fee of S\$10,000.

Brokerage will be paid by our Company and the Vendor to the Participating Agent in respect of successful applications made through Electronic Applications at the rate of 0.25% of the Invitation Price for each Public Offer Share and each Placement Share applied to satisfy excess applications for the Public Offer Shares, as the case may be.

Our Company and the Vendor will bear the underwriting and placement commission and brokerage in proportion to the number of Invitation Shares offered by our Company and the Vendor.

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## **SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS**

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The Sponsorship and Management Agreement may be terminated by SAC Capital at any time prior to the time and date of the commencement of trading of our Shares on Catalist, on the occurrence of certain events including:

- (a) any breach of warranties or undertakings in the Sponsorship and Management Agreement;
- (b) any occurrence of a specified event (as described in the Sponsorship and Management Agreement) which comes to the knowledge of SAC Capital;
- (c) any material adverse change, or any development involving a prospective material adverse change, in the condition (business, trading, operational, financial or otherwise), performance or general affairs of our Company or of our Group as a whole;
- (d) any introduction or prospective introduction of or any change or prospective change in any legislation, regulation, order, notice, policy, rule, guideline or directive (whether or not having the force of law and including, without limitation, any directive, notice or request issued by ACRA, the Authority, the SIC, the SGX-ST or relevant authorities in Singapore or elsewhere) or in the interpretation or application thereof by any court, government body, regulatory authority or other competent authority in Singapore or elsewhere including but not limited to foreign exchange controls in Singapore or overseas;
- (e) any change, or any development involving a prospective change, or any crisis, in local, national, regional or international political, industrial, legal, financial, monetary or economic conditions, taxation or exchange controls (including but not limited to the conditions in the stock market, foreign exchange market, inter-bank market or interest rates or money market, in Singapore or any other jurisdiction), or any combination of any such changes or developments or crises, or deterioration of any such conditions;
- (f) any imminent threat or occurrence of any local, national or international outbreak or escalation of hostilities whether war has been declared or not, terrorist attacks, or insurrection or armed conflict (whether or not involving financial markets);
- (g) any regional or local outbreak of disease that may have an adverse effect on the financial markets;
- (h) foreign exchange controls in Singapore and overseas or any occurrence of a combination of any such changes or developments or crises, or any deterioration of any such conditions;
- (i) the issue by the SGX-ST of a notice of refusal to admit our Company to Catalist; or
- (j) any other occurrence of any nature whatsoever,

which event or events shall in the opinion of SAC Capital (i) result or be likely to result in a material adverse fluctuation or adverse conditions in the stock market of Singapore or elsewhere; or (ii) be likely to prejudice the success of the offer, subscription or sale of the Invitation Shares (whether in the primary market or in respect of dealings in the secondary market); or (iii) make it impossible, impracticable or non-commercial to proceed with any of the transactions contemplated in the Sponsorship and Management Agreement; or (iv) be likely to have a material adverse effect on the business, trading position, operations or prospects of our Company or of our Group as a whole; or (v) be such that no reasonable sponsor or issue manager would have entered into the

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## **SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS**

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Sponsorship and Management Agreement; or (vi) result or be likely to result in the issue by the SGX-ST of a notice of refusal to admit our Company to the Catalist at any point prior to the listing of all our existing issued Shares, the SAC Capital Shares and the New Shares; or (vii) make it non-commercial or otherwise contrary to or outside the usual commercial practices in Singapore for SAC Capital to observe or perform or be obliged to observe or perform the terms of the Sponsorship and Management Agreement.

Notwithstanding the aforesaid, SAC Capital may terminate the Sponsorship and Management Agreement if:

- (a) at any time up to the commencement of trading of our Shares on Catalist, a notice of refusal to admit our Company to Catalist shall have been issued by the SGX-ST; or
- (b) at any time after the registration of this Offer Document by the SGX-ST acting as agent on behalf of the Authority but before the close of the Application List, our Company or the Vendor fails and/or neglects to lodge a supplementary or replacement offer document (as the case may be) if we become aware of:
  - (i) a false or misleading statement or matter in this Offer Document;
  - (ii) an omission from this Offer Document of any information that should have been included in it under the Catalist Rules and/or the SFA; or
  - (iii) a new circumstance that has arisen since this Offer Document was lodged with the SGX-ST acting as agent on behalf of the Authority and would have been required by the Catalist Rules and/or the SFA to be included in this Offer Document if it had arisen before this Offer Document was lodged,that is materially adverse from the point of view of an investor; or
- (c) our existing issued Shares, the SAC Capital Shares and the New Shares have not been admitted to Catalist on or before 17 June 2021 (or such other date as our Company, the Vendor and SAC Capital may agree).

The Underwriting and Placement Agreement is conditional upon the Sponsorship and Management Agreement not being terminated or rescinded pursuant to the provisions of the Sponsorship and Management Agreement.

In the event that the Sponsorship and Management Agreement and/or the Underwriting and Placement Agreement is terminated, our Company reserves the right, at our absolute discretion, to cancel the Invitation.

Save as aforesaid, no commission, discount or brokerage has been paid or other special terms granted by our Company within the two (2) years preceding the date of this Offer Document or is payable to any Director, promoter, expert, proposed Director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares in or debentures of our Company or our subsidiaries.



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## **SPONSORSHIP, MANAGEMENT, UNDERWRITING AND PLACEMENT ARRANGEMENTS**

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### **INTERESTS OF SPONSOR, ISSUE MANAGER, UNDERWRITER AND PLACEMENT AGENT**

In the reasonable opinion of our Directors, SAC Capital does not have a material relationship with our Company, save as disclosed below and in the section “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document:

- (a) SAC Capital is the Sponsor, Issue Manager, Underwriter and Placement Agent in relation to the Invitation;
- (b) SAC Capital will be the continuing Sponsor of our Company pursuant to the Continuing Sponsorship Agreement for a period of at least six (6) years from the date of Listing; and
- (c) pursuant to the Sponsorship and Management Agreement and as part satisfaction of SAC Capital’s management fees as the Sponsor and Issue Manager, our Company will be allotting and issuing 347,827 new Shares at the Invitation Price to SAC Capital, representing approximately 0.2% of the total number of issued Shares immediately after the Invitation. After the expiry of the Moratorium Period as set out in the section “Shareholders – Moratorium” of this Offer Document, SAC Capital has the discretion to dispose of its shareholding interest in our Company.

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## OFFER DOCUMENT SUMMARY

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*The following summary is derived from and should be read in conjunction with the full text of this Offer Document. It is qualified in its entirety by, and is subject to, the more detailed information appearing elsewhere in this Offer Document. In addition to this summary, you should carefully consider all the information presented in this Offer Document, particularly the matters set out in the section “Risk Factors” of this Offer Document, before deciding to invest in our Shares.*

### OVERVIEW OF OUR GROUP

Our Company was incorporated in Singapore on 3 March 2015 under the Companies Act as a private company limited by shares under the name of “OTS Holding Pte. Ltd.”, and changed our name to “OTS Holdings Pte. Ltd.” on 25 March 2015.

Our Company was converted into a public company limited by shares, and our name was changed to “OTS Holdings Limited” in connection therewith, on 1 June 2021.

Our company registration number is 201505559W.

Our Company is the holding company of our subsidiaries, Golden Bridge, Ellaziq Singapore, GB Malaysia, Ellaziq Malaysia and GB Philippines, and Delta Bridge Singapore and Delta Bridge Indonesia are our associated companies.

### OUR BUSINESS

Preserving **Traditions**, Inspiring **Generations** – where **Tradition** meets **Innovation**.

Established in 1993, we are a brand builder and food manufacturing group in the consumer industry with a strong niche in ready-to-eat and ready-to-cook meat products with key markets in Singapore and Malaysia.

Our vision is to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region.

**Rich Heritage and a Major Player in Singapore.** With an established track record of over 27 years in the industry, we have been able to grow in scale and become one of the major ready-to-eat and ready-to-cook meat product manufacturers in Singapore today. We believe we are one of the largest meat product manufacturing companies in Singapore with the capability to manage and process as many as four (4) product categories – chilled, frozen, dried and shelf-stable ready-to-eat and ready-to-cook meat products – within one single facility.

**Multi-brand, Multi-product Portfolio.** We are brand builders. Our flagship heritage brand “Golden Bridge”, created by our late founder, Ong Tuan Seng, embodies our belief that we should serve as a connection between consumers’ preferences and our quality food products. By placing strong emphasis on the branding and positioning of our Group’s flagship brands, “Golden Bridge” and “Kelly’s” have become established household names within the ready-to-eat and ready-to-cook meat products market in Singapore and Malaysia. Targeting the growing halal food market, we established a prominent retail brand, “El-Dina”, and a food service brand, “Kizmiq”, under our subsidiary, Ellaziq Singapore, a halal food specialist in Singapore. We continuously innovate and introduce new products to target new markets. As at the Latest Practicable Date, we have more than 1,100 SKUs across 13 main product types under our six (6) house brands, targeting both halal and non-halal consumer segments. We also produce seasonal food products (such as roast meats, hams and pork knuckles) during festive periods such as Chinese New Year and Christmas.

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## OFFER DOCUMENT SUMMARY

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**Strong Focus on Innovation.** Building the momentum of our success is our spirit of innovation which has been part of our culture since 1993. From challenging ourselves to improve our recipes to exploring technological innovations to enhance efficiency and quality in our manufacturing processes, we continue to push new boundaries as food innovators. Supported by our in-house research and development team, we take pride in our commitment to continuously reinvent ourselves and create better products to respond swiftly and in a timely manner to market trends and support the diverse tastes of our customers. For example, during the Period Under Review, we developed and launched more than 160 new products and/or new varieties of food products.

**Technology Driven Manufacturing Capabilities.** Our Extended Group owns and operates three (3) modern food manufacturing facilities, two (2) in Singapore and one (1) in Bulan Island, Indonesia. In Singapore, our integrated food manufacturing facilities span across around 9,131 sq m with an average annual production of around 2,500 tonnes of ready-to-eat and ready-to-cook meat products. Working in collaboration with Hogsworld Pte Ltd (part of the KMP Group), our third food manufacturing facility located in Bulan Island, Indonesia is currently focused on the production of Chinese sausages with an annual production capacity of around 140 tonnes as at the Latest Practicable Date. Recognising the importance of technology in increasing productivity and efficiency, we believe we were among the first in our industry in Singapore to adopt certain modules of an ERP system in 2003. Since then, we have made several upgrades and improvements leading eventually to the implementation of an ERP system today which connects every step of the manufacturing process – from research and development, order taking, product development, sourcing, food processing, packaging to delivery – thereby enabling us to track and monitor every aspect of our process and products with speed, accuracy and ease.

**Quality Assurance.** Knowing how important safety and quality standards are to consumers, especially in the food business, we are dedicated to ensuring our culture embodies these key beliefs in our processes. Our production facilities, processes, and food products are routinely checked for quality and safety, both internally and through third party surveillance audits conducted by certification companies such as SGS United Kingdom Ltd. We have also been achieving Grade ‘A’ status for excellence in food hygiene and food safety standards from the Singapore Food Agency or the AVA (as the case may be) for certain types of processing such as retort canning, sausage and ham processing since 2010 for Golden Bridge and since 2011 for Ellaziq Singapore. In addition, our two (2) production facilities in Singapore are the only two (2) out of the three (3) meat processing plants in Singapore which have obtained approval for the export of meat products from Singapore to the European Union.

**Established Distribution Channels.** We have built an established sales and distribution network over the past few decades and our brands have been widely marketed and sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. Through our export business and wholesalers, our food products have also been marketed and sold in more than 25 countries, including Brunei, Hong Kong, Myanmar, India and the European Union. Besides receiving the FSSC 22000 Food Safety System Certification, both our production facilities in Singapore have also achieved a Grade ‘A’ status for excellence in food hygiene and food safety standards from the Singapore Food Agency or the AVA (as the case may be) for certain types of processing such as retort canning, sausage and ham processing. No matter where our customers are located, they are assured of safe and high-quality food products made by us, which facilitate fulfilment of import standards and compliance with international market regulations and certifications.

Please see the section “General Information on our Group – Business Overview” of this Offer Document for details.

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## OFFER DOCUMENT SUMMARY

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### OUR COMPETITIVE STRENGTHS

Our Directors believe our competitive strengths are as follows:

- We have an established heritage with strong market brand recognition
- We have a multi-category, multi-brand product portfolio catering to different customer tastes and price points
- We have a strong track record of product innovation and successful introduction of new brands and products
- We have technology driven manufacturing capabilities in our modern production facilities
- We adhere to stringent quality assurance and food safety standards in our Singapore production facilities
- Our established sales and distribution network in Singapore and Malaysia allows us to tap on the highly scalable export business
- We have a resilient and profitable business with a strong track record of growth
- We have an experienced management team with proven track record

Please see the section “General Information on our Group – Competitive Strengths” of this Offer Document for details.

### OUR BUSINESS STRATEGIES AND FUTURE PLANS

Our business strategies and future plans are as follows:

- Actively develop and manage our brand and product portfolio
- Expand our business overseas through the continued replication of our successful business model
- Improvement and/or expansion of production efficiency and capacities
- Expansion of our business through acquisitions, joint ventures or strategic alliances

Please see the section “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document for details.

### PROSPECTS AND TRENDS

Please see the sections “Prospects, Business Strategies and Future Plans – Industry Overview and Prospects” and “Prospects, Business Strategies and Future Plans – Trend Information” of this Offer Document for details.

## OFFER DOCUMENT SUMMARY

### SUMMARY OF OUR FINANCIAL INFORMATION

You should read the following summary financial information in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020”, the “Independent Auditor’s Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020”, and the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020” as set out in Appendices A, B and C to this Offer Document, and the section “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document.

### Selected items from the Consolidated Statements of Profit or Loss and Other Comprehensive Income

(S\$)	← Audited →			← Unaudited →	
	FY2018	FY2019	FY2020	HY2020	HY2021
Revenue	23,883,674	26,283,036	34,535,392	14,641,025	21,118,246
Gross profit	5,414,735	6,736,547	10,248,527	4,150,623	6,653,056
Profit before income tax	1,353,756	1,195,207	4,390,678	1,160,613	3,527,495
<b>Profit for the year/period</b>	<b>1,424,720</b>	<b>1,584,732</b>	<b>3,551,714</b>	<b>795,411</b>	<b>2,877,166</b>
Exchange differences on translating foreign operations, net of income tax	10,694	(11,930)	(11,893)	(3,251)	7,907
Total comprehensive income for the year/period	1,435,414	1,572,802	3,539,821	792,160	2,855,073
<b>Pre-Invitation EPS (cents)<sup>(1)</sup></b>	<b>0.80</b>	<b>0.89</b>	<b>1.99</b>	<b>0.45</b>	<b>1.61</b>
<b>Post-Invitation EPS (cents)<sup>(2)</sup></b>	<b>0.67</b>	<b>0.74</b>	<b>1.66</b>	<b>0.37</b>	<b>1.34</b>

**Notes:**

- (1) For comparative purposes, the pre-Invitation EPS for the Period Under Review has been computed based on the profit for the year/period and our pre-Invitation share capital of 178,652,173 Shares.
- (2) For comparative purposes, the post-Invitation EPS for the Period Under Review has been computed based on the profit for the year/period and our post-Invitation share capital of 214,000,000 Shares.

## OFFER DOCUMENT SUMMARY

### Selected items from the Consolidated Statements of Financial Position

(S\$)	← Audited →			Unaudited
	As at 30 June 2018	As at 30 June 2019	As at 30 June 2020	As at 31 December 2020
Non-current assets	12,273,364	12,162,543	14,971,437	14,881,014
Current assets	10,369,397	11,692,149	21,323,549	22,503,164
Current liabilities	3,912,939	4,062,836	8,081,962	6,528,245
Non-current liabilities	3,340,978	2,830,210	8,228,549	7,986,385
<b>Equity, attributable to equity holders of the company, total</b>	<b>15,388,844</b>	<b>16,961,646</b>	<b>19,984,475</b>	<b>22,869,548</b>
<b>NAV per Share (cents)<sup>(1)</sup></b>	<b>8.61</b>	<b>9.49</b>	<b>11.19</b>	<b>12.80</b>

**Note:**

(1) The NAV per Share has been computed based on the equity attributable to equity holders of our Company and our pre-Invitation share capital of 178,652,173 Shares.

### OUR CONTACT DETAILS

Our registered office and principal place of business is at 30 Senoko South Road, Singapore 758088. The telephone and facsimile numbers of our registered office and principal place of business are +65 6572 9200 and +65 6758 8580 respectively. Our e-mail address is enquiry@ots-holdings.com.

Our website address is [www.ots-holdings.com](http://www.ots-holdings.com). **Information contained in our website does not constitute part of this Offer Document and you should not rely on such information.**

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## THE INVITATION

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- The Invitation** : 41,000,000 Invitation Shares, comprising 35,000,000 New Shares and 6,000,000 Vendor Shares offered by way of the Placement and the Public Offer, comprising 1,000,000 Public Offer Shares and 40,000,000 Placement Shares. The completion of each of the Public Offer and the Placement is conditional upon the completion of the other.
- The New Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing issued Shares (including the Vendor Shares).
- Invitation Price** : S\$0.23 for each Invitation Share, payable in full on application.
- The Public Offer** : The Public Offer comprises an offer of 1,000,000 Public Offer Shares by our Company and the Vendor at the Invitation Price by way of a public offer in Singapore, upon and subject to the terms and conditions of this Offer Document.
- The Placement** : The Placement comprises a placement of 40,000,000 Placement Shares (including 2,200,000 Reserved Shares) by the Placement Agent on behalf of our Company and the Vendor at the Invitation Price, upon and subject to the terms and conditions of this Offer Document.
- Reserved Shares** : Out of the 40,000,000 Placement Shares, 2,200,000 Reserved Shares will be reserved for subscription and/or purchase at the Invitation Price by the management and employees of our Group as well as business associates and others who have contributed to the success of our Group (to be determined by us at our sole discretion). In the event that any of the Reserved Shares are not validly applied for, they will be made available to satisfy excess applications for the Placement Shares (excluding the Reserved Shares) or, in the event there are no excess applications for the Placement Shares (excluding the Reserved Shares), to satisfy excess applications for the Public Offer Shares, if applicable.
- Re-allocation** : The Invitation Shares may be re-allocated between the Public Offer and the Placement at the discretion of the Sponsor, Issue Manager, Underwriter and Placement Agent (in consultation with our Company and the Vendor), subject to any applicable laws, regulations and rules, including the minimum distribution and shareholding spread requirements of the Catalist Rules.



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## THE INVITATION

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- Purpose of the Invitation** : Our Directors believe that the listing of our Company and the quotation of our Shares on Catalist will enhance our public image locally and internationally and enable us to tap into the capital markets to fund our business growth.
- The Invitation will also provide members of the public, our management, employees and business associates, and others who have contributed to the success of our Group, with an opportunity to participate in the equity of our Company.
- In addition, the net proceeds from the issue of the New Shares will provide us with additional capital to fund our business and future plans. Please see the section “Use of Proceeds and Listing Expenses” of this Offer Document for further details.
- Listing status** : Prior to the Listing, there had been no public market for our Shares. Our Shares will be quoted on Catalist in Singapore dollars, subject to admission of our Company to the Official List of Catalist and permission for dealing in, and for quotation of, our Shares that are already issued (including the Vendor Shares), the SAC Capital Shares, and the New Shares being granted by the SGX-ST and a Stop Order not being issued.
- Risk factors** : Investing in our Shares involves risks which are described in the section “Risk Factors” of this Offer Document.
- Use of Proceeds** : Please see the section “Use of Proceeds and Listing Expenses” of this Offer Document for details.

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## INVITATION STATISTICS

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**Invitation Price** S\$0.23

### NAV

NAV per Share based on the unaudited pro forma consolidated statement of financial position of our Group as at 31 December 2020 (“**Pro Forma NAV per Share**”):

- |  |             |
|--|-------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 178,652,173 Shares | 12.24 cents |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 214,000,000 Shares | 13.28 cents |

Invitation Price to the Pro Forma NAV per Share as at 31 December 2020:

- |  |            |
|--|------------|
| (a) before adjusting for the estimated net proceeds from the issue of the New Shares and based on the pre-Invitation share capital of 178,652,173 Shares | 1.88 times |
| (b) after adjusting for the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 214,000,000 Shares | 1.73 times |

### EPS<sup>(1)</sup>

Historical EPS based on the audited consolidated financial results of our Group for FY2020 and the post-Invitation share capital of 214,000,000 Shares	1.66 cents
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Historical EPS based on the audited consolidated financial results of our Group for FY2020 and the post-Invitation share capital of 214,000,000 Shares, assuming that the Service Agreements had been in place from the beginning of FY2020	1.53 cents
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Historical EPS based on trailing unaudited 12-month financial results of our Group ended 31 December 2020 <sup>(2)</sup> (“ <b>T12M EPS</b> ”) and the post-Invitation share capital of 214,000,000 Shares	2.63 cents
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### PER

Historical PER based on the Invitation Price and the historical EPS for FY2020	13.86 times
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Historical PER based on the Invitation Price and the historical EPS for FY2020, assuming that the Service Agreements had been in place from the beginning of FY2020	15.03 times
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Historical PER based on the Invitation Price and the T12M EPS	8.75 times
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## INVITATION STATISTICS

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### Net Operating Cash Flow<sup>(3)</sup>

Historical net cash flow from operating activities per Share of our Group for FY2020 based on the pre-Invitation share capital of 178,652,173 Shares 1.00 cents

Historical net cash flow from operating activities per Share of our Group for FY2020 based on the pre-Invitation share capital of 178,652,173 Shares, assuming that the Service Agreements had been in place from the beginning of FY2020 0.85 cents

### Price To Net Operating Cash Flow Ratio<sup>(3)</sup>

Invitation Price to historical net cash flow from operating activities per Share for FY2020 based on the pre-Invitation share capital of 178,652,173 Shares 23.00 times

Invitation Price to historical net cash flow from operating activities per Share for FY2020 based on the pre-Invitation share capital of 178,652,173 Shares, assuming that the Service Agreements had been in place from the beginning of FY2020 27.06 times

### Market Capitalisation

Market capitalisation based on the Invitation Price and the post-Invitation share capital of 214,000,000 Shares S\$49.22 million

#### Notes:

- (1) EPS is computed based on the profit of our Company.
- (2) T12M EPS is computed based on the unaudited profit for the trailing 12-month financial period ended 31 December 2020 of S\$5.63 million and the post-Invitation share capital of 214,000,000 Shares.
- (3) Net operating cash flow refers to net cash inflow from operating activities as set out in our audited consolidated statement of cash flow for FY2020.

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## RISK FACTORS

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*Prospective investors should consider carefully, together with all other information contained in this Offer Document, the risks described below before deciding whether to invest in our Shares. The following describes some of the significant risks known to us now that could directly and/or indirectly affect our Group and the value or market price of our Shares. Some of the following considerations relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general economic and political conditions. The risk factors stated below are not intended to be exhaustive and do not state risks unknown to us now but which could occur in future, and risks which we currently believe to be immaterial, which could turn out to be material. Should these risks occur or turn out to be material, they could materially and adversely affect our business, operations, financial performance, financial condition, results of operations, cash flows and/or prospects. New risk factors may emerge from time to time and it is not possible for our Board to predict all risk factors, nor can our Company assess the impact of all factors or the extent to which any factor or combination of factors may affect us and the Listing.*

*Save as disclosed below, to the best of our Board's knowledge and belief, all risk factors which could directly and/or indirectly affect our Group and are material to prospective investors in making an informed judgement of our Group have been set out below. If any of the following considerations, uncertainties or material risks develops into actual events, our business, operations, financial performance, financial condition, results of operations, cash flows and/or prospects could be materially and adversely affected. In such cases, the market price of our Shares could decline due to any of these risks and you may lose a part or all of your investment in our Shares.*

*This Offer Document also contains forward-looking statements that involve risks and uncertainties. The actual results of our operations could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere in this Offer Document. Please see the section "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document for details.*

*Before deciding to invest in our Shares, prospective investors should seek professional advice from their advisers about their particular circumstances.*

### **RISKS RELATING TO OUR BUSINESS AND OUR INDUSTRY**

#### ***We may be adversely affected by outbreaks of diseases in livestock or food scares and/or other types of disasters***

We are susceptible to any outbreak of diseases or viruses in livestock or food scares in the region or around the world, such as the avian influenza (also known as "bird flu"), swine disease or bovine spongiform encephalopathy (also known as "mad cow disease"), as well as the occurrence of other types of disasters (including man-made disasters, such as the Japanese nuclear crisis in 2011), which are beyond our control. For example, the outbreak of the African swine fever in 2018 had affected many countries worldwide, including the PRC, Malaysia, Korea and Indonesia.

A loss in consumer confidence concerning any particular ingredient due to the outbreak of diseases or viruses and/or the occurrence of other types of disasters may lead to a reduction in consumption of the affected type of food, and force us to reduce or eliminate the use of that ingredient in our products.

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## RISK FACTORS

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Further, any outbreak of diseases or viruses and/or the occurrence of other types of disasters in certain countries where we source our ingredients from may also result in certain ingredients from such countries being restricted or banned by the Singapore Government or other countries in which we operate, and scarcity of supplies may lead to price increases for those ingredients, which would in turn affect our ability to produce certain products should we be unable to pass on the increased costs to our customers.

If any of the foregoing events occurs, our business, operations, financial performance, financial condition, results of operations and/or prospects may be materially and adversely affected.

***Our business may be materially and adversely affected if we are not able to obtain or renew the licences and permits required to carry on our business and operations***

We are a manufacturer and supplier of ready-to-eat and ready-to-cook meat products with key markets in Singapore and Malaysia. In particular, we manufacture meat products in our production facilities in Singapore and through our associated company in Indonesia for sale in Singapore and Indonesia, and also market and sell meat products in Malaysia. We are therefore subject to applicable laws and regulations in Singapore, Malaysia and Indonesia (including those relating to food hygiene and safety), and are required to obtain and maintain various licences and permits in order to carry on our business and operations (please refer to the sections “General Information on our Group – Licences, Permits and Government Regulations”, “Appendix E – Summary of Applicable Singapore Laws”, “Appendix F – Summary of Applicable Malaysia Laws” and “Appendix G – Summary of Applicable Indonesia Laws” of this Offer Document).

As at the Latest Practicable Date, to the best of our Directors’ knowledge and belief, we have obtained all requisite licences and permits necessary for the manufacturing and sale of our meat products in the jurisdictions in which we operate. However, some of our licences and permits are granted for fixed periods and need to be renewed upon expiry, and the eligibility criteria for our licences and permits may change from time to time or additional licences and permits may be required. Whilst we have not experienced difficulties in applying for or renewing our licences and permits, or any suspension, revocation or cancellation of our licences or permits during the Relevant Period, there is no assurance that this will not occur in the future. In the event that we are not able to obtain or renew our licences or permits, and/or our licences or permits are suspended, revoked or cancelled, we may be required to suspend or terminate our operations or part of our operations, which will materially and adversely affect our business, operations, financial performance, financial condition, cash flow and/or prospects.

Our licences and permits are generally subject to the conditions stipulated therein as well as applicable laws and regulations and other regulatory requirements. If we are found to be in breach of any such conditions, and/or applicable laws or regulations or other regulatory requirements, we may be subject to actions by the relevant government or regulatory authority, such as issuing warnings, imposing penalties (including monetary fines or suspension of operations), suspending, revoking or cancelling the licences or permits, reducing the term of the licences or permits and/or imposing additional conditions or restrictions. The occurrence of any of the foregoing events may materially and adversely affect our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects. During the Relevant Period, there has not been any breach of any condition of our licences and permits which has had a material adverse impact on our Group’s business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects. Additionally, our Group is subject to inspection and/or audit by regulatory authorities such as the Singapore Food Agency, particularly in the course of renewal of some of our licences and permits. During the Relevant Period, there has not been any adverse finding or observation arising from such inspection and/or audit which has had a material adverse impact on our Group’s business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

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## RISK FACTORS

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If there are changes to existing, or the introduction of new, applicable laws or regulations in the jurisdictions in which we operate (including any changes to the halal certification requirements), we may be required to comply with additional and/or more stringent requirements, which may restrict or hamper our business or operations or result in higher operating and compliance costs. If we are unable to pass on any increase in operating and compliance costs to our customers, our business, operations, financial performance, financial condition, cash flow and/or prospects may be materially and adversely affected.

***Our business will be adversely affected by the revocation of halal certifications issued in respect of our halal products or non-recognition of our halal certifications in other jurisdictions***

We operate a halal production facility at the Senoko Property, and we have obtained halal certification from MUIS in Singapore for the products that are manufactured at this production facility. In Malaysia, the manufacturing of our products is outsourced to a contract manufacturer, which has also obtained the requisite halal certification from the Department of Islamic Development Malaysia (JAKIM) in Malaysia. Such halal certification has enabled us to expand our customer base to include Muslim consumers.

To maintain such halal certification in respect of the food products manufactured in our Singapore halal production facility, we have implemented a system under which all the processes involved in the production of our halal food products are monitored closely to ensure that our halal food products are manufactured, packed, transported, stored and sold in compliance with the prescribed requirements. Whilst we have not encountered any material difficulty in maintaining the halal certification for our halal products during the Relevant Period, there can be no assurance that such halal certification, or the halal certification obtained by our contract manufacturer in Malaysia, will not be revoked or will be renewed or that we will be able to obtain halal certification for any new food products in the future. The occurrence of any such event may result in the cessation of the production of halal food products or part thereof, which may in turn result in a material and adverse effect to our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

In addition, our export sales of halal food products may be materially and adversely affected if the halal certifications we have obtained are revoked, or are not recognised in other jurisdictions, whether based on existing laws or due to any change in laws in such jurisdictions, and this may in turn affect our financial performance, financial condition, results of operations, cash flow and/or prospects.

***We are susceptible to contamination of our food products and product labelling errors and the attendant risks arising therefrom***

Our meat products involve, just like any other food products, an inherent risk to consumers if they do not meet the required health and safety standards. Such risk may arise due to product contamination, including the presence of foreign contaminants, bacteria, chemicals or other agents.

We rely on third party suppliers to provide us with our food ingredients, including frozen and chilled raw meat. It is possible for contamination to occur in the upstream supply chain during the process of preservation or transportation to us. In addition, it is possible that our food products may be contaminated during the course of storage and/or processing by us, and/or delivery to our customers. Such contamination may occur due to accident, negligence or tampering by unauthorised third parties. Any contamination of our food products may lead to, among other

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## RISK FACTORS

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things, our food products failing to meet health and safety standards, consumers suffering from foodborne diseases from the consumption of our products, customer complaints, the recall of our food products, our Extended Group being subject to fines or penalties (including being ordered to cease all or part of our production operations) by the relevant authorities, product liability claims or legal proceedings relating to such matters, and/or negative publicity arising therefrom. Whilst we maintain product liability insurance policies, we are unable to assure you that our insurance coverage will be sufficient to cover all our potential losses arising from product liability claims. In the event that our insurance coverage is not sufficient to cover our liabilities from product liability claims, our financial condition and results of operations may be materially and adversely affected.

Our food products are also required to comply with the relevant product labelling regulations (such as the Food Regulations promulgated under the SoF Act), which contain requirements in relation to the particulars (e.g. ingredients and allergens) required to be set out on the food product labels. There can be no assurance that product labelling errors will not occur during production, sale, distribution or transportation due to reasons unknown to us or out of our control. Any product labelling error which causes illness or injury to our consumers may also subject us to customer complaints, the recall of our food products, our Extended Group being subject to fines or penalties by the relevant authorities, product liability claims or legal proceedings relating to such matters, and/or negative publicity arising therefrom.

We adopt stringent food quality and safety management practices through our entire business process, starting from the selection of suppliers to the storage, handling, processing, product labelling and delivery process (please refer to the section “General Information on our Group – Quality Assurance and Food Safety” of this Offer Document for further details). However, there is no assurance that these practices will always be effective or will continue to be effective in the future. In the event that our food quality and safety management practices are inadequate or were to weaken and/or become inadequate, this may affect our ability to effectively monitor and maintain the standard of quality of our food products and result in the safety of our food products being compromised.

The occurrence of any of the foregoing events may materially and adversely affect our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects. As at the Latest Practicable Date, we have not encountered any such event that has materially and adversely affected our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

***We depend on the strength of our reputation and brands and intellectual property and unauthorised use of our brands and trademarks may harm our reputation***

We believe that, over the years, we have established a reputation as a trusted brand owner and place a strong emphasis on the branding and positioning of our brands. We derive most of our revenue through the manufacture and sale of ready-to-eat and ready-to-cook meat products under our house brands, “Golden Bridge”, “Kelly’s”, “GoldenLion” and “Orchid” for our non-halal food products, and “El-Dina” and “Kizmiq” for our halal food products. We have registered trademarks in Singapore and certain other jurisdictions for these brands (please refer to the section “General Information on our Group – Intellectual Property” of this Offer Document for details). We believe our flagship brands “Golden Bridge” and “Kelly’s” have longstanding presence in the hearts of Singaporeans.



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## RISK FACTORS

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We believe that our continued success will largely depend on our ability to maintain and improve the quality of our food products and enhance the value of our brands. Although we have invested significant effort in food quality and safety management practices, there is no assurance that our reputation and/or our brands will not be adversely affected in the future due to, among other things, a deterioration in the quality of our products and/or any incidents of food contamination which may in turn lead to our food products failing to meet health and safety standards, consumers who consume our food products suffering from foodborne diseases, customer complaints, the recall of our food products, our Extended Group being subject to fines or penalties (including being ordered to cease all or part of our production operations) by the relevant authorities, product liability claims or legal proceedings relating to such matters, and/or negative publicity arising therefrom.

Although our brands are registered trademarks, there is no assurance that this will be sufficient to protect the value of our brands. If any third party misappropriates, dilutes or infringes our registered trademarks and/or brands, this may materially and adversely affect the value of our brands.

On the other hand, it is also possible that third parties may have adopted trade names and/or registered trademarks similar to ours in jurisdictions in which we have not registered our brands as trademarks. This may create barriers for us in entering and/or further expanding in these jurisdictions using our existing brands. For example, in 2013, a former distributor had registered “Golden Bridge” as a trademark in Malaysia and we had to negotiate for it to be assigned to us. More recently, our brand “Golden Bridge” was registered as a trademark by a third party in Philippines in respect of similar products, and as a result, we had to enter the Philippines market with a different brand. In addition, our reputation and the value of our brands may be adversely affected if similar trade names and/or registered trademarks are used in other jurisdictions and are associated with counterfeited and imitation of our products which are not of the same quality and/or affected by negative publicity or media reports.

In view of the above, we may in certain cases have to undertake legal proceedings to enforce our registered trademarks and/or brands, or may face legal proceedings brought against us by third parties for alleged infringement of their proprietary rights. Regardless of the outcome, any such legal proceedings may be costly and time-consuming. If we are unsuccessful in enforcing our registered trademarks and/or brands in legal proceedings at a reasonable cost, or at all, or if such legal proceedings result in monetary liability in the form of damages and/or prevent us from further use of our registered trademarks and/or brands, our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects may be materially and adversely affected.

***We may be affected by any significant or prolonged disruption to our production facilities and/or cold stores***

We currently operate a halal production facility and a non-halal production facility in Singapore, and our associated company, Delta Bridge Indonesia, operates a non-halal production facility in Bulan Island, Indonesia.

Each of our production facilities in Singapore and Indonesia has a cold store for proper storage and segregation of raw materials and/or finished goods, and halal and non-halal products, in accordance with the requirements imposed by the relevant regulatory authorities, including Singapore Food Agency and MUIS in Singapore. A majority of our food ingredients are raw and are required to be stored at the appropriate designated temperatures. At our cold stores, the temperatures are maintained continuously at or around -18°C (for frozen products) and at or

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around -4°C (for chilled products) on a 24-hour basis to ensure that the food products remain fresh. Any prolonged and/or significant downtime arising from mechanical failures or major and unexpected repairs and servicing of any of our cold stores could cause us to be unable to store our food products at the optimal temperature, either for a short period of time or at all, which could in turn lead to product loss due to the diminished quality of the product. Whilst we have not experienced any material unscheduled downtime in relation to our cold stores during the Relevant Period, there is no assurance that this will not occur in the future.

Our production facilities and cold stores are also subject to a number of risks, such as fires, floods, natural disasters, third party interference, disruptions in power supply or power outages. If any of the foregoing events were to occur, our production facilities and cold stores may suffer significant damage, which may in turn lead to a significant disruption to our operations, and could cause significant delays in the manufacturing and delivery of our food products, which may in turn cause us to breach our contracts with our customers, exposing us to the risk of contract termination and liability for damages. In 2013, a fire occurred at our Singapore production facilities located at the Senoko Property, which resulted in our production being halted for around a week. The incident did not result in any personal injuries and also did not affect our ability to fulfil our purchase orders. We were also able to make a claim on our insurance which covered part of our losses arising from the incident. Since this incident, we have reviewed and tightened our fire prevention and contingency procedures. Whilst the impact of this incident on our Group was limited and did not have a material adverse impact on our business, there is no assurance that similar incidents would not occur in the future or, if they were to occur, would not have a material adverse impact on our business. There is no assurance that our insurance coverage would be sufficient to cover all our potential losses due to any such similar incidents. In the event that our insurance policies cannot sufficiently cover our losses arising from any such incidents, our profitability and operations will be adversely affected.

Further, we lease the premises for our production facilities in Singapore from JTC at the Senoko Property, and the term of the existing lease expires in September 2023. Although JTC has informed Golden Bridge that it has complied with the required investment criteria for the grant of a 30 plus 30 year lease with effect from September 1993, the lease in respect of the additional term of 30 years commencing from September 2023 and expiring in September 2053 has not been executed and is subject to Golden Bridge's continuing compliance with the terms and conditions of the existing lease. Whilst we do not foresee any difficulties with Golden Bridge continuing to comply with the terms and conditions of the existing lease, we cannot assure you that when the existing lease with JTC expires, we will be able to renew it and enter into a new lease agreement with JTC for the additional term. Additionally, the existing lease agreement with JTC contains various covenants which we are required to comply with, and also permits JTC and its surveyors or agents to enter the premises to examine the state and condition of the premises, and JTC may give written notice to us to make good (among other things) any defects and breaches of covenants. For example, in April 2020, we received a letter requiring us to remove an unapproved structure and an unapproved staircase access within our premises at the Senoko Property or, if we wish to retain these structures, to apply for JTC's consent. We have since removed the unapproved structure and unapproved staircase access within our premises and notified JTC accordingly, and JTC has acknowledged the regularisation of these unapproved structures in September 2020. Although we have also put in place a procedure to ensure that all new structures are approved by our facilities manager prior to the construction of such structures, and our facilities manager will check and ensure that any proposed new structures are in compliance with the building plans, certifications and applicable laws and regulations, we cannot assure you that our existing lease for our production facilities in Singapore will not be terminated by JTC as a result of any breach of the covenants contained in the existing lease. In the event of termination or non-renewal of our existing lease, we cannot assure you that we will be able to find and lease

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replacement premises in a timely manner at rates and on terms acceptable to us. We may also incur costs to reinstate the production facilities to its original state, transport our existing fixtures and production machinery to another location, and establish and fit out a new production facility if we are even able to identify a suitable one. We may also experience delays in fulfilling orders from our customers.

The occurrence of any of the foregoing events may materially and adversely affect our business, operations, financial performance, financial condition, results of operations and/or prospects.

***We are susceptible to shortage of food ingredients and packaging materials and increase in costs***

We purchase food ingredients (such as raw meat and spices) and packaging materials for our manufacturing process. Our ability to source for adequate and suitable food ingredients and packaging materials at acceptable prices and in a timely manner is critical to our business.

The availability, quality, and prices of food ingredients and packaging materials may be affected by various factors beyond our control, including seasonal fluctuations, climate conditions, natural disasters, general economic conditions, global demand, exchange rates, applicable laws and regulations and governmental policies. Accordingly, we are susceptible to supply shortages and increased costs relating to the sourcing of our food ingredients and packaging materials, as well as defaults in delivery from our suppliers.

We do not have long-term supply contracts with our suppliers and, due to the nature of the food ingredients, in particular the raw meat, purchase prices can be subject to change each time we place a purchase order. Although we have not experienced any significant problems with our suppliers during the Relevant Period and have maintained good relations with them since we began our business relationships, there can be no assurance that we will continue to be able to obtain the same levels of support from our major suppliers or that they will provide us with sufficient food ingredients or packaging materials of an acceptable quality at competitive prices. If our suppliers are not able to continue to supply us with the amount of food ingredients or packaging materials required to satisfy our present and future demand, and/or are not able to supply us with food ingredients and/or packaging materials up to our stringent quality standards, there may be interruptions to our operations or a decline in the amount or quality of our products as we may not be able to seek alternative products from alternative suppliers in time, or we may be subject to higher costs from alternative suppliers.

If we are unable to obtain our supplies of food ingredients or packaging materials in a timely and cost-effective manner, this may increase our costs of production, disrupt our production and/or affect our ability to fulfil orders from our customers, and this may adversely affect our business, operations, financial performance, financial condition, cash flow and/or prospects.

In the event that we are unable to pass on any increase in the costs of food ingredients or packaging materials to our customers, our profit margin may be adversely affected. There is also no assurance that even if we are able to adjust our selling prices, our profit margin will be maintained as such price adjustment may result in a decrease in demand for our meat products.

Further, any increase in the costs of our overheads or transportation (such as increase in fuel price and utilities) may increase our operating expenses and affect our overall profitability.

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## RISK FACTORS

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The occurrence of any of the foregoing events may result in the interruption in the supply and increase in price of our food ingredients and packaging materials, and if we are unable to obtain alternative supplies in a timely and cost-effective manner or if we are unable to pass on the increased costs to our customers, our business, operations, financial performance, financial condition, cash flow and/or prospects may be materially and adversely affected.

***We are susceptible to delays in delivery of food products, food ingredients and packaging materials, and deterioration in quality of food products and food ingredients during delivery***

Adverse weather conditions, natural disasters and labour strikes in places where our supplies of food ingredients and packaging materials are sourced and other supply chain disruptions could lead to delayed or lost deliveries to our Extended Group. These may result in interruptions to our business. There may also be instances where the quality of our food products (such as our frozen or chilled food products) deteriorates due to delivery delays, malfunctioning of refrigeration facilities or poor handling during transportation by our logistics staff and third party logistics service providers or suppliers. This may result in a failure of our Extended Group to provide quality food to our customers, thereby damaging our reputation and adversely affecting our business, operations, financial performance, financial condition, results of operations and/or prospects.

For example, in March 2021, a ship ran aground at the Suez Canal in Egypt, resulting in a blockage and thereby causing a disruption to the global supply chain. Whilst we were not affected by this incident as most of our supplies are not shipped across the Suez Canal, and in particular, none of our supplies were being shipped across the Suez Canal during the affected period, there is no assurance that similar disruptions will not occur in the future or along other shipping routes. Such disruptions may lead to delayed deliveries to our Extended Group and may result in an interruption to our business and affect our ability to produce certain products and fulfil our customers' orders, which may have a material and adverse effect on our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

During the Relevant Period, we have not faced any delays in delivery of food products, food ingredients and packaging materials, or deterioration in quality of food products and food ingredients during delivery, which have had a material and adverse effect on our business, operations, financial performance, financial condition, results of operations, cash flow or prospects.

***We may be subject to regulatory sanctions and civil claims arising from accidents at our production facilities***

We manufacture meat products at our Singapore production facilities, and our associated company also operates a production facility in Bulan Island, Indonesia. Due to the nature of the work involved in the production and transportation process, accidents may occur, resulting in personal injury, death or losses or damage to property. In the event that we are found to have been responsible for any lapses or inadequacy in safety standards which result in such accidents, we may be subject to regulatory sanctions or civil claims. Any such regulatory sanctions or civil claims may have a material adverse effect on our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects. Although we have not experienced any material regulatory sanctions and/or civil claims relating to such incidents at our production facilities during the Relevant Period that have had a material adverse effect, there is no assurance that this may not occur in the future.

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While we maintain insurance policies, we are unable to assure you that our insurance coverage will be sufficient to cover all our potential losses arising from accidents in our premises. In the event that our insurance coverage is not sufficient to cover our liabilities from such accidents, our financial condition and results of operations may be materially and adversely affected.

***We are susceptible to negative publicity or media reports relating to our products or the general food industry***

Negative publicity or media reports relating to our food ingredients, packaging materials, products, brands and/or operations, the general food industry or products similar to ours may adversely affect our reputation and our customers' perceptions of our products and result in decreased demand for our products. In particular, negative media coverage regarding the safety or quality of our food sources or products and the resulting negative publicity could materially and adversely affect customers' trust in our brands and products. Adverse publicity concerning any perceived or actual health risks associated with our products may also cause customers to lose confidence in the safety and quality of our products, which could adversely affect our reputation, business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

The mere publication of information asserting that our food products contain or have contained any contaminants or have caused personal injuries or illnesses could damage our reputation, which could have a material adverse effect on us, regardless of whether the reports have any factual basis. In addition, adverse publicity about any regulatory or legal action against us could damage our reputation, undermine our customers' confidence in us and reduce long-term demand for our products, even if the regulatory or legal action is unfounded or immaterial to our operations.

***We depend on a limited number of customers for a substantial amount of our revenue***

Our largest customer accounted for approximately 27.6%, 23.6%, 18.5% and 10.3% of our revenue for FY2018, FY2019, FY2020 and HY2021 respectively. Our top two (2) customers in each year overall accounted for approximately 34.1%, 30.1%, 26.4% and 17.0% of our revenue for FY2018, FY2019, FY2020 and HY2021 respectively. Please refer to the section "General Information on our Group – Major Customers" of this Offer Document for further details.

We do not have long term supply contracts with our major customers. Notwithstanding that our major customers' contribution to our revenue is diversified across our product types, we cannot assure you that we can retain these customers, or that the volume of their product orders will not vary significantly from year to year. In the event that our major customers or any of them were to cease or reduce significantly their purchase of our products and we are unable to obtain substitute orders of comparable sizes from other existing or new customers, there may be a material adverse impact on our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

***We may be exposed to credit risks of our customers***

During the Relevant Period, for sales of our food products, we typically grant credit terms of up to 90 days to our customers. In FY2018, FY2019, FY2020 and HY2021, our average trade receivables turnover days were 48 days, 52 days, 52 days, and 58 days respectively. As at 31 December 2020, our trade receivables amounted to S\$7.42 million, of which approximately 99.4% have been collected as at the Latest Practicable Date. Please refer to the section "General Information on our Group – Credit Management" of this Offer Document for more details on our average trade receivables turnover days.



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Any deterioration in the financial positions of our customers may materially or adversely affect our profits and cash flows as these customers may default on their payments to us. There is no assurance that our Group's past practice for the making of provisions will not change in the future or that the provisions we made will be sufficient to cover defaults in our trade receivables. Our Group's liquidity and cash flows from operations may be materially and adversely affected if our receivable cycles or collection periods are lengthened significantly or if we encounter a material increase in defaults of payment or an increase in provisions for impairment for our trade receivables. Should these events occur, we may be required to obtain working capital from other sources, such as third party financing, in order to maintain our daily operations and such financing may not be available to us on commercially acceptable terms, or at all.

***We are subject to risks related to the outbreak of infectious and communicable diseases and public health emergencies (such as the outbreak of COVID-19)***

We are subject to risks related to the outbreak of infectious and communicable diseases and public health emergencies, such as the outbreak of the novel strain of coronavirus, COVID-19, which was reported to have first surfaced in the PRC in late 2019. The World Health Organisation declared COVID-19 a pandemic on 11 March 2020, by which time there were more than 118,000 cases in 114 countries.<sup>1</sup> As at the Latest Practicable Date, based on the statistics of the World Health Organisation, the number of reported COVID-19 cases has soared to more than 157 million.<sup>2</sup>

The COVID-19 outbreak has resulted in unprecedented measures being taken by multiple countries worldwide, including a mix of the lock-down of entire regions or cities, border controls, stringent travel restrictions, mandatory quarantine or stay-home measures, restrictions on mass gatherings and events, social distancing measures and/or the temporary closure of schools, factories, construction sites, businesses, shops and restaurants. The COVID-19 outbreak has also resulted in severe disruption to the global supply chain in various parts of the world. Different countries have had varying degrees of success in controlling the spread of COVID-19 through these measures. In some countries, the relaxation of these measures was followed by subsequent wave or waves of COVID-19 infections, leading to re-imposition of all or some of these measures. The spread of COVID-19 and the imposition of these measures have led to, among other things, drastic disruption to business and severe economic contraction worldwide.

We conduct our operations primarily in Singapore, Malaysia and Indonesia, all of which have at different times imposed varying measures to control the spread of COVID-19. In particular, Singapore has, in May 2021, in view of the emergence of new virus variants as well as the increase in number of locally transmitted COVID-19 cases and unlinked community cases, tightened the safe management measures and border controls to reduce the risk of community spread. Malaysia has on 1 June 2021 re-imposed the movement control order throughout the country from 1 June 2021 to 14 June 2021 following the increase in number of COVID-19 cases. The Government of Malaysia will review the situation towards the end of this period and will decide whether to stop or to extend the movement control order beyond 14 June 2021. Indonesia has also applied a movement control order throughout the country that is regularly re-imposed. In its last

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<sup>1</sup> This information is extracted from the press release entitled "WHO Director-General's opening remarks at the media briefing on COVID-19 – 11 March 2020" dated 11 March 2020, accessible at <https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>.

<sup>2</sup> This information was extracted from the World Health Organisation website at <https://covid19.who.int> on the Latest Practicable Date. The World Health Organisation has not consented to the inclusion of the above information in this Offer Document for the purpose of section 249 of the SFA and are therefore not liable for the relevant information under sections 253 and 254 of the SFA. While our Directors and have taken reasonable care to ensure that the information is extracted accurately and fairly, and has been included in this Offer Document in its proper form and context, they have not independently verified the accuracy of the relevant information.

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official statement, the Indonesian Government re-imposed the movement control order until 14 June 2021 following an increase in the number of COVID-19 cases.

As with all other businesses, our business and operations have been affected to some extent by these restrictions. For example, the global supply chain disruption, frequent changes in border control measures and import regulations have resulted in the lengthening of the average shipping time for our raw materials and products. Whilst we try to mitigate the shipping delay risks by seeking alternative shipping methods, sourcing for raw materials closer to Singapore where possible, and extending our internal ordering and shipping lead-time, there may still be instances where delays in the delivery of our supplies may result in an interruption to our business. Additionally, due to the travel restrictions imposed as a result of the COVID-19 outbreak, we face difficulties in employing new or replacement foreign employees. Please refer to the risk factor “We are dependent on foreign employees” of this Offer Document for further details.

In September 2020, we were found to have committed an offence under regulation 13D of the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 read with section 34(7) of the COVID-19 (Temporary Measures) Act 2020, for failing to ensure that employees in roles that can telecommute continue to work from home. We were offered the chance to compound the offence, and we have since made payment of the composition sum of S\$1,000 for the offence to the Ministry of Trade and Industry.

In January 2021, two (2) workers working at our non-halal production facility in Singapore tested positive for COVID-19. The two (2) workers were believed to have contracted COVID-19 at their living quarters and not at our production facility. As a result of the incident, all of our employees were required to undergo COVID-19 swab tests and serological tests and they had tested negative. In addition, our non-halal production facility was closed for four (4) days to undergo thorough cleaning and disinfection. The incident did not affect our halal production facility. The incident also did not affect any of our raw materials or food products as the workers involved were not involved in food-handling. While the impact of this incident on our Group was limited and did not have a material adverse effect on our business, there can be no assurance that similar incidents would not occur in the future. If a large number of our workers were to test positive for COVID-19 and/or our production facilities are required to be closed for extended periods, this would materially and adversely affect our business, operations, financial performance, financial condition, results of operations and/or prospects.

Although Singapore, Malaysia and Indonesia have started to vaccinate its population against COVID-19 in end 2020 and the beginning of 2021, it is expected to take some time for a sufficiently large proportion of the population in Singapore, Malaysia and Indonesia to be vaccinated in order to achieve herd immunity, and to slow the spread of COVID-19 and for restrictions to be eased to a significant extent. In the meantime, we remain subject to the risks arising from subsequent waves of COVID-19 infections, the growing emergence of potentially more contagious and/or virulent strains of COVID-19 (in respect of which existing vaccinations may or may not be fully effective) as well as the various measures that may be imposed or re-imposed to deal with such waves of COVID-19 infections.

While the impact of the COVID-19 pandemic on our Extended Group’s business has not been material to date and while our Extended Group has not experienced any material disruptions to our supply chain, we cannot assure you that the risks from COVID-19, including those described above, or from any other communicable or infectious disease or public health emergency, will not have a material adverse effect on us in future. If the current COVID-19 situation deteriorates, or restrictions persist over longer periods (even intermittently), our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects may be adversely affected.



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### ***We are dependent on foreign employees***

We employ a significant number of foreign employees, particularly in our production facilities in Singapore. As of the Latest Practicable Date, approximately 48.9% of our employees in Singapore are foreign employees. Any changes in applicable laws, regulations or policies of Singapore may result in labour shortages and/or increase our operating costs.

For instance, the availability of foreign employees in Singapore is regulated by the Ministry of Manpower of Singapore (“MOM”) through policy instruments such as the imposition of levies and quotas known as dependency ratio ceilings, being the percentage of foreign employees permitted in a company’s total workforce. We may be affected by any increase in such levies and/or any reduction in the supply and/or quota of foreign employees that we are permitted to employ. We may also face difficulties in employing, and it may be more costly to employ, new or replacement foreign employees due to the travel restrictions imposed as a result of the COVID-19 outbreak. Such restrictions include the Malaysia Movement Control Order imposed from time to time by the government of Malaysia, as well as quarantine requirements imposed in Singapore which increase the costs of employing foreign employees in Singapore. We are unable to assure you that we will be able to pass on any increase in costs to our customers as a result of such measures or that we will be able to identify alternative sources of foreign employees at the same or lower costs. If our foreign labour costs increase substantially or if we are unable to retain our foreign employees or hire new foreign employees on terms acceptable to us, or at all, our business, financial condition and results of operations may be materially and adversely affected.

We are also required to comply with the conditions stipulated in work permits issued to our foreign employees, the contravention of which may result in a statutory penalty, a curtailment in our foreign employees’ quota and/or a ban by MOM on our applications and renewals of work permits for foreign employees. The imposition of any or a combination of these penalties may result in the disruption of our business and operations and/or an increase in our operating costs, which may materially and adversely affect our financial performance, financial condition, results of operations, cash flow and/or prospects. For example, in 2019, we were found to have committed an offence under section 22(1)(a) of the EFM Act for contravening the conditions of the work passes of two (2) of our foreign employees. From our own internal investigation, the offence was traced back to the fact that the foreign employees did not update us of their change in their residential address. We were offered the chance to compound both of the offences in lieu of prosecution, and we have since made payment of the composition sum of S\$500 for each offence to the MOM. During the Relevant Period, such composition fines imposed on our Group were not significant and did not have a material effect on our business or financial condition.

### ***We rely on external suppliers for our packaging materials and may be adversely affected by any safety issues relating to these packaging materials***

We use certain packaging materials in our production process, such as cans, plastic bags and labels procured from external suppliers. Some of these packaging materials may contain harmful chemicals or substances which we may not be aware of, and may be harmful to health and/or cause undesirable side effects. Whilst we have not encountered any such incidents during the Relevant Period that has had a material impact on our business and operations, there is no assurance that our packaging materials will always be free from defects or compliant with relevant safety standards for food packaging in every circumstance. Failures by our packaging suppliers to supply quality or food grade packaging materials could result in packaging chemicals leeching into our food products and our food products becoming harmful or inedible.

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There is no assurance that our quality control measures will always be able to detect defects in our packaging materials. Any defect undetected and left in our packaging materials could adversely affect the quality of our food products, which could in turn result in a material and adverse impact on our reputation, business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

***Our continued success and growth depend substantially on the continuing efforts of our key management personnel***

Our success to date can be largely attributable to the contributions and expertise of our key management personnel, each of whom has invaluable and extensive experience and knowledge relevant to our industry. In particular, each of our Executive Directors, Ong Bee Chip and Ong Chew Yong, has been engaged in the food manufacturing business for around 15 years and has been instrumental to the development and the success of our Extended Group. Ong Bee Chip and Ong Chew Yong are supported by our senior management team.

Our continued success is dependent on our ability to retain the services of our Executive Directors and senior management team. There can be no assurance that we will be able to retain our key management personnel. If any of our Executive Directors or senior management team member is unable or unwilling to continue in his or her present position, we may not be able to replace them easily or at all. In the event that we lose any of our key management personnel without suitable and timely replacement, our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects may be materially and adversely affected.

Furthermore, if any of our key management personnel were to join a competitor or form a competing company, we may lose customers, suppliers, expertise, key professionals and/or staff. While we have put in place provisions in the relevant service agreements with our Executive Directors relating to non-competition and confidentiality obligations (please refer to the section “Directors and Management – Service Agreements” of this Offer Document for further details), we cannot assure you that such non-competition and confidentiality restrictions will always be held to be enforceable by a court, or that their departure will not cause disruption to our operations or customer relationships, or materially impact our business and operations.

Further, as our Extended Group continues to grow, we will need additional qualified management personnel to manage our expanded business. Competition for such personnel may be fierce and there is no assurance that we will be able to hire and retain adequate number of such personnel in the future. Any shortfall in qualified management personnel may hinder our business growth and profitability. In the event that we need to increase employee compensation levels substantially to attract, retain and motivate any key management personnel, our costs may increase significantly.

***Our insurance coverage may not be adequate to cover all of our potential losses***

We maintain insurance coverage for our material assets and operations, including but not limited to fire insurance, consequential loss insurance, and product liability insurance. Please refer to the section “General Information on our Group – Insurance” of this Offer Document for further details. However, we do not or are not able to obtain insurance in respect of losses arising from certain operating risks such as acts of terrorism.

Our insurance policies may not be sufficient to cover all of our losses in all events. The occurrence of certain incidents, including fraud, confiscation by investigating authorities or misconduct committed by our employees or third parties, severe weather conditions, earthquakes, fire, war, flooding and power outages may not be covered adequately, if at all, by our insurance policies.

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If our losses exceed our insurance coverage or are not covered by our insurance policies, we will have to bear such losses. Our insurance premiums may also increase substantially due to claims made. In such circumstances, our financial condition and results of operations will be materially and adversely affected.

***We may be subject to disruptions in our information technology systems***

We rely on our information technology systems for our operations and the timely exchange of business information within our Extended Group. In particular, we use an ERP system to track and monitor our processes and products more efficiently. These systems are critical to our business operations. We are unable to assure you that our information technology systems will operate without interruption or malfunction. Our information technology systems are also vulnerable to unauthorised access (from within the organisation or by third parties) and data loss, computer viruses, malicious code, the interception or misuse of information transmitted or received by us, and cyber-attacks.

Although we have implemented protection and back-up measures for our information technology systems, there is no assurance that such measures will always be adequate. Any serious system failure or system malfunction may materially and adversely affect our operations, financial condition and reputation. Any unauthorised disclosure of information could compromise our trade secrets, confidential information and customer information, which may adversely affect our operations and reputation.

***We face competition, including from a number of brands of products which are similar to our ready-to-eat and ready-to-cook meat products that are imported into Singapore and Malaysia for sale***

The food industry in general is highly competitive in nature. We face competition from direct ready-to-eat and ready-to-cook meat products and indirect alternative or substitute food products. To the best of our Directors' knowledge and belief, there are very few meat manufacturers in Singapore that operate on an operational scale similar to ours, including the ability to manufacture both non-halal and halal meat products, and the capability to manage and process as many as four (4) product categories – chilled, frozen, dried and shelf-stable meat products – within one single facility. Notwithstanding, we face direct competition from other meat manufacturers in Singapore that compete within each of our product categories.

We also face substantial competition from a number of brands of products which are similar to our ready-to-eat and ready-to-cook meat products that are imported into Singapore and Malaysia for sale. Further, new brands and/or products may be introduced into the market from time to time, resulting in increased competition. We are unable to assure you that we will be able to compete successfully in the future against existing or potential competing brands and/or products or that our business, prospects, financial condition and results of operations will not be materially and adversely affected by increased competition.

***We are affected by changes in consumer taste and preference and our efforts in launching new products may not successfully respond to such changes***

As our meat products are consumer products, we are to some extent affected by consumer tastes and preferences, which may change from time to time. Consumer tastes and preferences for our products can change for many reasons including nutritional standards, health advisories, general economic conditions and trend towards healthier lifestyle and organic products. Our ability to grow our business is therefore dependent on our ability to anticipate changes in consumer tastes and

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preferences. Whilst we monitor trends in consumer tastes and preferences, and have a research and development team which focuses on creating new products and enhancing existing products to cater to consumers' evolving tastes and preferences, there is no assurance that we will be able to continue to introduce new products to meet such changes and trends. Our failure to anticipate, identify or react to such changes and trends may affect the demand for our products and/or any new products that we introduce, and this may in turn materially and adversely affect our business, financial condition and results of operations.

***Domestic, regional or global political, economic, social and legal developments and changes may adversely affect our business***

Our business, prospects, financial position and results of operations may be adversely affected by political, economic, social and legal developments in Singapore and globally that are beyond our control. Such political and economic uncertainties include, but are not limited to, the risks of war, terrorism, political unrests, union actions, changes in interest rates, rates of economic growth, fiscal and monetary policies of the government, inflation, deflation, methods of taxation and tax policy, unemployment trends, and other matters that influence consumer confidence, spending and tourism. Any adverse economic developments and/or prolonged downturn in general economic conditions would present risks for our business, such as a potential slowdown in our sales to customers. Further, negative developments in geo-political events such as the US-China trade issues may bring uncertainty to the global economy. In 2018, the United States of America ("USA") imposed and/or threatened to impose tariffs on a range of goods imported into the USA from certain regions or countries, including in particular the PRC. This has led to retaliatory and/or threat of retaliatory measures being adopted by the PRC and other relevant countries. The fear of a potential trade war has led to volatility in the financial markets. The nature and extent of such changes are difficult to predict, and may bring uncertainty to the global economy and/or political environment. There is no assurance that we will be able to grow our business, or that we will be able to react promptly to any change in economic conditions. In the event that we fail to react promptly to the changing economic conditions, our performance and profitability could be adversely affected. Our business, financial position, results of operations and prospects may be materially and adversely affected if these conditions deteriorate in the future.

In addition, as we export our food products overseas and the end consumers are located in different parts of the world, we are also exposed to the legal and regulatory conditions and policies and tax laws in such countries. Changes in import duties, tariff rates or import quotas imposed by countries or regions, including the European Union, may impact the demand and/or price of our food products. The imposition of import bans on our food products may also affect our business and profitability.

The occurrence of any of the foregoing events may materially and adversely affect our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects.

***We are subject to risks arising from the outsourcing of the manufacturing of some of our products to third party contract manufacturers***

Ellaziq Malaysia outsources the manufacturing of our halal meat products to an independent third party contract manufacturer in Malaysia, in order to facilitate the sale of our halal products in Malaysia. The contract manufacturer manufactures the halal products in accordance with our specifications and requirements. These halal products are marketed and sold in Malaysia under our house brands.

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## RISK FACTORS

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From time to time, we also outsource the manufacturing of certain other products to contract manufacturers. These are primarily products that we do not manufacture ourselves in Singapore (such as canned shredded chicken), and are marketed and sold under our house brands.

In respect specifically of our outsourcing arrangement in Malaysia, the contract manufacturer is appointed as Ellaziq Malaysia's sole contract manufacturer in Malaysia for a three (3)-year term commencing in June 2018, with automatic renewal for another two (2) years thereafter, unless terminated by either party upon the occurrence of an event of default or with one (1) year's written notice, in accordance with the terms of the agreement. As such, we are reliant on the contract manufacturer to manufacture our products that are marketed and sold under our house brands in Malaysia. In the event that our contract manufacturer in Malaysia is not able to continue with this outsourcing arrangement for any reason, there is no assurance that we will be able to find an alternative contract manufacturer that is able to manufacture quality halal products that meet our requirements in a timely manner and on favourable terms. The process of identifying and qualifying the alternative contract manufacturer, and for the alternative contract manufacturer to set up production lines to manufacture our products may take some time and may potentially lead to disruption to the manufacturing and sale of our products in Malaysia. This may materially and adversely affect our business and operations in Malaysia and, in turn, our financial performance, financial condition, results of operations, cash flow and/or prospects.

### ***We are exposed to fluctuations in foreign exchange rates***

Our Group has transactional currency exposure arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the entities within our Group, being S\$ and RM. We currently do not have any formal policy for hedging against foreign exchange exposure and have not undertaken any hedging activities during the Period Under Review. To the extent that our revenue, purchases and operating costs are not sufficiently matched in the same currency and to the extent that there are timing differences between receipt and payment, our Extended Group will be exposed to any adverse fluctuations in exchange rates. Any restrictions over the conversion or timing of conversion of foreign currencies may also expose our Extended Group to adverse fluctuations in exchange rates. As a result, our results of operations may be adversely affected. Please refer to the section "Management's Discussion and Analysis of Results of Operations and Financial Position – Foreign Exchange Risks Management" of this Offer Document for further details.

In addition, as our Group's reporting currency is in S\$, the financial results of our foreign subsidiaries must be translated to S\$ for consolidation purposes. As such, any material fluctuations in foreign exchange rates may result in translation losses on consolidation and will be recorded as translation deficits as part of our Shareholders' equity.

### ***We may face a risk of our food ingredients and food products not being fully utilised and/or sold within its shelf life***

A large part of our food ingredients and food products (e.g. the frozen or chilled meat ingredients and the meat products manufactured by us) have a fixed shelf life. We face the risk of our food ingredients and food products expiring prior to being utilised and/or sold. The usage of food ingredients and sale of our food products depend on (among other things) demand for the same from customers and we cannot guarantee that all of our food inventory can be fully utilised and/or sold within its shelf life. As our business grows, our inventory level may increase and the risk of our food inventory not being fully utilised and/or sold within its shelf life may also increase with the increased food inventories. As such, if any such events occur, we may face a risk of significant inventory write-downs, which may impose pressure on our operating cash flow, and materially and adversely affect our business, prospects, financial condition and results of operations.



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## RISK FACTORS

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### ***We face inherent risks from our joint ventures which we do not wholly own***

We may, from time to time, enter into joint ventures with third parties to expand our business and operations outside of Singapore. As at the Latest Practicable Date, we have entered into a joint venture to process, market and sell pork-related and other products in Indonesia. We have an indirect minority shareholding interest in our associated company, Delta Bridge Indonesia, through our other associated company, Delta Bridge Singapore. Our relevant joint venture partner(s) may have economic or business interests or goals that do not completely align or are inconsistent with ours, and may cause our associated companies to undertake certain transactions or corporate actions which are inconsistent or contrary to our Extended Group's strategy, policies and objectives, and adversely affect the business, financial condition, results of operations and/or prospects of our associated companies.

Joint ventures expose us to the inherent risk of disagreements with our joint venture partners regarding the business and operations of the joint venture company that we may not be able to resolve amicably. In particular, we may be unable to exert control over the joint venture companies or our joint venture partners. As such, we may not be able to control, dictate or substantially influence certain decisions and/or the general direction undertaken by the joint venture companies. In addition, our joint venture partners may: (a) have economic or business interests that conflict with our interests; (b) take action contrary to our instructions, requests, policies or objectives; (c) be unable or unwilling to fulfil their obligations; (d) have financial difficulties; and/or (e) dispute the scope of their responsibilities and obligations. Any of these and other factors may negatively affect the performance of our joint ventures, which may in turn negatively affect our financial performance, financial condition, results of operations, cash flow and/or prospects.

During the Relevant Period, we have not had any disagreement or dispute with our joint venture partners which have resulted in a material adverse impact on our Group's financial performance, financial condition, results of operations, cash flow and/or prospects.

### ***There is no assurance that our future plans will be commercially successful***

Our growth and future success are dependent on, among others, the successful completion of business plans proposed to be undertaken by our Group and the sufficiency of demand for our products. There is no assurance that actual demand for our products after our business plans are completed will be similar to the anticipated demand. With regard to our plan to continually expand our range of food products and, in particular, to develop our own plant-based food products, there is no assurance that we will be able to obtain all the necessary licences, permits and approvals required to manufacture such new products.

Additionally, our operations in Indonesia through Delta Bridge Indonesia commenced in the first half of 2020, while our venture into Philippines is at the preliminary planning stage. As this is our first expansion into Indonesia and Philippines, we may face additional risks, uncertainties and problems commonly associated with the entry into any new country which we have no prior track record in. These risks, uncertainties and problems could include, among other things, failure to offer food products that cater to the tastes and preferences of the customers, inability to maintain a harmonious relationship with our joint venture partner(s), the inability to manage expanding operations and costs, failure to meet target results, failure to comply with local laws and regulations, gaps between laws and their application in practice, and failure to identify, attract, retain and motivate qualified personnel, which, either alone or in aggregate, could materially and adversely affect our business, reputation, financial condition and/or results of operations.

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## RISK FACTORS

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Further, the successful implementation of our business plans depends on our ability to obtain timely and sufficient funding, and the ability to attract the necessary employees to support our business plans. While we have engaged and will continue to seek to engage additional persons with the relevant experience for our operations in Indonesia and Philippines, there is no assurance that we will be able to attract and retain the right persons. If we are unable to attract and retain a sufficient number of suitably skilled and qualified personnel with detailed knowledge of operating in such country we intend to expand into, our business, prospects, and financial performance in such country may be adversely affected. Accordingly, there can be no assurance that our operations in Indonesia through Delta Bridge Indonesia or any other country we intend to expand into will have any material impact on the profitability of our Group, or be profitable at all.

In addition, we may explore strategic alliances, acquisitions or investment opportunities in businesses that are complementary to our business. Participation in strategic alliances, acquisitions or investments similarly involves numerous risks, including but not limited to difficulties in the assimilation of the management, operations, products and personnel. The successful implementation thus depends on our ability to identify suitable partners and the successful integration of their operations with ours. There can be no assurance that we will be able to execute such growth strategies successfully and as such, the performance of any strategic alliances, acquisitions or investments could fall short of expectations.

Further, the execution of our expansion strategy may also place a strain on managerial, operational and financial resources. The management capabilities of the senior management team may not be able to increase proportionally with the pace of expansion. Should we fail to implement our expansion plans or should there be insufficient demand for our products, our business, prospects, financial condition and results of operations may be adversely affected.

### ***We face risks in our expansion into new markets***

As part of our growth strategy, we intend to enter into new markets from time to time. As at the Latest Practicable Date, we have planned to expand into the Philippines and have incorporated a subsidiary in Philippines on 5 April 2021. Our expansion plans may, depending on the specific operating environment in the relevant country, require us to, among other things, secure additional suitable premises and potentially entail substantial capital expenditure and working capital.

The implementation of our expansion strategy may be influenced by various factors such as our ability to: (a) identify suitable business partners (such as local joint venture partners); (b) if relevant, secure strategic locations for our production facilities on acceptable terms; (c) obtain governmental and other third party permits, licences and consents needed to operate the business; (d) use our management and financial resources efficiently as well as hire, train and retain suitable personnel; and (e) successfully execute marketing strategies.

In addition to the effectiveness of our business and marketing strategies, other factors beyond our control, including global and local economic conditions, market sentiment and market competition, changes or differences in consumer preferences and consumer spending, may affect our ability to replicate our business model in other jurisdictions successfully and our expansion into new markets may not achieve expected profitability or break even for a prolonged period of time, or at all. Our business may also be exposed to unforeseen liabilities and risks associated with entering new markets. In the event that revenues generated by our new business are lower than expected, the costs associated with such new business are higher than anticipated, and/or we are unable to effectively manage the increased requirements of our expanded network, we may be unable to recover our investment and/or suffer losses. If any of these events occurs, our business, operations, financial performance, financial condition, results of operations, cash flow and/or prospects may be materially and adversely affected.



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## RISK FACTORS

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***We are dependent on our distributors and wholesalers to market and sell our products to end consumers***

We sell our products mainly to distributors and wholesalers, and undertake only limited sales to end consumers directly. As such, we are generally dependent on our distributors and wholesalers to market and sell our products. We generally do not enter into long-term agreements with our distributors and wholesalers. Our sales, revenue and profitability may be adversely affected by, among other things, reduction, delay or cancellation of orders from our distributors or wholesalers, failure to maintain our relationship with our existing distributors or wholesalers, failure to establish relationship with new distributors or wholesalers on favourable terms and/or inability to timely identify and appoint additional or replacement distributors or wholesalers upon the loss of one or more of our existing distributors or wholesalers. In addition, if our distributors or wholesalers do not effectively market, promote and sell our products or take or omit to take any action that may reflect adversely on our reputation, brand and/or products, demand for our products may be reduced and this may in turn materially and adversely affect our sales, revenue and profitability. Although we have not, during the Relevant Period, experienced any of the foregoing events which had materially and adversely affected our sales, revenue and profitability, there is no assurance that any such event will not occur in the future.

***We may require additional capital in the future in order to continue to grow our business, which may not be available on favourable terms or at all***

Our ability to grow our business and maintain our current market share in the segments in which we operate, through expansion of our operations and production capabilities, is dependent on our ability to raise additional funds to implement our business strategy or to refinance our existing debt or for working capital. There can be no assurance that such funds will be available on favourable terms or at all. Additional debt financing may increase our financing costs and reduce our profitability. Our financing arrangements may contain terms and conditions that may restrict our freedom to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we are unable to raise additional funds on favourable terms or at all as and when required, our business, financial condition, results of operations and/or prospects could be adversely affected.

### **RISKS RELATING TO CONDUCTING BUSINESS IN MALAYSIA AND INDONESIA**

***We may be adversely affected by unfavourable political, social, economic, legal and regulatory developments in Malaysia and Indonesia***

We conduct business in Malaysia via our two (2) wholly-owned subsidiaries, GB Malaysia and Ellaziq Malaysia. Our associated company, Delta Bridge Indonesia, conducts business in Indonesia. As such, we are subject to political, social, economic, legal and regulatory developments in Malaysia and Indonesia.

Developments in Malaysia and Indonesia may include political uncertainties (such as changes in political leadership and government), social unrest, changes in economic conditions, and changes in laws, regulations and/or policies (such as those relating to currency and interest rates, inflation, capital restrictions, price and wage controls, unemployment rate, taxes and duties).

In respect of Malaysia, it is currently experiencing political uncertainties, and it is possible that such political uncertainties may in turn lead to economic uncertainties and changes in laws, regulations and/or policies.

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## RISK FACTORS

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In respect of Indonesia, it has experienced political changes and, from time to time, instability as well as general social and civil unrest on several occasions in recent years. There have been instances of thousands of Indonesians participating in demonstrations throughout the country both for and against political figures, as well as in response to specific issues, including fuel subsidy reductions, privatisation of state assets, anti-corruption measures, decentralisation and provincial autonomy, potential increases in electricity prices, proliferation of ride-sharing services and religious intolerance. Although these demonstrations were generally peaceful, some have turned violent. There can be no assurance that future sources of popular discontent will not lead to further political and social instability.

We have no control over such developments and there is no assurance that any one or more of these developments will not occur. Any such developments, if they occur, may affect our business and operations in Malaysia and Indonesia and, in turn, our financial performance, financial condition, results of operations, cash flow and/or prospects.

***Our operations in Indonesia may be affected by legal and regulatory uncertainties in Indonesia***

Our associated company in Indonesia, Delta Bridge Indonesia, operates a production facility in Bulan Island, Indonesia that manufactures pork-related and other products. Delta Bridge Indonesia markets and sells its products in Indonesia. Our operations in Indonesia are subject to Indonesia laws and regulations.

Indonesia's legal system is a civil law system, intermixed with customary law (*hukum adat*) and the Roman Dutch law, based on written statutes as well as judicial and administrative decisions that do not constitute binding precedent and are not systematically published. Indonesia's commercial and civil laws were historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some laws have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts are often unfamiliar with sophisticated commercial or financial transactions, leading to uncertainty in the interpretation and application of Indonesian legal principles in practice. It is not uncommon that there are contradictions and inconsistencies in the laws and regulations in Indonesia between, among other things, different government agencies, central and local governments, where there are overlapping authorities over certain areas of laws and their implementation in practice. This results in a lack of clarity on how certain laws and regulations are implemented in practice and results in interpretations having to be made by the relevant authorities or the persons doing business in Indonesia, and such interpretations may be subject to change from time to time depending on the circumstances and the parties involved. The content of applicable laws and regulations may not be immediately available to the public, and at times the interpretation or application of laws and regulations may be unclear. Under such circumstances, consultation with the relevant authorities in Indonesia may be necessary. As such, the administration of laws and regulations by governmental agencies may also be subject to considerable discretion.

The application of Indonesia law may depend upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Indonesian judges operate in an inquisitorial legal system and have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. As a result, the enforcement of laws and regulations by Indonesian courts may also be subject to considerable discretion, uncertainty and inconsistency.

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We may incur additional time and costs to navigate such uncertainties and inconsistencies, and if the existing laws and regulations in Indonesia are interpreted or applied, or relevant discretions exercised, in an inconsistent manner by the Indonesia courts or applicable regulatory authorities, this could hinder our long-term planning efforts and may create uncertainties in our operating environment, thereby affecting our business and operations in Indonesia and, in turn, our financial performance, financial condition, results of operations, cash flow and/or prospects.

### ***We are subject to the foreign exchange laws and regulations in Malaysia***

Local and foreign investors are subject to the foreign exchange laws and regulations in Malaysia. The legislations in Malaysia governing exchange control are the Financial Services Act 2013 (“**FSA**”) and Islamic Financial Services Act 2013 (“**IFSA**”). In exercise of the power conferred by the FSA and IFSA, Bank Negara has issued notices on foreign exchange administration (“**FEA Notices**”) which embody its general permissions and directions setting out transactions that are allowed by Bank Negara which are otherwise prohibited under the FSA and the IFSA. The FEA Notices read together with schedule 14 of the FSA and IFSA set out the circumstances in which the specific approval of the Bank Negara must be obtained by residents and non-residents to remit funds to and from Malaysia. The FEA Notices are subject to amendments from time to time in line with the changing environment.

As at the Latest Practicable Date, foreign investors are free to repatriate capital, divestment proceeds, profits, dividends, rental, fees and interests arising from investments in Malaysia provided that the repatriation is made in foreign currency. However, there is no assurance that the relevant laws and regulations on foreign exchange control in Malaysia will not change. Any future restriction by the FEA Notices on repatriation of funds may limit the ability of our Malaysian subsidiaries to distribute dividends to us from the business operations in Malaysia.

In the event that there is any adverse change in the foreign exchange laws and regulations relating to the borrowing or repatriation of foreign currency, our business and results of operations may be adversely affected.

### ***We are subject to the foreign exchange laws and regulations in Indonesia***

Indonesia does not generally have foreign exchange controls, except for the following. The Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilisation of the Rupiah for speculative purposes by non-residents, the central bank of the Republic of Indonesia (“**Bank Indonesia**”) has introduced regulations to restrict the movement of Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah by foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all people and legal entities that are domiciled, or who plan to be domiciled, in Indonesia for at least one (1) year.

Bank Indonesia Regulation No. 21/2/PBI/2019 on Reporting of Foreign Exchange Activities dated 7 January 2019 requires bank institutions, non-bank financial institutions, non-financial institutions, state/regional-owned companies, private companies, business entities and individuals to submit a report to Bank Indonesia on their foreign exchange activities. The report is required to include: (a) trade activities in goods, services and other transactions between residents and non-residents of Indonesia; (b) main details of any offshore loans and/or risk participation transactions entered into and the supporting documents of the offshore loans such

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as the loan agreements; (c) details of plans in relation to the withdrawal and/or repayment of offshore loans and/or risk participation transactions; (d) details of realisation in relation to the withdrawal and/or repayment of offshore loans and/or risk participation transactions; (e) the entity's position with respect to or changes in its offshore financial assets, offshore financial liabilities and/or risk participation transactions; and/or (f) plans in relation to the incurrence of new offshore loans and/or amendments to the existing offshore loans and/or risk participating transactions. Such foreign exchange traffic report should be submitted to Bank Indonesia, by no later than the fifteenth day of the subsequent month. In the event there is a correction to be made, the correction must be submitted no later than the twentieth day of the reporting month. Failure to submit the foreign exchange report is punishable in the form of a written warning to the borrower. Bank Indonesia will issue a warning letter and/or report to the relevant authority that oversees the borrower if the borrower is a non-financial institution, should it fail to submit a report. Bank Indonesia may also issue a notice to authorities, offshore lenders and/or the parent company of the borrower with respect to the non-compliance.

On 29 December 2014, Bank Indonesia enacted Bank Indonesia Regulation No. 16/21/PBI/2014, as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 dated 21 April 2016, on the Application of Prudential Principles in Management of Offshore Loan of Non-Bank Corporations ("**PBI 16/21/2014**"). PBI 16/21/2014 requires non-bank corporations that obtain offshore borrowings in foreign currency (other than for trade credit) to maintain the following ("**Prudential Principles**"):

- (i) foreign currency exchange rate exposure must be hedged with a minimum hedging ratio equal to 25.0% of the difference between foreign currency assets and foreign currency liabilities;
- (ii) the ratio of foreign exchange assets to foreign exchange liabilities must be at least 70.0% and at the end of each quarter, such non-bank corporation must have sufficient foreign currency assets to cover the foreign currency liabilities that will be due in the subsequent three (3) months; and
- (iii) the non-bank corporation must have a credit rating of BB- or higher from a credit rating institution recognised by Bank Indonesia.

PBI 16/21/2014 also requires that such hedging transactions be conducted only with banks in Indonesia with effect from January 2017.

Under PBI 16/21/2014, non-bank corporations are required to report to Bank Indonesia with respect to their implementation of the Prudential Principles. Further, failure to comply with the Prudential Principles will result in administrative sanctions in the form of a warning letter of which the relevant creditor(s) and certain government institutions will be notified. PBI 16/21/2014 came into effect on 1 January 2015.

If we fail to comply with the above requirements, Bank Indonesia may issue a notice to the relevant authorities and institutions on such non-compliance. If, however, the relevant authorities and institutions conduct certain actions or impose sanctions on Delta Bridge Indonesia, that may impact Delta Bridge Indonesia's main licences and/or operations, and in turn, may adversely affect our business, operations, financial performance, financial condition, results of operations and/or prospects.

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### RISKS RELATING TO OWNERSHIP OF OUR SHARES

#### ***Our Shares may not be a suitable investment for all investors***

Each prospective investor in our Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of our Shares, our Company, the merits and risks of investing in our Shares and the information contained in this Offer Document;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in our Shares and the effect an investment in our Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in our Shares, including where the currency of our Shares is different from the prospective investor's currency;
- understand thoroughly the terms of the Invitation; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

#### ***There has been no prior market for our Shares and the Invitation may not result in an active or liquid market***

Prior to the Invitation, there has been no public market for our Shares and an active public market for our Shares may not develop or be sustained after the Invitation. The trading price of our Shares may fluctuate after the Invitation due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, and global securities markets. Therefore, we cannot predict the extent to which a trading market will develop or how liquid that market might become. Although we have made an application to the SGX-ST to list our Shares on the Catalist, there is no assurance that an active trading market for our Shares will develop, or if it develops, be sustained. Active or liquid markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. Liquidity in the market for a particular security is often a function of the volume of the underlying shares that are publicly held by unrelated parties.

There is also no assurance that the market price of our Shares will not decline below the Invitation Price. While we have received a letter of eligibility from the SGX-ST to have our Shares listed and quoted on the Catalist, this should not be taken as an indication of the merits of the Invitation, our Company or our Shares, and the listing and quotation of our Shares does not guarantee that a trading market for our Shares will develop or, if a market does develop, the liquidity of that market for our Shares. Although we currently intend for our Shares to remain listed on Catalist, there is no guarantee of the continued listing of our Shares.

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***Investments in securities quoted on the Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Mainboard of the SGX-ST***

Our application is for our Shares to be admitted to the Catalist, a listing platform primarily designed for fast growing and emerging or smaller companies. An investment in shares quoted on the Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST. Pursuant to the Catalist Rules, our Company will be required, among other things, to retain a sponsor at all times after our admission to the Catalist. In particular, unless approved by the SGX-ST, the Sponsor and Issue Manager must act as our continuing sponsor for at least three (3) years after our admission to the Catalist. In addition, we may be delisted in the event that we do not have a sponsor for more than three (3) continuous months. There is no guarantee that following the expiration of the three (3)-year period, the Sponsor and Issue Manager will continue to act as our sponsor or that we will be able to find a replacement sponsor within the three (3)-month period.

***We may require additional funding for our future growth***

The net proceeds from the Invitation may not be sufficient to fully implement all our business strategies as set out in the section “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document. We may also find other opportunities to grow which cannot be predicted at this juncture. Under such circumstances, we may require additional funding either by way of secondary issue of securities after the Invitation or by way of borrowings to raise the required capital to develop these growth opportunities. If new Shares placed to new and/or existing Shareholders are issued after the Invitation, they may be priced at a discount to the then prevailing market price of our Shares trading on the Catalist and existing Shareholders’ equity interest may also be diluted. Further, in the event that our Company raises additional funds to meet its financing needs and existing Shareholders do not participate in the pro-rata fund raising activities such as rights issue, such Shareholders may experience a dilution in their shareholdings.

If we fail to utilise the new equity to generate a commensurate increase in earnings, our EPS will be diluted, and this could lead to a decline in our share price. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund-raising exercises and other financial and operational matters. If we are unable to procure the additional funding that may be required, our growth or financial performance will be adversely affected.

***Investors in our Shares will face immediate and substantial dilution in NAV per Share and may experience future dilution***

As described in the section “Dilution” of this Offer Document, as the Invitation Price of our Shares is higher than our pro forma NAV per Share immediately after the Invitation, there is an immediate and substantial dilution for investors who participate in the Invitation. Investors who invest in the Invitation Shares will therefore experience immediate dilution in NAV per Share of our Shares they own. Please see the section “Dilution” of this Offer Document for details.

In addition, we may, in the future, expand our capabilities and business through acquisitions, joint ventures and strategic partnerships with parties who can add value to our business. We may also require additional equity funding after the Invitation. If we choose to issue new Shares in order to finance future expansion, acquisitions, joint ventures and strategic partnerships, our Shareholders will face dilution of their shareholdings.



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In particular, if we offer, or cause to be offered to Shareholders rights to subscribe for additional Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making such rights available to Shareholders, or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to such Shareholders. We may choose not to offer such rights to the Shareholders having an address in a jurisdiction outside Singapore and such Shareholders may experience a dilution in their shareholdings as a result.

***Control of our share capital by our Controlling Shareholders after the Invitation may limit your ability to influence the outcome of decisions requiring the approval of Shareholders***

Upon the completion of the Invitation, our Controlling Shareholders, BCS, Ong Bee Chip and Ong Bee Song and their associate and our Executive Director, Ong Chew Yong, will collectively hold an aggregate of 171,652,173 Shares, representing approximately 80.2% of the total number of issued Shares immediately after the Invitation. As a result, they will be able to exercise significant influence over matters requiring Shareholders' approval, including the election of Directors and the approval of significant corporate transactions. BCS, Ong Bee Chip, Ong Bee Song and Ong Chew Yong will also have significant influence with respect to any Shareholders' action or approval requiring a majority vote except where they are required by the Catalist Rules or other applicable regulations to abstain from voting. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Group even if it may benefit the Shareholders.

***Sales or possible sales of a substantial number of Shares by us or our significant Shareholders following the Invitation could adversely affect the market price of our Shares***

Our Shares will be traded on the Catalist. Certain of our Shareholders are restricted from selling their Shares after the Listing, as described in the section "Shareholders – Moratorium" of this Offer Document.

Any future issue of Shares by us, or sale of our Shares by our existing Shareholders, or an increased availability of Shares may have a downward pressure on our Share price. The sale of a significant number of Shares in the public market after the Listing, including by our Controlling Shareholders, as well as non-controlling but otherwise significant Shareholders, or the issue of further new securities by us, or the perception that such sales or issues may occur, could materially affect the market price of our Shares. These factors also affect our ability to sell additional equity securities at a time and at a price favourable to us. Except as otherwise described in the section "Shareholders – Moratorium" of this Offer Document and subject to applicable laws and regulations, there will be no restriction on the ability of our Shareholders to sell their Shares either on the SGX-ST or otherwise.

***We may not be able to pay dividends in the future***

We are not legally or contractually required to pay dividends and any determination to pay dividends in the future will be entirely at the discretion of our Board, taking into consideration a number of factors including our level of cash and retained earnings, our financial performance, capital expenditure and expansion plans, working capital requirements and general financial condition, the ability of our subsidiaries to declare and pay dividends to our Company and any applicable restrictions. Please see the section "Dividend Policy" of this Offer Document for details.



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## RISK FACTORS

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We may not be able to pay dividends in the future if we are unable to successfully implement our strategy or if there are adverse developments to our business as a result of competitive, regulatory, general economic and business conditions in countries in which we operate, demand and other factors specific to our industry, many of which are beyond our control. In addition, agreements which we may enter into in the future may limit or prohibit, among other things, the ability of our subsidiaries to make distributions to us and thus our ability to pay dividends to our Shareholders.

Particularly, it should be noted that some of our existing bank loans and credit facilities restrict us from declaring or making payment of any dividends or any other distribution whether of an income or capital nature without first obtaining approval from the relevant lenders such as DBS Bank. Our future loan agreements may also include covenants which may limit when and how much dividends our Group can declare and pay. Restrictions on the ability of our subsidiaries to pay dividends to us may adversely limit our ability to grow, or make investments or acquisitions that could be beneficial to our business.

### ***The market price of our Shares may fluctuate after the Invitation***

If you subscribe for and/or purchase Shares in the Invitation, it is likely that in order to realise a gain on your investment, the price of our Shares will have to appreciate. However, this may not occur. The market price of our Shares may be volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- variations in our operating results;
- success or failure of our management team in implementing business and growth strategies;
- announcements by us of significant acquisitions, joint ventures or strategic alliances;
- gain or loss of any important business relationship;
- changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- the operating and share price performance of other companies;
- the liquidity of the market for our Shares;
- differences between our actual financial operating results and those expected by investors and analysts;
- changes in accounting principles or other developments affecting us, our customers or our competitors;
- additions or departures of key personnel;
- changes in general market conditions and broad market fluctuations;

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## RISK FACTORS

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- negative publicity; and
- involvement in litigation or arbitration proceedings and/or investigations by governmental or regulatory authorities.

These fluctuations may be exaggerated if the trading volume of our Shares is low. Volatility in the price of our Shares may be unrelated or disproportionate to our results of operations. It may be difficult to assess our performance against either domestic or international benchmarks.

In addition, due to the above factors, amongst others, our Shares may trade at prices that are higher or lower than our NAV per Share. To the extent that there is any retention of operating cash flows for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of our Shares. Any failure on our part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for our Shares.

Any of the factors listed above could adversely affect the price of our Shares and you may not be able to resell your Shares at a price that is attractive to you, or at all.

***Negative publicity, including those relating to any of our Directors, Executive Officers, Substantial Shareholders and Controlling Shareholders, may materially and adversely affect our Share price***

Negative publicity or announcements, including those relating to any of our Directors, Executive Officers, Substantial Shareholders and Controlling Shareholders, with or without merit, may materially and adversely affect the market perception of our Group or the performance of our Share price, whether or not they are justified. Such negative publicity may include, among others, unsuccessful attempts in joint venture, acquisitions or take-overs, or involvement in litigation or insolvency proceedings.

***Singapore take-over laws contain provisions (which may vary from those in other jurisdictions) which could adversely affect the market price of our Shares***

The Take-overs Code applies to our Company as a company that has a primary listing on the SGX-ST.

Sections 138, 139 and 140 of the SFA and the Take-overs Code (collectively “**Singapore Take-over Laws and Regulations**”) contain certain provisions that may possibly delay, deter or prevent a future take-over or change in control of our Company. Under the Take-overs Code, except with the consent of the SIC, any person acquiring an interest, whether by a series of transactions over a period of time or not, either on his own or together with parties acting in concert with him, in 30.0% or more of the voting Shares, is required to extend a take-over offer for the remaining voting Shares in accordance with the Take-overs Code. Except with the consent of the SIC, such a take-over offer is also required to be made if a person holding between 30.0% and 50.0% (both inclusive) of the voting Shares, either on his own or together with parties acting in concert with him, acquires additional voting Shares representing more than 1.0% of the voting Shares in any six-month period. While the Singapore Takeover Laws and Regulations seeks to ensure an equality of treatment among Shareholders, its provisions could substantially impede the ability of our Shareholders to benefit from a change of control and, as a result, may adversely affect the market price of our Shares and the ability to realise any benefits from a potential change of control.

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## RISK FACTORS

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***Overseas Shareholders may not be able to participate in future rights offerings or certain other equity issues by us***

In relation to any rights issue of Shares, we may, in our absolute discretion, elect not to extend an offer of our Shares under a rights issue to those Shareholders whose addresses, as registered with CDP or recorded in our register of members, are outside Singapore.

If we offer, or cause to be offered, to our Shareholders rights to subscribe for additional Shares or any rights of any other nature, we will have discretion as to the procedure to be followed in making such rights available to our Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to such Shareholders.

The rights or interests to our Shares to which such Shareholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as we may determine, subject to such other terms and conditions as we may impose. The proceeds of any such sale, if successful, will be paid to our Shareholders whose rights or interests have been so sold, provided that where such proceeds payable to the relevant Shareholders are less than S\$10 (or such other amount which we may from time to time determine in accordance with applicable laws), we are entitled to retain and apply such proceeds as we may in our absolute discretion decide. The shareholding of the relevant Shareholders may be diluted as a result of such sale.

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## USE OF PROCEEDS AND LISTING EXPENSES

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The estimated net proceeds from the Invitation (comprising the New Shares and the Vendor Shares), will be about S\$7.90 million after deducting aggregate estimated expenses in relation to the Invitation of about S\$1.53 million (to be borne by our Company and the Vendor).

We will not receive any of the proceeds from the Vendor Shares sold by the Vendor in the Invitation. The net proceeds attributable to the Vendor for the sale of Vendor Shares, after deducting the Vendor's share of the estimated expenses in relation to the Invitation of about S\$0.04 million, are about S\$1.34 million.

The net proceeds to be raised by our Company from the issue of the New Shares will be about S\$6.56 million after deducting our share of the estimated expenses in relation to the Invitation of about S\$1.49 million.

Save for the underwriting and placement commission and brokerage which will be borne by our Company and the Vendor in proportion to the number of Invitation Shares offered by each of our Company and the Vendor, the rest of the expenses in relation to the Invitation will be borne by our Company.

### USE OF PROCEEDS AND LISTING EXPENSES

For each dollar of the gross proceeds from the Invitation, we intend to use the following amounts primarily for the purposes set out below:

Use of proceeds	Amount in aggregate <sup>(1)</sup> (S\$'000)	Estimated amount allocated for each dollar of the gross proceeds raised from the issue of New Shares (cents) <sup>(1)</sup>
Improvement and/or expansion of production efficiency and capacities, including the acquisition of new machineries and equipment	2,000	24.8
Expansion of our overseas operations, including the initial investment and set up costs in Philippines	2,500	31.1
Developing new products and engaging in research and development	500	6.2
General working capital purposes	1,562	19.4
<b>Net proceeds from the Invitation</b>	<b>6,562</b>	<b>81.5</b>
Professional fees and expenses	940	11.7
Underwriting and placement commission <sup>(2)</sup>	241	3.0
Miscellaneous expenses (including listing and processing fee)	307	3.8
<b>Total estimated listing expenses to be borne by our Company<sup>(3)(4)</sup></b>	<b>1,488</b>	<b>18.5</b>
<b>Gross proceeds from the Invitation</b>	<b>8,050</b>	<b>100.0</b>

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## USE OF PROCEEDS AND LISTING EXPENSES

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**Notes:**

- (1) Figures may not add up due to rounding.
- (2) Pursuant to the Underwriting and Placement Agreement, SAC Capital agreed to underwrite the Public Offer Shares and to subscribe for and/or purchase and/or procure subscriptions and/or purchases for the Placement Shares for the underwriting and placement commission as described in the section “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document. Our Company and the Vendor will bear the estimated underwriting and placement commission and brokerage in proportion to the number of Invitation Shares offered by our Company and the Vendor.
- (3) In accordance with the SFRS(I), of the total estimated listing expenses to be borne by our Company of approximately S\$1.49 million, S\$0.42 million will be capitalised against share capital and the balance of the estimated listing expenses will be charged to profit or loss.
- (4) The professional fees refer to the cash expenses incurred by our Company in connection with the Invitation, and exclude part of the management fee of S\$0.08 million payable to the Sponsor and Issue Manager pursuant to the Sponsorship and Management Agreement, which will be satisfied in full by the allotment and issue of 347,827 SAC Capital Shares.

Please see the section “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document for details of our future plans. In particular, our future plans may be funded, apart from the proceeds raised from the issue of the New Shares, either through internally generated funds and/or external borrowings.

Save as disclosed in this section and the section “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document, none of the proceeds raised from the issue of the New Shares will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, or to acquire or refinance the acquisition of any business or entity.

None of the proceeds raised from the issue of the New Shares will be used to discharge, reduce or retire any indebtedness of our Group.

Pending the deployment of the net proceeds from the issue of the New Shares as described above, the funds may be placed in short-term deposits with financial institutions, used to invest in short-term money market instruments and/or used for working capital requirements as our Directors may, in their absolute discretion, deem appropriate.

The foregoing represents our best estimate of our allocation of the proceeds from the issue of the New Shares based on our current plans and estimates regarding our anticipated expenditures. Actual expenditures may vary from these estimates and we may find it necessary or advisable to re-allocate the net proceeds within the categories described above or to use portions of the net proceeds for other purposes. Any change in the use of the net proceeds will be subject to the Catalist Rules and appropriate announcements will be made by our Company on SGXNET.

In the event that the amount set aside to meet the estimated expenses is in excess of the actual expenses incurred, such excess amount will be made available for our general working capital purposes.

We will make periodic announcements on the use of the net proceeds from the issue of the New Shares as and when such proceeds are materially disbursed, and provide a status report on the use of the proceeds in our annual report.

In the reasonable opinion of our Directors, there is no minimum amount which must be raised from the Invitation.

Please see the section “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document for a description of the commissions payable in connection with the Invitation.

## DIVIDEND POLICY

Our Company and each of our subsidiaries have declared dividends during the Relevant Period as follows:

S\$	FY2018	FY2019	FY2020	From 1 July 2020 to the Latest Practicable Date
Company	–	–	516,992	1,004,441
Golden Bridge	–	–	500,000	1,500,000
Ellaziq Singapore	–	–	–	1,000,000

As at the Latest Practicable Date, all of the dividends set out above have been fully paid.

Save as disclosed above, no dividends have been paid or declared by our Company or our subsidiaries during the Relevant Period.

We currently do not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares will depend on, among other things:

- (a) our level of cash and retained earnings;
- (b) our actual and projected financial performance;
- (c) our projected levels of capital expenditure and expansion plans;
- (d) our working capital requirements and general financing condition;
- (e) the ability of our subsidiaries to declare and pay any dividends to our Company;
- (f) restrictions on payment of dividends imposed on us by our financing arrangements (if any) and other contractual restrictions binding on us; and
- (g) the general economic and business conditions in countries in which we operate.

However, subject to the above factors, our Directors intend to recommend and distribute dividends of not less than 50.0% of our net profit attributable to owners of our Company for FY2021 (excluding the interim dividends of S\$1.0 million declared in respect of FY2021) and not less than 40% of our net profit attributable to owners of our Company for FY2022 (“**Proposed Dividends**”) as we wish to reward Shareholders for participating in our Group’s growth. Investors should note that the foregoing statement on the Proposed Dividends is merely a statement of our present intention and shall not constitute a legally binding obligation on our Company or a legally binding statement in respect of our future dividends, and may be subject to modification (including reduction or non-declaration thereof) in our Directors’ sole and absolute discretion. Investors should not treat the Proposed Dividends as an indication of our Group’s future dividend policy.

Subject to our Constitution and in accordance with the Companies Act, our Company may declare an annual dividend subject to the approval of our Shareholders in a general meeting, but no dividend or distribution shall be declared in excess of the amount recommended by our Directors. Subject to our Constitution and in accordance with the Companies Act, our Directors may also from time to time declare an interim dividend without the approval of our Shareholders.

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## **DIVIDEND POLICY**

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All dividends are paid pro-rata among the Shareholders in proportion to the amount paid up on each Shareholder's Shares, unless the rights attaching to an issue of any Share provide otherwise. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that Shareholder in respect of that payment.

The amount of dividends that may be declared and paid by us should not be taken as an indication of the dividends payable in the future. No inference shall or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends in any of the periods discussed. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future. Please refer to the section "Risk Factors – Risks Relating to Ownership of our Shares – We may not be able to pay dividends in the future" of this Offer Document for further details.

Information relating to taxes payable on dividends is set out in the section "Taxation" of this Offer Document.



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## EXTENDED GROUP STRUCTURE

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### Internal Restructuring

In preparation for a listing, and in order to rationalise our Group structure and to improve the management of operations and costs, we undertook the Internal Restructuring whereby our Company became the holding company of our Group. The Internal Restructuring is described below.

In March 2015, our Company was incorporated with each of Ong Bee Chip, Ong Bee Song, Ong Chew Yong, Ng Chai Huat and Ong Chu Eng<sup>3</sup> holding 100 Shares, with a view to undertaking an internal restructuring.

In April 2015, each of Golden Bridge (which was held by Ong Bee Chip, Ong Bee Song and Ong Chew Yong at that time) and Swee Heng (which was held by Ong Chu Eng and Ng Chai Huat at that time) subscribed for 150,000 new Shares at a cash consideration of S\$150,000.

In December 2016:

- (a) Our Company acquired all of the issued shares in the capital of Golden Bridge from Ong Bee Chip, Ong Bee Song and Ong Chew Yong for an aggregate consideration of S\$13,970,888, which took into account the unaudited NAV of Golden Bridge (excluding the paid-up share capital of Ellaziq Singapore of S\$800,000) as at 30 June 2015. The consideration was satisfied by the allotment and issue of an aggregate of 13,970,888 Shares to Ong Bee Chip, Ong Bee Song and Ong Chew Yong.
- (b) Our Company acquired all of the issued shares in the capital of Ellaziq Singapore from Golden Bridge for an aggregate consideration of S\$800,000, which was based on the paid-up share capital of Ellaziq Singapore at the relevant date. The consideration was satisfied by the allotment and issue of an aggregate of 800,000 Shares to Ong Bee Chip, Ong Bee Song and Ong Chew Yong (at the direction of Golden Bridge, which would otherwise have been entitled to such Shares as the vendor).
- (c) Our Company acquired all of the issued shares in the capital of Swee Heng from Ng Chai Huat and Ong Chu Eng for an aggregate consideration of S\$12,229,112, which took into account the unaudited NAV of Swee Heng as at 30 June 2015. The consideration was satisfied by the allotment and issue of an aggregate of 12,229,112 Shares to Ng Chai Huat and Ong Chu Eng. It was intended at that time that Swee Heng would be included in the group to be listed.

Following the completion of the above transactions, Golden Bridge, Ellaziq Singapore and Swee Heng became wholly-owned subsidiaries of our Company. At the same time, Ong Bee Chip, Ong Chew Yong and Ong Bee Song, and Ng Chai Huat, Ong Chu Eng and some of their family members, entered into a shareholders' and associates agreement with our Company to regulate their relationship and the conduct of the business and affairs of our Company ("**Shareholders' and Associates Agreement**").

In January 2017, our Company bought back 150,000 Shares at a consideration of S\$150,000 from each of Golden Bridge and Swee Heng. The 300,000 Shares were cancelled immediately upon purchase. Following such share buy-back, Golden Bridge and Swee Heng ceased to hold any Shares, and all of our Shares were held by Ong Bee Chip, Ong Bee Song, Ong Chew Yong, Ng Chai Huat and Ong Chu Eng.

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<sup>3</sup> Ong Bee Chip, Ong Bee Song, Ong Chew Yong and Ong Chu Eng are siblings, and Ng Chai Huat is Ong Chu Eng's spouse.

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## EXTENDED GROUP STRUCTURE

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Ng Chai Huat and Ong Chu Eng subsequently decided not to include Swee Heng as part of the listing group due to the higher costs and expenses and increased compliance obligations which Swee Heng will be subject to upon listing and, at their request, our Company disposed of all issued shares in the capital of Swee Heng to Ng Chai Huat and Ong Chu Eng for an aggregate consideration of S\$12,829,312 (“**SH Consideration**”) in January 2018. At the same time, our Company undertook a selective capital reduction to reduce our share capital by an aggregate amount of S\$12,229,312, by way of a cash distribution to Ng Chai Huat and Ong Chu Eng. The amount of capital of S\$12,229,312 to be distributed to Ng Chai Huat and Ong Chu Eng pursuant to the selective capital reduction was set-off against part of the SH Consideration payable by them to our Company for the acquisition of Swee Heng from our Company. As the consideration for the disposal of Swee Heng was arrived at on a willing-buyer-willing-seller basis, taking into consideration, among other things, the initial cost of investment in Swee Heng and the agreed compensation amounting to S\$600,000 to our Company for costs incurred while Swee Heng was part of our Group, our Directors are of the view that the disposal was not carried out on an arm’s length basis, but was not prejudicial to the interests of our Group and our minority Shareholders. Following the completion of the above transactions, our Company ceased to hold any shares in the capital of Swee Heng, and Ng Chai Huat and Ong Chu Eng ceased to hold any Shares in our Company.

Pursuant to the disposal of Swee Heng, Ng Chai Huat, Ong Chu Eng and certain of their family members automatically ceased to be parties to the Shareholders’ and Associates Agreement in accordance with the terms thereof. Separately, Ong Bee Chip, Ong Chew Yong and Ong Bee Song agreed in January 2018 to terminate the Shareholders’ and Associates Agreement, and they have entered into a termination deed with our Company dated 16 March 2021 to formally record such termination.

### Share Split

On 31 May 2021, our Shareholders approved the Share Split, pursuant to which 14,771,188 Shares in the issued and paid-up capital of our Company were subdivided into 178,652,173 Shares. Following the Share Split, which was effected on 1 June 2021, the issued and paid-up share capital of our Company was S\$14,771,188 comprising 178,652,173 Shares.

### BCS Restructuring and Transfers of Employee Shares

On 11 April 2021, BCS was incorporated in Singapore as an investment holding company with an issued and paid-up share capital of S\$1,000 comprising 1,000 shares (“**BCS Shares**”). BCS is wholly-owned by Ong Bee Chip, Ong Bee Song and Ong Chew Yong as to 50.0%, 33.3% and 16.7% respectively.

On 1 June 2021, Ong Bee Chip, Ong Bee Song and Ong Chew Yong transferred 80,392,874, 53,550,721 and 26,846,075 Shares (representing 45.0%, 30.0% and 15.0% of the total number of issued Shares) respectively to BCS (“**BCS Restructuring**”). Part of these Shares were transferred directly to a total of 35 employees nominated by BCS as Employee Shares, as further described below. The aggregate consideration for the transfers by Ong Bee Chip, Ong Bee Song and Ong Chew Yong was S\$14,546,969, which was determined after taking into account the unaudited NAV of our Company as at 31 December 2020. The consideration was fully settled by BCS issuing 7,273,307, 4,844,843, and 2,428,819 new shares in the capital of BCS, credited as fully paid at S\$1 per share, to Ong Bee Chip, Ong Bee Song and Ong Chew Yong respectively.

## EXTENDED GROUP STRUCTURE

In the course of the BCS Restructuring, an aggregate of 1,000,000 Shares were transferred directly by Ong Bee Chip, Ong Chew Yong and Ong Bee Song to a total of 35 employees nominated by BCS. The Employee Shares were offered to these employees to recognise and reward them for their past contributions and services, and to align their interests with our Group to encourage greater dedication and loyalty to our Group.

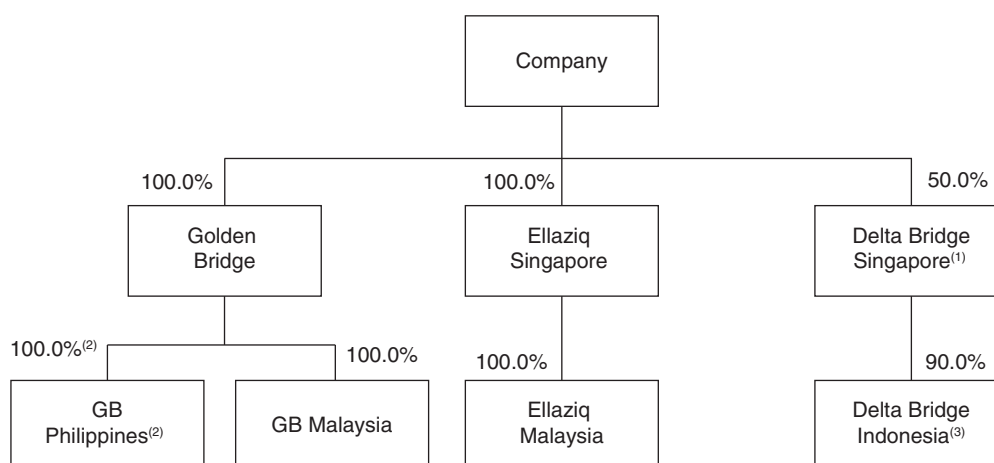
Each employee paid a nominal consideration of S\$1 for the Employee Shares transferred to him or her and the Employee Shares are subject to a moratorium as described in the section “Shareholders – Moratorium” of this Offer Document. Further, in the event that an employee ceases to be employed by us (other than as a result of retirement upon reaching the minimum retirement age under Singapore law or as a result of early retirement with BCS’ consent in writing) within two (2) years from the Listing Date, he or she will have to transfer all the Employee Shares held by him or her back to BCS at an aggregate nominal consideration of S\$1.

Any Employee Shares that may be transferred back to BCS as a result of any employee ceasing to be employed by us within such period of two (2) years would be subject to the applicable moratorium undertaken by BCS as described under the section “Shareholders – Moratorium” of this Offer Document. In relation to the Employee Shares, a share-based payment expense of an aggregate of approximately S\$0.23 million will be charged to the profit or loss pursuant to the transfer of the Employee Shares over a period of 24 months commencing from the Listing Date.

Please refer to the section “Shareholders – Ownership Structure” of this Offer Document for details on the shareholding structure of our Company after completion of these transfers.

### Extended Group Structure

As at the date of this Offer Document, the structure of our Extended Group is as follows:



#### Notes:

- (1) The remaining 50.0% of Delta Bridge Singapore is held by Hogsworld Pte Ltd, an unrelated third party. Neither our Group nor Hogsworld Pte Ltd has control over, including control over the board of directors of, Delta Bridge Singapore.
- (2) The total number of issued common shares of GB Philippines is 100,000 common shares. Due to local requirements in the Philippines, two (2) of the common shares of GB Philippines are held by two (2) individuals as nominees for Golden Bridge. The remaining 99,998 common shares of GB Philippines are directly held by Golden Bridge. The two (2) individuals are Eleanor Mercado Montenegro and Ong Yekai. Eleanor Mercado Montenegro is not related to any of our Directors or Controlling Shareholders. Ong Yekai is the son of our Managing Director, Ong Bee Chip.
- (3) The remaining 10.0% of Delta Bridge Indonesia is held by PT Agro Green Asia, an unrelated third party. Neither our Group nor PT Agro Green Asia has control over, including control over the board of directors of, Delta Bridge Indonesia.

## EXTENDED GROUP STRUCTURE

### Subsidiaries and associated companies

The details of our direct and indirect subsidiaries and associated companies as at the date of this Offer Document are as follows:

Name	Date and Place of Incorporation	Principal Place of Business	Principal Activities	Issued and Paid-up Share Capital	Effective Equity Interest Held by Our Group	Directors	Auditor
<b>Subsidiaries</b>							
Golden Bridge	3 August 1993 Singapore	Singapore	Manufacturing and sale of non-halal meat products	S\$6,000,000	100.0%	Ong Bee Chip, Ong Chew Yong, Ong Bee Song	RSM Chio Lim LLP
Ellaziq Singapore	25 May 2009 Singapore	Singapore	Manufacturing and sale of halal meat products	S\$800,000	100.0%	Ong Bee Chip, Ong Chew Yong, Ong Bee Song	RSM Chio Lim LLP
GB Malaysia	30 May 2017 Malaysia	Malaysia	Sale of non-halal and halal meat products	RM1,000,000	100.0%	Ong Bee Chip, Ong Chew Yong, Ong Bee Song, Teh Chong Piow	RSM Malaysia
Ellaziq Malaysia	8 February 2018 Malaysia	Malaysia	Sale of halal meat products	RM1,000,000	100.0%	Ong Bee Chip, Ong Chew Yong, Ong Bee Song, Teh Chong Piow	RSM Malaysia
GB Philippines <sup>(1)</sup>	5 April 2021 Philippines	Philippines	Sale of meat products	PHP10,000,000	100% <sup>(1)</sup>	Eleanor Mercado Montenegro, Ong Yekai <sup>(1)</sup>	Nil <sup>(2)</sup>
<b>Associated companies</b>							
Delta Bridge Singapore	12 March 2019 Singapore	Singapore	Holding company	S\$1,900,000	50.0% <sup>(3)</sup>	Ong Bee Chip, Ong Bee Song, Ong Chew Yong (alternate director to Ong Bee Song), Tan Hang Huat, Kok Chun Sing <sup>(4)</sup>	RSM Chio Lim LLP
Delta Bridge Indonesia	27 May 2019 Bintan, Riau, Indonesia	Indonesia	Manufacturing and sale of non-halal meat products	IDR2,500,000,000	45.0% <sup>(5)</sup>	Jan Marhusa Pakpahan, Ong Yekai <sup>(6)</sup>	Nil <sup>(7)</sup>

#### Notes:

- (1) As at the Latest Practicable Date, GB Philippines has not commenced any business activities. The total number of issued common shares of GB Philippines is 100,000 common shares. Due to local requirements in the Philippines, two (2) of the common shares of GB Philippines are held by two (2) individuals as nominees for Golden Bridge. The remaining 99,998 common shares of GB Philippines are directly held by Golden Bridge. The two (2) individuals are Eleanor Mercado Montenegro and Ong Yekai. Eleanor Mercado Montenegro is not related to any of our Directors or Controlling Shareholders. Ong Yekai is the son of our Managing Director, Ong Bee Chip.
- (2) As at the Latest Practicable Date, GB Philippines has not appointed an auditor. GB Philippines is required to appoint an auditor by 31 December 2021.
- (3) Neither our Group nor Hogsworld Pte Ltd has control over, including control over the board of directors of, Delta Bridge Singapore.
- (4) Tan Hang Huat and Kok Chun Sing are not related to any of our Directors or Controlling Shareholders.
- (5) Our associated company, Delta Bridge Singapore, in which we hold 50.0% of the issued shares, holds 90.0% of the equity interest in Delta Bridge Indonesia. Neither our Group nor PT Agro Green Asia (which holds 10.0% of the equity interest in Delta Bridge Indonesia) has control over, including control over the board of directors of, Delta Bridge Indonesia.
- (6) Ong Yekai is a director of Delta Bridge Indonesia and is the son of our Managing Director, Ong Bee Chip. Jan Marhusa Pakpahan is a director of Delta Bridge Indonesia and is not related to any of our Directors or Controlling Shareholders. Tonny Budhi Hardjo is a commissioner of Delta Bridge Indonesia and is not related to any of our Directors or Controlling Shareholders. Under Indonesia law, the commissioner is generally responsible for supervising the way the board of directors discharges its management responsibilities and to provide the board of directors with advice.

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## EXTENDED GROUP STRUCTURE

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- (7) There are requirements under Indonesia company law for Indonesian companies which meet certain criteria to appoint an auditor and to have the financial statements audited by a public accountant. Such requirements, however, are not applicable to Delta Bridge Indonesia as it does not meet the prescribed criteria under Indonesia company law.

None of the above subsidiaries or associated companies is listed on any stock exchange.

None of our Independent Directors sits on the boards of our subsidiaries or associated companies.

Save as disclosed above, our Company does not have any other subsidiaries, subsidiary entities, associated companies or associated entities.

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## SHARE CAPITAL

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### SHARE CAPITAL

Our Company was incorporated in Singapore on 3 March 2015 under the Companies Act as a private company limited by shares under the name of “OTS Holding Pte. Ltd.”, and changed our name to “OTS Holdings Pte. Ltd.” on 25 March 2015.

Our Company was converted into a public company limited by shares, and our name was changed to “OTS Holdings Limited” in connection therewith, on 1 June 2021.

Our issued and paid-up share capital as at the date of incorporation was S\$500 comprising 500 Shares. The changes in our issued and paid-up share capital since incorporation are described in the sections “Extended Group Structure – Internal Restructuring”, “Share Capital – Changes in Issued Share Capital” and “General and Statutory Information – Share Capital” of this Offer Document.

Our issued and paid-up share capital immediately after the completion of the Internal Restructuring was S\$14,771,188 comprising 14,771,188 Shares.

On 31 May 2021, our Shareholders passed resolutions to approve, among other things, the following:

- (a) the conversion of our Company into a public company limited by shares and the change of our name to “OTS Holdings Limited”;
- (b) the adoption of the new Constitution;
- (c) the Share Split, pursuant to which 14,771,188 Shares in the issued and paid-up capital of our Company were subdivided into 178,652,173 Shares on 1 June 2021;
- (d) the allotment and issue of the New Shares on the basis that the New Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the then existing issued Shares;
- (e) the allotment and issue of 347,827 SAC Capital Shares to SAC Capital as part satisfaction of their management fees as the Sponsor and Issue Manager, which when allotted, issued and fully paid, will rank *pari passu* in all respects with the then existing issued Shares;
- (f) the listing and quotation of all of our Shares that are already issued (including the Vendor Shares), the SAC Capital Shares and the New Shares on Catalist;
- (g) the authorisation for our Directors, pursuant to section 161 of the Companies Act and the Catalist Rules, to:
  - (i) (A) allot and issue (in addition to the New Shares and the SAC Capital Shares) Shares whether by way of rights, bonus or otherwise; and/or
  - (B) make or grant offers, agreements or options (collectively “**Instruments**”) that might or would require Shares to be issued during the continuance of this authority or thereafter, including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures, convertible securities or other instruments convertible into Shares; and/or

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## SHARE CAPITAL

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(C) notwithstanding that such authority may have ceased to be in force at the time that Instruments are to be issued, issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues,

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

(ii) issue Shares in pursuance of any Instrument made or granted by our Directors pursuant to (i)(B) and/or (i)(C) above, while such authority was in force (notwithstanding that such issue of Shares pursuant to the Instruments may occur after the expiration of the authority contained in this resolution),

provided:

- (1) the aggregate number of Shares to be issued pursuant to such authority (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this authorisation but excluding Shares which may be issued pursuant to any adjustments (“**Adjustments**”) effected under any relevant Instrument, which Adjustments shall be made in compliance with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being) does not exceed 100.0% of the post-Invitation total number of issued Shares (excluding treasury shares and subsidiary holdings) immediately after completion of the Invitation, and provided further that the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments made or granted pursuant to such authority, but excluding Shares which may be issued pursuant to any Adjustments effected under any relevant Instrument) other than on a pro-rata basis to existing Shareholders shall not exceed 50.0% of the post-Invitation total number of issued Shares (excluding treasury shares and subsidiary holdings) immediately after completion of the Invitation;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of Shares that may be issued shall be based on the post-Invitation total number of issued Shares (excluding treasury shares and subsidiary holdings) immediately after the completion of the Invitation, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities which were issued and outstanding or subsisting at the time of the passing of the resolution approving this authority;
  - (b) new Shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving this authority, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares; and
- (3) in exercising such authority, our 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) and the Constitution for the time being; and



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## SHARE CAPITAL

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- (4) unless revoked or varied by our Company in a general meeting by ordinary resolution, such authority shall continue in force until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by law to be held, whichever is earlier; and
- (h) the adoption of the general mandate for interested person transactions, details of which are set out in the section “Interested Person Transactions – General Mandate for Interested Person Transactions” of this Offer Document.

As at the Latest Practicable Date, there is only one (1) class of shares in the capital of our Company. The rights and privileges attached to our Shares are stated in our Constitution. Please see “Appendix D – Summary of our Constitution” to this Offer Document for details. There is no restriction on the transfer of fully-paid Shares in scripless form, except where required by law or the Catalist Rules.

There are no founder, management, deferred or unissued Shares reserved for issuance for any purpose. The SAC Capital Shares and New Shares will have the same interest and voting rights as our existing Shares (including the Vendor Shares) that were issued prior to the Invitation, and there are no restrictions on the free transferability of our Shares, save as described in the section “Shareholders – Moratorium” of this Offer Document or except where required by law or the Catalist Rules.

As at the date of this Offer Document, the issued and paid-up share capital of our Company is S\$14,771,188 comprising 178,652,173 Shares. Upon the allotment and issue of the New Shares and the SAC Capital Shares, the resultant issued and paid-up share capital of our Company will be S\$22,463,076 comprising 214,000,000 Shares.

As at the date of this Offer Document, save in relation to the arrangement relating to the Employee Shares which have been transferred to 35 employees (please refer to the section “Extended Group Structure – BCS Restructuring and Transfers of Employee Shares” of this Offer Document for further details), no person has, or has the right to be given, an option to subscribe for or purchase any securities or securities-based derivatives contracts of our Company and/or our subsidiaries.

### CHANGES IN ISSUED SHARE CAPITAL

Details of the changes in the issued and paid-up share capital of our Company since incorporation and the resultant issued and paid-up share capital of our Company immediately after the completion of the Invitation are as follows:

	<b>Number of Shares Issued/ Purchased or subject to Capital Reduction</b>	<b>Resultant Total Number of Issued Shares</b>	<b>Resultant Issued and Paid-up Share Capital (S\$)</b>
Shares issued as at our incorporation	500	500	500
Issue of Shares to Golden Bridge and Swee Heng <sup>(1)</sup>	300,000	300,500	300,500

## SHARE CAPITAL

	Number of Shares Issued/ Purchased or subject to Capital Reduction	Resultant Total Number of Issued Shares	Resultant Issued and Paid-up Share Capital (S\$)
Issue of Shares to Ong Bee Chip, Ong Bee Song, Ong Chew Yong, Ng Chai Huat and Ong Chu Eng in consideration for the acquisition of Golden Bridge, Ellaziq Singapore and Swee Heng <sup>(1)</sup>	27,000,000	27,300,500	27,300,500
Buy-back of Shares from Golden Bridge and Swee Heng <sup>(1)</sup>	(300,000)	27,000,500	27,000,500
Selective capital reduction by way of cash distribution to Ng Chai Huat and Ong Chu Eng <sup>(1)</sup>	(12,229,312)	14,771,188	14,771,188
<b>Total issued Shares immediately before the Share Split</b>	–	14,771,188	14,771,188
<b>Total issued Shares immediately after the Share Split</b>	–	178,652,173	14,771,188
SAC Capital Shares to be issued	347,827	179,000,000	14,838,068 <sup>(2)</sup>
New Shares to be issued	35,000,000	214,000,000	22,463,076 <sup>(3)</sup>
<b>Total issued Shares immediately after completion of the Invitation</b>	–	<b>214,000,000</b>	<b>22,463,076</b>

**Notes:**

- (1) Please see the section “Extended Group Structure – Internal Restructuring” of this Offer Document.
- (2) After deducting expenses incurred in relation to SAC Capital’s management fees as the Sponsor and Issue Manager of approximately S\$0.01 million which is capitalised against share capital as described in the section “Use of Proceeds and Listing Expenses” of this Offer Document. The remaining expenses of approximately S\$0.07 million will be charged to profit or loss.
- (3) After deducting expenses in relation to the Invitation of approximately S\$0.42 million which is capitalised against share capital as described in the section “Use of Proceeds and Listing Expenses” of this Offer Document. The remaining expenses of approximately S\$1.06 million will be charged to profit or loss.

Save as disclosed above and in the sections “Extended Group Structure – Internal Restructuring” and “General and Statutory Information – Share Capital” of this Offer Document, there has not been any change in the issued and paid-up share capital of our Company or our subsidiaries within the three (3) years preceding the Latest Practicable Date.

Save as disclosed above and in the sections “Extended Group Structure – Internal Restructuring” and “General and Statutory Information – Share Capital” of this Offer Document, no shares were issued or agreed to be issued by our Company for a consideration other than cash within the period of three (3) years prior to the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority.

## SHAREHOLDERS

### OWNERSHIP STRUCTURE

The shareholdings of our Directors and Substantial Shareholders as at the Latest Practicable Date, immediately before the Invitation and immediately after the Invitation are set out below:

	As at the Latest Practicable Date			Immediately before the Invitation			Immediately after the Invitation		
	Direct Interest	Deemed Interest		Direct Interest	Deemed Interest		Direct Interest	Deemed Interest	
	Number of Shares	Number of Shares	%	Number of Shares	Number of Shares	%	Number of Shares	Number of Shares	%
<b>Directors</b>									
Yu Lai Boon	-	-	-	-	-	-	-	-	-
Ong Bee Chip <sup>(1)</sup>	7,385,544	-	50.0	8,932,608	160,789,670	90.0	8,932,608	160,789,670	75.1
Ong Chew Yong <sup>(2)</sup>	2,461,915	-	16.7	2,929,895	30,000	0.0	2,929,895	30,000	0.0
Chan Hiang Tiak	-	-	-	-	-	-	-	-	-
Tan Poh Hong	-	-	-	-	-	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>									
BCS <sup>(1)(3)</sup>	-	-	-	159,789,670	1,000,000	0.6	159,789,670	1,000,000	0.5
Ong Bee Song <sup>(1)</sup>	4,923,729	-	33.3	6,000,000	160,789,670	90.0	-	160,789,670	75.1
<b>Other Shareholders</b>									
SAC Capital <sup>(4)</sup>	-	-	-	-	-	-	347,827	-	-
Employees <sup>(5)</sup>	-	-	-	1,000,000	-	-	1,000,000	-	-
Public	-	-	-	-	-	-	41,000,000	-	19.1
<b>Total</b>	<b>14,771,188</b>	<b>100.0</b>		<b>178,652,173</b>	<b>100.0</b>		<b>214,000,000</b>	<b>100.0</b>	

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## SHAREHOLDERS

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**Notes:**

- (1) BCS, our Controlling Shareholder, is an investment holding company incorporated in Singapore on 11 April 2021. As at the Latest Practicable Date, BCS is owned by Ong Bee Chip (50.0%), Ong Bee Song (33.3%), and Ong Chew Yong (16.7%). Accordingly, each of Ong Bee Chip and Ong Bee Song is deemed to have an interest in the Shares in which BCS has an interest by virtue of section 4 of the SFA.
  - (2) Ong Chew Yong is deemed to have an interest in 30,000 Employee Shares held by her spouse, Lee Tee Chin, by virtue of section 133(4) of the SFA.
  - (3) BCS is deemed to have an interest in the 1,000,000 Employee Shares held by the 35 employees to whom the Employee Shares were transferred in the course of the BCS Restructuring by virtue of section 4 of the SFA.
  - (4) Pursuant to the Sponsorship and Management Agreement and as part satisfaction of SAC Capital's management fees as the Sponsor and Issue Manager, our Company will be allotting and issuing 347,827 SAC Capital Shares, credited as fully paid at the Invitation Price per SAC Capital Share, to SAC Capital. After the expiry of the moratorium period as set out in the section "Shareholders – Moratorium" of this Offer Document, SAC Capital has the discretion to dispose of the SAC Capital Shares.
  - (5) To recognise and reward employees for their past contributions and services and to align their interests with our Group to encourage greater dedication and loyalty to our Group, BCS had nominated 35 employees to receive an aggregate of 1,000,000 Employee Shares which were transferred to them as part of the BCS Restructuring. Each employee paid a nominal consideration of S\$1.00 for the Employee Shares transferred to him and the Employee Shares are subject to a moratorium as described in the section "Shareholders – Moratorium" of this Offer Document. Each of these employees holds less than 5.0% of the pre-Invitation share capital of our Company. In relation to the Employee Shares, a share-based payment expense of an aggregate of approximately S\$0.23 million will be charged to the profit or loss pursuant to the transfer of the Employee Shares over a period of 24 months commencing from the Listing Date.
- Save for Ong Shiya (daughter of Ong Bee Chip), Ong Yekai (son of Ong Bee Chip), Li Huanmin (daughter of Ong Chew Yong), Lee Tee Chin (spouse of Ong Chew Yong), Tan Jie Ren, Jaren (son-in-law of Ong Bee Chip), and Khor Zheng Hou (son-in-law of Ong Chew Yong), who received an aggregate of 230,000 Employee Shares, none of these employees are related to our Directors and Substantial Shareholders.

## SHAREHOLDERS

The Shares held by our Directors and Substantial Shareholders do not carry different voting rights from the Invitation Shares.

To the extent known to our Company, save as disclosed above, our Company is not directly or indirectly owned or controlled, whether severally or jointly, by any person or government.

There is no known arrangement the operation of which may, at a subsequent date, result in a change in the control of our Company.

There are no Shares that are held by or on behalf of our Company or any of our subsidiaries.

### SIGNIFICANT CHANGES IN THE PERCENTAGE OF OWNERSHIP

Save as disclosed in the sections “Extended Group Structure – Internal Restructuring”, “Extended Group Structure – BCS Restructuring and Transfers of Employee Shares”, and “Share Capital” of this Offer Document, there were no significant changes in the percentage of ownership of our Shares held by our Directors and Substantial Shareholders in the last three years (3) prior to the Latest Practicable Date.

### VENDOR

The number of Vendor Shares which the Vendor will offer pursuant to the Invitation are set out below:

	Immediately before the Invitation		Vendor Shares offered pursuant to the Invitation		Immediately after the Invitation	
	Number of Shares	% of pre-Invitation share capital	Number of Shares	% of pre-Invitation share capital	Number of Shares	% of post-Invitation share capital
Ong Bee Song <sup>(1)</sup>	6,000,000	3.4	6,000,000	3.4	–	–

**Note:**

(1) This does not include the Shares in which Ong Bee Song is deemed to have an interest through our Controlling Shareholder, BCS, by virtue of section 4 of the SFA as set out in the section “Shareholders – Ownership Structure” of this Offer Document.

Ong Bee Song is our Controlling Shareholder, and is employed as a sales director of Golden Bridge and Ellaziq Singapore.

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## SHAREHOLDERS

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### MORATORIUM

#### Promoters

In demonstration of their commitment to our Group, each of:

- (a) our Controlling Shareholder, BCS; and
- (b) our Executive Directors, Ong Bee Chip (who is also our Controlling Shareholder) and Ong Chew Yong,

who collectively hold an aggregate of 171,652,173 Shares representing approximately 80.2% of the total number of issued Shares immediately after the Invitation, has irrevocably and unconditionally undertaken to the Sponsor and Issue Manager, and our Company, not to, directly or indirectly:

- (a) offer, pledge, sell, realise, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, any of his/her Shares held immediately after the Listing (adjusted for any bonus issue or sub-division or consolidation of shares) ("**Lock-up Shares**") or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/her Lock-up Shares;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of his/her Lock-up Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/her Lock-up Shares, whether any such transaction described above is to be settled by delivery of his/her Lock-up Shares or such other securities, in cash or otherwise;
- (c) deposit any of his/her Lock-up Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of his/her Lock-up Shares in any depository receipt facilities (other than in a CDP designated moratorium account, if any, for the purposes of complying with his/her obligations under his/her undertaking), whether any such transaction described above is to be settled by delivery of his/her Lock-up Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above,

(each a "**Restricted Activity**"), for (i) in relation to the entire Lock-up Shares, a period of six (6) months commencing from the Listing Date ("**First Lock-up Period**"), and (ii) in relation to at least 50.0% of such Lock-up Shares, a period of six (6) months immediately following the First Lock-up Period ("**Second Lock-up Period**").

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## SHAREHOLDERS

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Further, Ong Bee Chip, Ong Bee Song and Ong Chew Yong, who collectively hold all of the issued shares in the capital of BCS ("**BCS Shares**"), have each irrevocably and unconditionally undertaken to the Sponsor and Issue Manager, and our Company, not to, directly or indirectly enter into any Restricted Activity, which shall apply (with the necessary modifications) in respect of all of his/her interests in the BCS Shares, for a period of twelve (12) months commencing from the Listing Date.

### Employees

In demonstration of their commitment to our Group, the employees nominated by BCS to receive the Employee Shares, who collectively hold an aggregate of 1,000,000 Shares representing approximately 0.5% of the total number of issued Shares immediately after the Invitation, have irrevocably and unconditionally undertaken not to, directly or indirectly:

- (a) offer, pledge, sell, realise, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, any of his/her Shares held immediately after the Listing (adjusted for any bonus issue or sub-division or consolidation of shares) ("**Lock-up Employee Shares**") or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/her Lock-up Employee Shares;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of his/her Lock-up Employee Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of his/her Lock-up Employee Shares, whether any such transaction described above is to be settled by delivery of his/her Lock-up Employee Shares or such other securities, in cash or otherwise;
- (c) deposit any of his/her Lock-up Employee Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of his/her Lock-up Employee Shares in any depository receipt facilities (other than in a CDP designated moratorium account, if any, for the purposes of complying with his/her obligations under his/her undertaking), whether any such transaction described above is to be settled by delivery of his/her Lock-up Employee Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above,

in relation to all the Lock-up Employee Shares, for a period of two (2) years commencing from the Listing Date provided that, in the case of an employee who retires upon reaching the minimum retirement age under Singapore law or enters into early retirement with BCS' consent in writing, during such period of two (2) years, the undertaking shall expire upon his or her retirement or 12 months from the Listing Date, whichever is later.

The Lock-up Shares of BCS shall include any Employee Shares which may be transferred back to BCS following the employee's cessation of employment (other than as a result of retirement upon reaching the minimum retirement age under Singapore law or as a result of early retirement with BCS' consent in writing) within the period of two (2) years from the Listing Date.



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## SHAREHOLDERS

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### SAC Capital

Pursuant to the Sponsorship and Management Agreement and as part satisfaction of SAC Capital's management fees as the Sponsor and Issue Manager, our Company will be allotting and issuing the SAC Capital Shares to SAC Capital, representing approximately 0.2% of the total number of issued Shares immediately after the Invitation, credited as fully paid at the Invitation Price for each Share.

SAC Capital has irrevocably and unconditionally undertaken to our Company, for a period of six (6) months commencing from the Listing Date ("**Moratorium Period**") not to, directly or indirectly:

- (a) offer, pledge, sell, realise, assign, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant any security over, encumber or otherwise transfer or dispose of, any of the SAC Capital Shares held immediately after the Listing (adjusted for any bonus issue or sub-division or consolidation of shares) or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the SAC Capital Shares;
- (b) enter into any swap, hedge or other transaction or arrangement (including a derivative transaction) that transfers to another, in whole or in part, any of the economic consequences of ownership of the SAC Capital Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe for or purchase any of the SAC Capital Shares, whether any such transaction described above is to be settled by delivery of the SAC Capital Shares or such other securities, in cash or otherwise;
- (c) deposit any of the SAC Capital Shares or any securities convertible into or exchangeable for or which carry rights to subscribe for or purchase any of the SAC Capital Shares in any depository receipt facilities (other than in a CDP designated moratorium account, if any, for the purposes of complying with its obligations under its undertaking), whether any such transaction described above is to be settled by delivery of the SAC Capital Shares or such other securities, in cash or otherwise;
- (d) enter into any transaction which is designed or which may reasonably be expected to result in any of the above; or
- (e) announce or publicly disclose any intention to do any of the above.

Upon the expiry of the Moratorium Period, SAC Capital has the discretion to dispose of the SAC Capital Shares.

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## DILUTION

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Dilution is the amount by which the Invitation Price exceeds the pro forma NAV per Share immediately after the completion of the Invitation.

Our unaudited pro forma NAV per Share as at 31 December 2020 after adjusting for the Internal Restructuring but before adjusting for the estimated net proceeds from the issue of the New Shares and based on pre-Invitation share capital of 178,652,173 Shares, was 12.24 cents.

Pursuant to the issuance of 35,000,000 New Shares and 347,827 SAC Capital Shares at the Invitation Price, our unaudited pro forma NAV per Share as at 31 December 2020 after adjusting for the Internal Restructuring and the estimated net proceeds from the issue of the New Shares and based on the post-Invitation share capital of 214,000,000 Shares, would have been 13.28 cents.

This represents an immediate increase in NAV per Share of 1.04 cents, or approximately 8.5%, to our existing Shareholders and an immediate dilution in NAV per Share of 9.72 cents, or approximately 42.3%, to our new investors subscribing for and/or purchasing the Invitation Shares at the Invitation Price.

The following table illustrates such dilution on a per Share basis:

	<b>Cents</b>
Invitation Price	23.00
Unaudited pro forma NAV per Share as at 31 December 2020 after adjusting for the Internal Restructuring but before adjusting for estimated net proceeds from the issue of the New Shares and based on pre-Invitation share capital of 178,652,173 Shares	12.24
Increase in NAV per Share attributable to existing Shareholders	1.04
NAV per Share after the Invitation <sup>(1)</sup>	13.28
Dilution in NAV per Share to new investors	9.72
Dilution in NAV per Share to new investors as a percentage of the Invitation Price	42.3%

**Note:**

- (1) The NAV per Share after adjusting for the Share Split and the issue of the New Shares does not take into account our actual financial performance after 31 December 2020. Depending on our actual financial results, our NAV per Share after the Invitation may be higher or lower than the NAV reflected in the table above.

## DILUTION

The following table summarises the total number of Shares (after adjusting for the Share Split) acquired by our Substantial Shareholder and/or their associates, or Shares which they have the right to acquire, during the period of three (3) years prior to the date of lodgement of this Offer Document, and also the Employee Shares transferred to the 35 employees, the SAC Capital Shares, and the Invitation Shares that will be subscribed for or purchased by investors pursuant to the Invitation, the total consideration paid by them and the average effective cash cost per Share to them:

	Number of Shares acquired or for which there is a right to acquire	Total consideration (S\$)	Average effective cash cost per Share (cents)
<b>Substantial Shareholder</b>			
BCS <sup>(1)</sup>	160,789,670	14,546,969	9.05
<b>Other Shareholders</b>			
SAC Capital <sup>(2)</sup>	347,827	80,000	23.00
Employees <sup>(3)</sup>	1,000,000	35	–
<b>New investors pursuant to the Invitation</b>	41,000,000	9,430,000	23.00

**Notes:**

- (1) As at the Latest Practicable Date, our Controlling Shareholder, BCS is owned by Ong Bee Chip (50.0%), Ong Bee Song (33.3%), and Ong Chew Yong (16.7%). Accordingly, each of Ong Bee Chip and Ong Bee Song is deemed to have an interest in the Shares in which BCS has an interest by virtue of section 4 of the SFA.
- (2) Pursuant to the Sponsorship and Management Agreement and as part satisfaction of SAC Capital's management fees as the Sponsor and Issue Manager, our Company will be allotting and issuing 347,827 SAC Capital Shares, credited as fully paid at the Invitation Price per SAC Capital Share, to SAC Capital.
- (3) Each employee had paid a nominal consideration of S\$1 for the Employee Shares transferred to him or her. The employees include Ong Shiya (daughter of Ong Bee Chip), Ong Yekai (son of Ong Bee Chip), Li Huanmin (daughter of Ong Chew Yong), Lee Tee Chin (spouse of Ong Chew Yong), Tan Jie Ren, Jaren (son-in-law of Ong Bee Chip), and Khor Zheng Hou (son-in-law of Ong Chew Yong), who received an aggregate of 230,000 Employee Shares.

Save as disclosed above, none of our Directors, Substantial Shareholders or their associates has acquired any Shares during the period of three (3) years prior to the date of lodgement of this Offer Document.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information of our Group should be read in conjunction with the full text of this Offer Document, including the “Independent Auditor’s Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020”, the “Independent Auditor’s Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020”, and the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020” as set out in Appendices A, B and C to this Offer Document respectively, as well as the section “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document. Our financial statements are prepared and presented in accordance with SFRS(I).

### SELECTED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>

(\$)	← Audited →			← Unaudited →	
	FY2018	FY2019	FY2020	HY2020	HY2021
<b>Revenue</b>	23,883,674	26,283,036	34,535,392	14,641,025	21,118,246
Cost of sales	(18,468,939)	(19,546,489)	(24,286,865)	(10,490,402)	(14,465,190)
<b>Gross profit</b>	5,414,735	6,736,547	10,248,527	4,150,623	6,653,056
Other income and gains	1,089,813	258,948	824,194	116,765	686,891
Marketing and distribution costs	(1,621,480)	(1,774,287)	(2,073,957)	(920,328)	(1,108,323)
Administrative expenses	(3,414,294)	(3,886,756)	(4,193,661)	(2,001,180)	(2,333,388)
Finance costs	(110,551)	(74,813)	(261,304)	(135,622)	(147,885)
Other losses	(4,467)	(64,432)	(80,233)	(27,367)	(159,528)
Share of loss from joint venture	–	–	(72,888)	(22,278)	(63,328)
<b>Profit before income tax</b>	<b>1,353,756</b>	<b>1,195,207</b>	<b>4,390,678</b>	<b>1,160,613</b>	<b>3,527,495</b>
Income tax income (expense)	70,964	389,525	(838,964)	(365,202)	(650,329)
<b>Profit for the year/period</b>	<b>1,424,720</b>	<b>1,584,732</b>	<b>3,551,714</b>	<b>795,411</b>	<b>2,877,166</b>
<b>Other comprehensive income (loss):</b>					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations, net of income tax	10,694	(11,930)	(11,893)	(3,251)	7,907
Other comprehensive income (loss) for the year/period, net of income tax	10,694	(11,930)	(11,893)	(3,251)	7,907
<b>Total comprehensive income for the year/period</b>	<b>1,435,414</b>	<b>1,572,802</b>	<b>3,539,821</b>	<b>792,160</b>	<b>2,885,073</b>
Pre-Invitation EPS (cents) <sup>(2)</sup>	0.80	0.89	1.99	0.45	1.61
Post-Invitation EPS (cents) <sup>(3)</sup>	0.67	0.74	1.66	0.37	1.34

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

**Notes:**

- (1) Our consolidated statements of profit or loss and other comprehensive income for the Period Under Review have been prepared on the basis that our Group had been in existence throughout the Period Under Review.
- (2) For comparative purposes, pre-Invitation EPS for the Period Under Review have been computed based on the profit for the year/period and our pre-Invitation share capital of 178,652,173 Shares.
- (3) For comparative purposes, post-Invitation EPS for the Period Under Review have been computed based on the profit for the year/period and our post-Invitation share capital of 214,000,000 Shares.

### SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION<sup>(1)</sup>

(S\$)	Audited As at 30 June 2020	Unaudited As at 31 December 2020
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	11,099,987	11,258,166
Right-of-use assets	3,395,226	3,263,517
Intangible assets	12	12
Investment in joint venture	425,494	359,319
Other non-financial assets	50,718	–
<b>Total non-current assets</b>	<b>14,971,437</b>	<b>14,881,014</b>
<b><u>Current assets</u></b>		
Inventories	9,954,410	9,166,640
Trade and other receivables	6,041,270	7,619,033
Other non-financial assets	283,514	781,573
Cash and cash equivalents	5,044,355	4,935,918
<b>Total current assets</b>	<b>21,323,549</b>	<b>22,503,164</b>
<b>Total assets</b>	<b>36,294,986</b>	<b>37,384,178</b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity</u></b>		
Share capital	14,771,188	14,771,188
Retained earnings	5,226,416	8,103,582
Foreign currency reserve	(13,129)	(5,222)
<b>Equity, attributable to equity holders of the Company</b>	<b>19,984,475</b>	<b>22,869,548</b>

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

(S\$)	Audited As at 30 June 2020	Unaudited As at 31 December 2020
<b><u>Non-current liabilities</u></b>		
Deferred tax liabilities	240,676	298,409
Provision	588,000	588,000
Loans and borrowings	3,903,654	3,829,936
Lease liabilities	3,278,070	3,113,780
Other non-financial liabilities	218,149	156,260
<b>Total non-current liabilities</b>	<b>8,228,549</b>	<b>7,986,385</b>
<b><u>Current liabilities</u></b>		
Income tax payable	139,236	603,929
Trade and other payables	5,961,875	4,469,201
Loans and borrowings	1,351,756	1,025,616
Lease liabilities	267,487	305,720
Other non-financial liabilities	361,608	123,779
<b>Total current liabilities</b>	<b>8,081,962</b>	<b>6,528,245</b>
<b>Total liabilities</b>	<b>16,310,511</b>	<b>14,514,630</b>
<b>Total equity and liabilities</b>	<b>36,294,986</b>	<b>37,384,178</b>
<b>NAV per Share (cents)<sup>(2)</sup></b>	<b>11.19</b>	<b>12.80</b>

**Notes:**

- (1) Our consolidated statements of financial position as at 30 June 2020 and 31 December 2020 have been prepared on the basis that our Group had been in existence on those dates.
- (2) For comparative purposes, our NAV per Share as at 30 June 2020 and 31 December 2020 have been computed based on the total equity and our pre-Invitation share capital of 178,652,173 Shares.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

### SUMMARY OF UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(\$)	Unaudited As at 30 June 2020	Unaudited As at 31 December 2020
<b>ASSETS</b>		
<b><u>Non-current assets</u></b>		
Property, plant and equipment	11,099,987	11,258,166
Right-of-use assets	3,395,226	3,263,517
Intangible assets	12	12
Investment in joint venture	425,494	359,319
Other non-financial assets	50,718	–
<b>Total non-current assets</b>	<b>14,971,437</b>	<b>14,881,014</b>
<b><u>Current assets</u></b>		
Inventories	9,954,410	9,166,640
Trade and other receivables	6,041,270	7,619,033
Other non-financial assets	283,514	781,573
Cash and cash equivalents	4,039,914	3,931,477
<b>Total current assets</b>	<b>20,319,108</b>	<b>21,498,723</b>
<b>Total assets</b>	<b>35,290,545</b>	<b>36,379,737</b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Equity</u></b>		
Share capital	14,771,188	14,771,188
Retained earnings	4,221,975	7,099,141
Foreign currency reserve	(13,129)	(5,222)
<b>Equity, attributable to equity holders of the Company</b>	<b>18,980,034</b>	<b>21,865,107</b>
<b><u>Non-current liabilities</u></b>		
Deferred tax liabilities	240,676	298,409
Provision	588,000	588,000
Loans and borrowings	3,903,654	3,829,936
Lease liabilities	3,278,070	3,113,780
Other non-financial liabilities	218,149	156,260
<b>Total non-current liabilities</b>	<b>8,228,549</b>	<b>7,986,385</b>



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## SELECTED CONSOLIDATED FINANCIAL INFORMATION

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(S\$)	Unaudited As at 30 June 2020	Unaudited As at 31 December 2020
<b>Current liabilities</b>		
Income tax payable	139,236	603,929
Trade and other payables	5,961,875	4,469,201
Loans and borrowings	1,351,756	1,025,616
Lease liabilities	267,487	305,720
Other non-financial liabilities	361,608	123,779
<b>Total current liabilities</b>	8,081,962	6,528,245
<b>Total liabilities</b>	16,310,511	14,514,630
<b>Total equity and liabilities</b>	35,290,545	36,379,737
<b>NAV per Share (cents)<sup>(1)</sup></b>	10.62	12.24

**Note:**

- (1) For comparative purposes, our NAV per Share as at 30 June 2020 and 31 December 2020 have been computed based on the total equity and our pre-Invitation share capital of 178,652,173 Shares.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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*The following discussion of our results of operations and financial position has been prepared by our management and should be read in conjunction with the full text of this Offer Document, including the "Independent Auditor's Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020", the "Independent Auditor's Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020", and the "Independent Auditor's Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020" as set out in Appendices A, B and C to this Offer Document respectively.*

*This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause our future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Offer Document, particularly in the section "Risk Factors" of this Offer Document. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumption by our Company, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date hereof. Please refer to the section "Cautionary Note Regarding Forward-Looking Statements" of this Offer Document.*

### OVERVIEW

Established in 1993, we are a brand builder and food manufacturing group in the consumer industry with a strong niche in ready-to-eat and ready-to-cook meat products, with key markets in Singapore and Malaysia. Our vision is to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region.

Please refer to the section "General Information on our Group – Business Overview" of this Offer Document for further details.

Our Company was incorporated in Singapore on 3 March 2015 under the Companies Act as a private company limited by shares under the name "OTS Holding Pte. Ltd.", and we changed our name to "OTS Holdings Pte. Ltd." on 25 March 2015. We were converted into a public limited company on 1 June 2021 and our name was changed to "OTS Holdings Limited". Please refer to the sections "Extended Group Structure" and "Share Capital" of this Offer Document for further details.

### Revenue

For the Period Under Review, our revenue comprised the following:

- (a) sales generated from major supermarkets ("**Modern Trade**");
- (b) sales generated from convenience stores, provision shops and wholesalers ("**General Trade**");

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

- (c) sales generated from hotels, restaurants, hawker centres, food courts, food and beverage stores, and caterers ("**Food Services**"); and
- (d) sales that are mainly generated from e-commerce platforms and the export markets, and other income such as vehicle rental income and miscellaneous income ("**Others**").

Our revenue amounted to approximately S\$23.88 million, S\$26.28 million, S\$34.54 million, S\$14.64 million and S\$21.12 million for FY2018, FY2019, FY2020, HY2020 and HY2021 respectively.

Revenue from sale of goods is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, Incoterms are considered). Revenue from rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis over the term of the lease. Revenue from miscellaneous income is recognised when the Group satisfies the performance obligation at a point in time, generally when the significant acts have been completed and when transfer of control occurs, or for services that are not significant transactions, revenue is recognised as the services are provided.

The breakdown of our revenue by business segments and geographical segments for the Period Under Review are set out in the tables below:

### *Revenue by business segments*

	← Audited →						← Unaudited →			
	FY2018		FY2019		FY2020		HY2020		HY2021	
	S\$	%	S\$	%	S\$	%	S\$	%	S\$	%
Modern Trade	8,565,900	35.9	8,454,878	32.2	10,963,733	31.7	4,251,058	29.0	5,216,502	24.7
General Trade	8,140,413	34.1	9,770,571	37.2	14,089,613	40.8	5,832,276	39.9	10,293,988	48.7
Food Services	5,278,651	22.1	5,788,086	22.0	6,097,541	17.7	3,286,762	22.4	3,224,088	15.3
Others	1,898,710	7.9	2,269,501	8.6	3,384,505	9.8	1,270,929	8.7	2,383,668	11.3
<b>Total</b>	<b>23,883,674</b>	<b>100.0</b>	<b>26,283,036</b>	<b>100.0</b>	<b>34,535,392</b>	<b>100.0</b>	<b>14,641,025</b>	<b>100.0</b>	<b>21,118,246</b>	<b>100.0</b>

### *Revenue by geographical segments*

	← Audited →						← Unaudited →			
	FY2018		FY2019		FY2020		HY2020		HY2021	
	S\$	%	S\$	%	S\$	%	S\$	%	S\$	%
Singapore	21,815,561	91.3	22,893,620	87.1	25,486,202	73.8	11,667,819	79.7	12,283,707	58.2
Malaysia	1,423,456	6.0	2,379,554	9.1	7,433,371	21.5	2,348,450	16.0	7,526,436	35.6
Others	644,657	2.7	1,009,862	3.8	1,615,819	4.7	624,756	4.3	1,308,103	6.2
<b>Total</b>	<b>23,883,674</b>	<b>100.0</b>	<b>26,283,036</b>	<b>100.0</b>	<b>34,535,392</b>	<b>100.0</b>	<b>14,641,025</b>	<b>100.0</b>	<b>21,118,246</b>	<b>100.0</b>

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Our revenue is primarily affected by, among others, the following factors:

- (a) acceptance of and demand for our products by consumers in the respective markets, which may be affected by political, social, economic and environmental changes;
- (b) our ability to meet our customers' requirements and maintain good working relationships with our customers;
- (c) our ability to secure new customers by developing our distribution channels and expanding into new markets;
- (d) our ability to remain competitive in the ready-to-eat and ready-to-cook meat products industry and the markets that we operate in;
- (e) our ability to continually keep up with changes in consumer tastes and preferences;
- (f) our ability to maintain our brand image;
- (g) outbreak of diseases relating to livestock or food scares which may affect consumers' demand for our products;
- (h) shortage of food ingredients and packaging materials which may affect our ability to manufacture certain food products; and
- (i) fluctuations in foreign currency exchange rates as our revenue from our subsidiaries in Malaysia is primarily denominated in RM.

Please refer to the sections "Risk Factors" and "Prospects, Business Strategies and Future Plans" of this Offer Document for further information on the above factors and other factors that may affect our revenue.

### **Cost of sales**

Our cost of sales amounted to approximately S\$18.47 million, S\$19.55 million, S\$24.29 million, S\$10.49 million and S\$14.47 million in FY2018, FY2019, FY2020, HY2020 and HY2021 respectively, representing 77.3%, 74.4%, 70.3%, 71.7% and 68.5% of our revenue during the respective periods.

Our cost of sales primarily comprised (a) raw material costs, (b) direct labour costs, (c) manufacturing overheads, and (d) purchase costs of third party food products relating to our distribution business. Raw material costs mainly consist of the cost of meat and poultry products, flour, eggs, spices, vegetables and packaging materials. Direct labour costs mainly consist of wages and salaries of our employees who are directly involved in the production process. Manufacturing overheads consist of depreciation, repair and maintenance of plant and equipment, fuel, utilities, outsourcing fees charged by our third party contract manufacturer and other miscellaneous operational costs.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Our cost of sales is primarily affected by, among others, the following factors:

- (a) our ability to obtain favourable pricing for bulk procurement of raw materials and food ingredients from our suppliers;
- (b) fluctuations in prices of food ingredients (which may in turn be affected by factors such as any outbreak of diseases in livestock, food scares, adverse changes in climate, natural disasters, changes in government regulations affecting the prices of raw materials imported from overseas, or other circumstances that may affect global food supply and demand);
- (c) changes in the availability of foreign workers and foreign worker levies imposed by the government for employing foreign workers;
- (d) our ability to control and reduce wastage of raw materials and food ingredients that are perishable in nature;
- (e) our ability to achieve our targeted production yield and utilisation rates;
- (f) changes in government regulations and requirements pertaining to food safety which may result in higher operating costs; and
- (g) fluctuations in raw material costs due to foreign currency exchange rate fluctuations.

Please refer to the section "Risk Factors" of this Offer Document for further information on the above factors and other factors that may affect our revenue.

### **Other income and gains**

Other income and gains amounted to approximately S\$1.09 million, S\$0.26 million, S\$0.82 million, S\$0.12 million and S\$0.69 million in FY2018, FY2019, FY2020, HY2020 and HY2021 respectively. Other income and gains mainly comprised (a) government grants and rebates such as the Jobs Support Scheme and the property tax rebate; (b) amortisation of deferred capital grants; (c) gain on disposal of plant and equipment; and (d) foreign exchange adjustment gain.

### **Marketing and distribution costs**

Our marketing and distribution costs amounted to approximately S\$1.62 million, S\$1.77 million, S\$2.07 million, S\$0.92 million and S\$1.11 million in FY2018, FY2019, FY2020, HY2020 and HY2021 respectively. Marketing and distribution costs mainly comprised (a) advertising and promotion costs; and (b) delivery and transportation expenses incurred for the sale of goods.

### **Administrative expenses**

Our administrative expenses amounted to approximately S\$3.41 million, S\$3.89 million, S\$4.19 million, S\$2.00 million and S\$2.33 million in FY2018, FY2019, FY2020, HY2020 and HY2021 respectively. Administrative expenses mainly comprised (a) employee benefit expenses such as directors' remuneration, salaries, bonuses and other employee benefits including statutory contributions for our employees; (b) depreciation expenses of our property, plant and equipment and right-of-use assets; and (c) motor vehicle rental costs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

### Finance costs

Our finance costs amounted to approximately S\$0.11 million, S\$0.07 million, S\$0.26 million, S\$0.14 million and S\$0.15 million in FY2018, FY2019, FY2020, HY2020 and HY2021 respectively. Finance costs comprise mainly interest expenses incurred on loans and borrowings and lease liabilities. Loans and borrowings consist of (a) property loan for the Senoko Property; (b) term loans for capital expenditure purposes; and (c) bill payables and trust receipts for working capital purposes. Lease liabilities consist of (i) hire purchases obtained for the purchase of production equipment and motor vehicles; and (ii) operating leases for leasehold land and office premises, motor vehicles and office equipment following the adoption of SFRS(I) 16 Leases in FY2020.

### Other losses

Our other losses amounted to approximately S\$4,467, S\$0.06 million, S\$0.08 million, S\$0.03 million and S\$0.16 million in FY2018, FY2019, FY2020, HY2020 and HY2021 respectively. Other losses mainly comprised (a) listing expenses incurred in connection with the Listing; (b) foreign exchange adjustment losses; (c) impairment allowances on trade receivables; (d) bad debts written off on trade receivables; and (e) loss on plant and equipment written off or disposed.

### Share of loss from joint venture

Our share of loss from joint venture amounted to approximately S\$0.07 million, S\$0.02 million and S\$0.06 million in FY2020, HY2020 and HY2021 respectively, and relates to investments in our associated company, Delta Bridge Singapore, which was established to be the holding company of Delta Bridge Indonesia, an associated company in Indonesia that processes pork-related products (such as Chinese sausages), which are marketed primarily under our existing house brands for sale in Indonesia.

### Income tax

Our subsidiaries were subject to income tax at the applicable statutory tax rates of 17.0% in Singapore and 24.0% in Malaysia during the Period Under Review.

A breakdown of our income tax income/(expense) and overall effective income tax rates for the Period Under Review is as follows:

	← Audited →			← Unaudited →	
	FY2018	FY2019	FY2020	HY2020	HY2021
Profit before income tax (S\$)	1,353,756	1,195,207	4,390,678	1,160,613	3,527,495
Income tax income/(expense) (S\$)	70,964	389,525	(838,964)	(365,202)	(650,329)
Effective tax rate of our Group (%)	–	–	19.1	31.5	18.4

For FY2018, our Group recognised an income tax income of approximately S\$0.07 million mainly due to (a) over provision of tax expenses in previous years; (b) certain income which is not subject to tax such as deferred capital grant; and (c) utilisation of prior years' unabsorbed tax losses and capital allowances. For FY2019, our Group recognised an income tax income of approximately S\$0.39 million mainly due to (i) recognition of previously unrecognised deferred tax assets; and (ii) utilisation of prior years' unabsorbed tax losses and capital allowances.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Our effective tax rate for FY2020 was higher than the Singapore statutory tax rate mainly due to (a) higher statutory tax rate in Malaysia as compared to the Singapore statutory tax rate; and (b) under provision of tax expenses in previous years, partially offset by (c) certain income which is not subject to tax such as government grant arising from the Jobs Support Scheme; and (d) tax exemptions and rebates available in Singapore.

Our effective tax rate for HY2020 was significantly higher than the Singapore statutory tax rate mainly due to (a) under provision of tax expenses in previous years; and (b) non-deductible tax expenses such as depreciation, partially offset by tax exemptions and rebates available in Singapore. Our effective tax rate for HY2021 was marginally higher than the Singapore statutory tax rate mainly due to higher statutory tax rate in Malaysia as compared to the Singapore statutory tax rate.

### SEASONALITY

Our business activities are generally subject to seasonal fluctuations in the demand for our products, which increases during festive periods. We generally record higher sales in December due to the Christmas holidays, and in the preceding one (1) to two (2) months before the Chinese New Year holidays in Singapore and Malaysia, as consumers purchase our products in preparation for the festive seasons.

### INFLATION

We believe that inflation did not have a material impact on our business, results of operations or financial condition during the Period Under Review. However, if we experience a significantly higher inflation rate than what we have experienced in the past, our business, results of operations and financial condition may be materially and adversely affected if we are not able to partially or fully offset such higher costs through price increases.

### REVIEW OF RESULTS OF OPERATIONS

#### *FY2018 vs FY2019*

##### **Revenue**

Our revenue increased by approximately S\$2.40 million or 10.0%, from approximately S\$23.88 million in FY2018 to approximately S\$26.28 million in FY2019, mainly due to the increase in revenue from the General Trade, Food Services and Others segments.

Revenue from the Modern Trade segment remained relatively stable at approximately S\$8.45 million in FY2019, compared to approximately S\$8.57 million in FY2018.

Revenue from the General Trade segment increased by approximately S\$1.63 million or 20.0%, from approximately S\$8.14 million in FY2018 to approximately S\$9.77 million in FY2019, mainly due to an increase in product sales in Singapore and Malaysia. Our product sales in Malaysia increased mainly due to the expansion of our new halal food distribution business. Our product sales in Singapore increased mainly due to an overall increase in demand for our products from existing and new customers.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Revenue from the Food Services segment increased by approximately S\$0.51 million or 9.7%, from approximately S\$5.28 million in FY2018 to approximately S\$5.79 million in FY2019, mainly due to an increase in demand from existing customers and new customers secured such as Singapore Hai Di Lao Dining Pte. Ltd.

Revenue from the Others segment increased by approximately S\$0.37 million or 19.5%, from approximately S\$1.90 million in FY2018 to approximately S\$2.27 million in FY2019, mainly due to an increase in export sales to new customers in Hong Kong, India and Myanmar.

### **Cost of sales**

In line with the increase in our revenue, our cost of sales increased by approximately S\$1.08 million or 5.8%, from approximately S\$18.47 million in FY2018 to approximately S\$19.55 million in FY2019, mainly due to increases in raw material purchased, direct labour costs and manufacturing overheads.

### **Other income and gains**

Other income and gains decreased by approximately S\$0.83 million or 76.2%, from approximately S\$1.09 million in FY2018 to approximately S\$0.26 million in FY2019, mainly due to the absence of (a) gain on disposal of investment of approximately S\$0.60 million in relation to the disposal of investment in Swee Heng; (b) management fee income of approximately S\$0.18 million; and (c) foreign exchange adjustment gain of approximately S\$0.06 million in FY2019.

### **Other losses**

Other losses increased by approximately S\$0.06 million, from S\$4,467 in FY2018 to approximately S\$0.06 million in FY2019, mainly due to (a) foreign exchange adjustment losses of approximately S\$0.03 million; (b) bad debts written off on trade receivables of approximately S\$0.02 million arising from certain of our food services customers; and (c) loss on plant and equipment written off and disposed of approximately S\$0.01 million in FY2019.

### **Marketing and distribution costs**

Our marketing and distribution costs increased by approximately S\$0.15 million or 9.4%, from approximately S\$1.62 million in FY2018 to approximately S\$1.77 million in FY2019, mainly due to increases in (a) advertising and promotion expenses by approximately S\$0.05 million arising from the increase in our marketing efforts in Singapore; and (b) delivery and transportation expenses by approximately S\$0.09 million.

### **Administrative expenses**

Our administrative expenses increased by approximately S\$0.47 million or 13.8%, from approximately S\$3.41 million in FY2018 to approximately S\$3.89 million in FY2019. The increase in administrative expenses was mainly due to increases in (a) employee salaries and benefits by approximately S\$0.51 million due to an increase in the number of employees and annual salary increment provided to our employees; and (b) depreciation expenses by approximately S\$0.05 million, partially offset by decreases in (c) IT expenses by approximately S\$0.07 million; and (d) general expenses by approximately S\$0.03 million.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Recurring EBITDA Margin

Our recurring EBITDA increased by approximately S\$0.63 million or 40.6%, from approximately S\$1.56 million in FY2018 to approximately S\$2.19 million in FY2019, due to an improvement in our overall recurring EBITDA profit margin from 6.5% in FY2018 to 8.3% in FY2019. Our overall recurring EBITDA margin increased by 1.8 percentage points in FY2019, mainly due to the change in our product sales mix to focus on higher margin products.

### Finance costs

Our finance costs decreased by approximately S\$0.04 million or 32.3%, from approximately S\$0.11 million in FY2018 to approximately S\$0.07 million in FY2019, mainly due to lower utilisation of trust receipts facilities.

### Profit for the year

As a result of the above, our profit for the year increased by approximately S\$0.16 million or 11.2%, from approximately S\$1.42 million in FY2018 to approximately S\$1.58 million in FY2019.

### *FY2019 vs FY2020*

#### Revenue

Our revenue increased by approximately S\$8.25 million or 31.4%, from approximately S\$26.28 million in FY2019 to approximately S\$34.54 million in FY2020, due to an increase in revenue from all business segments.

Revenue from the Modern Trade segment increased by approximately S\$2.51 million or 29.7%, from approximately S\$8.45 million in FY2019 to approximately S\$10.96 million in FY2020, mainly due to higher demand for our shelf-stable products, arising from stockpiling by major supermarkets as part of the Singapore Government's efforts to manage food supply disruptions during the COVID-19 pandemic.

Revenue from the General Trade segment increased by approximately S\$4.32 million or 44.2%, from approximately S\$9.77 million in FY2019 to approximately S\$14.09 million in FY2020. Our product sales in Malaysia increased mainly due to higher demand for our products by existing customers and new customers secured in Malaysia, as a result of a shift in consumers' preference to Singapore-based manufactured food products due to the outbreak of the African swine fever which affected many countries, including Malaysia. Our product sales in Singapore increased mainly due to an increase in demand for our products from existing customers.

Revenue from the Food Services segment increased by approximately S\$0.31 million or 5.3%, from approximately S\$5.79 million in FY2019 to approximately S\$6.10 million in FY2020. Our product sales in Singapore increased mainly due to new customers secured such as RE&S Holdings Limited, Singapore Food Delight Manufacturer Pte. Ltd. and Qi Ji Pte Ltd. We made our first foray into the Food Services segment in Malaysia, which contributed to the increase in our product sales in Malaysia in FY2020.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Revenue from the Others segment increased by approximately S\$1.12 million or 49.1%, from approximately S\$2.27 million in FY2019 to approximately S\$3.38 million in FY2020, mainly due to increases in (a) export sales to existing and/or new customers in Hong Kong, India, Australia, and Myanmar; and (b) sales via e-commerce channels such as Redmart and Shopee.

### Cost of sales

In tandem with the increase in our revenue, our cost of sales increased by approximately S\$4.74 million or 24.3%, from approximately S\$19.55 million in FY2019 to approximately S\$24.29 million in FY2020, mainly due to increases in raw material purchased, direct labour costs and manufacturing overheads.

### Other income and gains

Other income and gains increased by approximately S\$0.57 million, from approximately S\$0.26 million in FY2019 to approximately S\$0.82 million in FY2020, mainly due to (a) an increase in government grants received in relation to the Jobs Support Scheme by approximately S\$0.51 million; and (b) a gain on disposal of production equipment of approximately S\$0.08 million which was absent in FY2019.

### Other losses

Other losses increased by approximately S\$0.02 million or 24.5%, from approximately S\$0.06 million in FY2019 to approximately S\$0.08 million in FY2020, mainly due to (a) an increase in foreign exchange adjustment loss by approximately S\$0.05 million, partially offset by absence of (b) bad debts written off on trade receivables of approximately S\$0.02 million, and (c) loss on disposal of plant and equipment of approximately \$0.01 million, in FY2020.

### Marketing and distribution costs

Our marketing and distribution costs increased by approximately S\$0.30 million or 16.9%, from approximately S\$1.77 million in FY2019 to approximately S\$2.07 million in FY2020, mainly due to increases in (a) advertising and promotion costs by approximately S\$0.09 million arising from the increase in marketing efforts in Singapore and Malaysia; (b) delivery and transportation expenses by approximately S\$0.11 million; (c) supermarket listing fees by approximately S\$0.05 million; and (d) sales commission paid by approximately S\$0.08 million, partially offset by a decrease in wages paid to promoters by approximately S\$0.04 million.

### Administrative expenses

Our administrative expenses increased by approximately S\$0.31 million or 7.9%, from approximately S\$3.89 million in FY2019 to approximately S\$4.19 million in FY2020, mainly due to increases in (a) employee salaries and benefit by approximately S\$0.42 million due to an increase in the number of employees and annual salary increment provided to our employees; (b) depreciation of right-of-use assets by approximately S\$0.21 million following the adoption of SFRS(I) 16 Leases in FY2020 whereby leases for motor vehicles and equipment are accounted for by recognising right-of-use assets and lease liabilities, partially offset by (c) an absence of rental expenses incurred on leases for motor vehicles and equipment of approximately S\$0.29 million following the adoption of SFRS(I) 16 Leases; and (d) a decrease in IT expenses of approximately S\$0.04 million.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Recurring EBITDA Margin

Our recurring EBITDA increased by approximately S\$3.74 million from approximately S\$2.19 million in FY2019 to approximately S\$5.93 million in FY2020 due to an improvement in our overall recurring EBITDA profit margin from 8.3% in FY2019 to 17.2% in FY2020. Our overall recurring EBITDA margin increased by 8.8 percentage points in FY2020, mainly due to economies of scale achieved from higher production output.

### Finance Costs

Our finance costs increased by approximately S\$0.19 million, from approximately S\$0.07 million in FY2019 to approximately S\$0.26 million in FY2020, mainly due to (a) an increase in utilisation of trust receipts and increase in bank borrowings to finance working capital needs; and (b) recognition of interest expenses on lease liabilities, arising from the adoption of SFRS(I) 16 Leases in FY2020, whereby leases for leasehold land and office premises, motor vehicles and equipment are accounted for by recognising right-of-use assets and lease liabilities.

### Share of loss from joint venture

Our share of loss from joint venture of approximately S\$0.07 million in FY2020 was mainly due to the initial start-up costs incurred by our associated company, Delta Bridge Indonesia, in setting up the production facility in Indonesia.

### Profit for the year

As a result of the above, our profit for the year increased by approximately S\$1.97 million or 124.1%, from approximately S\$1.58 million in FY2019 to approximately S\$3.55 million in FY2020.

### *HY2020 vs HY2021*

#### Revenue

Our revenue increased by approximately S\$6.48 million or 44.2%, from approximately S\$14.64 million in HY2020 to approximately S\$21.12 million in HY2021, mainly due to the increase in revenue from the Modern Trade, General Trade and Others segments.

Revenue from the Modern Trade segment increased by approximately S\$0.97 million or 22.7%, from approximately S\$4.25 million in HY2020 to approximately S\$5.22 million in HY2021, mainly due to higher demand for our products from existing customers in Malaysia, in particular Giant Malaysia.

Revenue from the General Trade segment increased by approximately S\$4.46 million or 76.5%, from approximately S\$5.83 million in HY2020 to approximately S\$10.29 million in HY2021, mainly due to higher demand for our products from existing customers and new customers secured in Malaysia arising from the sustained preference by consumers for Singapore-based manufactured food products.

Revenue from the Food Services segment remained relatively stable, at approximately S\$3.29 million in HY2020 and approximately S\$3.22 million in HY2021, mainly due to a decrease in sales to dine-in restaurants arising from safe management measures imposed by the Singapore Government, partially offset by an increase in sales to caterers and other quick-service restaurants.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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Revenue from the Others segment increased by approximately S\$1.11 million or 87.6%, from approximately S\$1.27 million in HY2020 to approximately S\$2.38 million in HY2021, due to increases in (a) export sales to existing customers; and (b) sales via e-commerce channels such as Redmart and Shopee.

### **Cost of sales**

In line with the increase in our revenue, our cost of sales increased by approximately S\$3.97 million or 37.9%, from approximately S\$10.49 million in HY2020 to approximately S\$14.47 million in HY2021, mainly due to increases in raw material purchased, direct labour costs and manufacturing overheads.

### **Other income and gains**

Other income and gains increased by approximately S\$0.57 million, from approximately S\$0.12 million in HY2020 to approximately S\$0.69 million in HY2021, mainly due to an increase in government grants received by approximately S\$0.57 million. The government grants received were in relation to, among others, the Jobs Support Scheme and the property tax rebate.

### **Other losses**

Other losses increased by approximately S\$0.13 million, from approximately S\$0.03 million in HY2020 to approximately S\$0.16 million in HY2021, mainly due to listing expenses incurred in connection with the Listing of approximately S\$0.16 million in HY2021, partially offset by an absence of foreign exchange adjustment loss of approximately S\$0.03 million recorded in HY2020.

### **Marketing and distribution costs**

Our marketing and distribution costs increased by approximately S\$0.19 million or 20.4%, from approximately S\$0.92 million in HY2020 to approximately S\$1.11 million in HY2021, mainly due to increases in (a) advertising and promotion costs by approximately S\$0.04 million; (b) delivery and transportation expenses by approximately S\$0.03 million; (c) sales commissions by approximately S\$0.07 million; and (d) supermarket listing fees by approximately S\$0.04 million.

### **Administrative expenses**

Our administrative expenses increased by approximately S\$0.33 million or 16.6%, from approximately S\$2.00 million in HY2020 to approximately S\$2.33 million in HY2021, mainly due to increases in (a) employee salaries and benefit by approximately S\$0.26 million due to an increase in the number of employees and salary increment provided to our employees; (b) security management fees for our Senoko Property by approximately S\$0.04 million; and (c) consultancy fees by approximately S\$0.03 million.

### **Recurring EBITDA Margin**

Our recurring EBITDA increased by approximately S\$2.38 million, from approximately S\$1.94 million in HY2020 to approximately S\$4.32 million in HY2021, due to an improvement in our overall recurring EBITDA profit margin from 13.2% in HY2020 to 20.5% in HY2021. Our overall recurring EBITDA margin increased by 7.2 percentage points in HY2021, mainly due to economies of scale achieved from higher production output.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### **Finance Costs**

Our finance costs increased by approximately S\$0.01 million or 9.0%, from approximately S\$0.14 million in HY2020 to approximately S\$0.15 million in HY2021, mainly due to an increase in bank borrowings for working capital purposes.

### **Share of loss from joint venture**

Our share of loss from joint venture increased by approximately S\$0.04 million, from approximately S\$0.02 million in HY2020 to approximately S\$0.06 million in HY2021. This was attributable to Delta Bridge Indonesia which commenced limited operations in HY2020.

### **Profit for the period**

As a result of the above, our profit for the period increased by approximately S\$2.08 million, from approximately S\$0.80 million in HY2020 to approximately S\$2.88 million in HY2021.

### **Impact of COVID-19 on our Group**

In late 2019, COVID-19 surfaced in the PRC and on 11 March 2020, the World Health Organisation declared COVID-19 a pandemic. Countries around the world started to implement measures such as lock-downs and travel restrictions in order to prevent the spread of COVID-19. In Singapore, restrictions on the entry of short-term visitors into Singapore were put in place and travel advisories were issued to discourage Singapore citizens and permanent residents from travelling overseas. In April 2020 and May 2020, drastic Circuit Breaker measures were put in place to minimise the spread of COVID-19.

During the Circuit Breaker period, our Group's production facilities continued to operate normally and did not experience any material disruptions as food manufacturing services were deemed essential in nature. In January 2021, two (2) workers working at our non-halal production facility in Singapore tested positive for COVID-19. As a result, our non-halal production facility was closed for four (4) days to undergo thorough cleaning and disinfection. The incident did not affect our halal production facility or any of our raw materials and food products as the affected workers were not involved in food-handling. The impact of this incident on our Group was limited and did not have a material adverse effect on our Group's business.

During FY2020 and HY2021, our Group did not experience any material disruptions to our supply of raw materials or encounter any of our counter-parties exercising rights under temporary relief or force majeure clauses or rights of termination of contractual obligations for any of our material contracts. In addition, during FY2020 and HY2021, our Group did not make any material impairments to our assets, nor face any material adverse impact on our sources of cash or liquidity or any inability to fulfil our near-term obligations. In addition, to mitigate the adverse impact of COVID-19 on the Singapore economy, the Singapore Government implemented support measures such as the property tax rebate and wage credits under the Jobs Support Scheme, which our Group was eligible for.

For further information relating to the impact of COVID-19 on our Group, please refer to the sections "Risk Factors – We are subject to risks related to the outbreak of infectious and communicable diseases and public health emergencies (such as the outbreak of COVID-19)" and "Prospects, Business Strategies and Future Plans – Trend Information" of this Offer Document.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### REVIEW OF FINANCIAL POSITION

As at 30 June 2020

#### Non-Current Assets

As at 30 June 2020, our Group's non-current assets amounted to approximately S\$14.97 million, representing 41.2% of our total assets. Our Group's non-current assets comprised the following:

- (a) property, plant and equipment which amounted to approximately S\$11.10 million, representing 74.1% of our total non-current assets. Property, plant and equipment comprised (i) leasehold property which amounted to approximately S\$5.72 million; (ii) cold room which amounted to approximately S\$0.46 million; (iii) restoration cost which amounted to approximately S\$0.54 million; (iv) leasehold improvements which amounted to approximately S\$0.54 million; and (v) plant and equipment which amounted to approximately S\$3.84 million;
- (b) right-of-use assets which amounted to approximately S\$3.40 million, representing 22.7% of our total non-current assets. Right-of-use assets comprised (i) leasehold land and office premise which amounted to approximately S\$2.53 million; (ii) motor vehicles which amounted to approximately S\$0.81 million; and (iii) equipment which amounted to approximately S\$0.05 million.
- (c) intangible assets which amounted to S\$12, comprising research and development costs, and trademarks;
- (d) investment in joint venture which amounted to approximately S\$0.43 million, representing 2.8% of our total non-current assets. Investment in joint venture relates to our investments in our associated company, Delta Bridge Singapore; and
- (e) other non-financial assets which amounted to approximately S\$0.05 million, representing 0.3% of our total non-current assets. Other non-financial assets comprised deposits for purchase of equipment.

#### Current Assets

As at 30 June 2020, our Group's current assets amounted to approximately S\$21.32 million, representing 58.8% of our total assets. Our Group's current assets comprised the following:

- (a) inventories which amounted to approximately S\$9.95 million, representing 46.7% of our total current assets. Inventories comprised (i) finished goods for trade which amounted to approximately S\$2.83 million; (ii) raw materials for manufacturing which amounted to approximately S\$7.10 million; and (iii) work-in-progress which amounted to approximately S\$0.03 million;
- (b) trade and other receivables which amounted to approximately S\$6.04 million, representing 28.3% of our total current assets. Trade and other receivables comprised trade receivables which amounted to approximately S\$5.83 million and other receivables which amounted to approximately S\$0.21 million. Trade receivables comprised trade receivables due from unrelated and related parties. Other receivables comprised government grant receivables in relation to the Jobs Support Scheme and other receivables due from unrelated parties;



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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- (c) other non-financial assets which amounted to approximately S\$0.28 million, representing 1.3% of our total current assets. Other non-financial assets comprised (i) advance payments made to suppliers for purchase of raw materials which amounted to approximately S\$0.11 million; (ii) deposits for utilities which amounted to approximately S\$0.12 million; (iii) prepayment for insurance which amounted to approximately S\$0.06 million; and (iv) income tax recoverable which amounted to S\$389; and
- (d) cash and cash equivalents amounted to approximately S\$5.04 million, representing 23.7% of our total current assets. Cash and cash equivalents comprised cash and bank balances.

### Non-Current Liabilities

As at 30 June 2020, our Group's non-current liabilities amounted to approximately S\$8.23 million, representing 50.4% of our total liabilities. Our Group's non-current liabilities comprised the following:

- (a) deferred tax liabilities which amounted to approximately S\$0.24 million, representing 2.9% of our total non-current liabilities;
- (b) loans and borrowings which amounted to approximately S\$3.90 million, representing 47.4% of our total non-current liabilities. Loans and borrowings comprised bank loans that were obtained to finance the Senoko Property, capital expenditure and working capital needs;
- (c) lease liabilities which amounted to approximately S\$3.28 million, representing 39.8% of our total non-current liabilities. Lease liabilities comprised (i) operating leases for leasehold land, office premises and motor vehicles; and (ii) finance lease for production equipment, arising from the adoption of SFRS(I) 16 Leases in FY2020;
- (d) other non-financial liabilities which amounted to approximately S\$0.22 million, representing 2.7% of our total non-current liabilities. Other non-financial liabilities comprised deferred capital grants for the purchase of equipment; and
- (e) provision which amounted to approximately S\$0.59 million, representing 7.1% of our total non-current liabilities. Provision relates to the restoration costs for the Senoko Property upon expiry of the lease agreement.

### Current Liabilities

As at 30 June 2020, our Group's current liabilities amounted to approximately S\$8.08 million, representing 49.6% of our total liabilities. Our Group's current liabilities comprised the following:

- (a) income tax payable which amounted to approximately S\$0.14 million, representing 1.7% of our total current liabilities;
- (b) trade and other payables which amounted to approximately S\$5.96 million, representing 73.8% of our total current liabilities. Trade payables comprised (i) payables to unrelated parties which amounted to approximately S\$3.99 million; and (ii) accrual liabilities for employee benefit and sales commission which amounted to approximately S\$1.37 million. Other payables comprised (i) dividend payable to shareholders which amounted to approximately S\$0.52 million; (ii) deposits received from customers and employees which amounted to approximately S\$0.08 million; and (iii) other payables to unrelated parties which amounted to S\$152;

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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- (c) loans and borrowings which amounted to approximately S\$1.35 million, representing 16.7% of our total current liabilities. Loans and borrowings comprised (i) bank loans which amounted to approximately S\$0.97 million that were obtained to finance the Senoko Property, capital expenditure and working capital needs; and (ii) bill payables which amounted to approximately S\$0.38 million that were obtained to finance the purchase of raw materials;
- (d) lease liabilities which amounted to approximately S\$0.27 million, representing 3.3% of our total current liabilities. Lease liabilities comprised (i) operating leases for leasehold land, office premises and motor vehicles; and (ii) finance lease for production equipment, arising from the adoption of SFRS(I) 16 Leases in FY2020; and
- (e) other non-financial liabilities which amounted to approximately S\$0.36 million, representing 4.5% of our total current liabilities. Other non-financial liabilities comprised (i) deferred capital grants which amounted to approximately S\$0.12 million for the purchase of equipment; and (ii) deferred grant income which amounted to approximately S\$0.24 million arising from government grant receivables in relation to the Jobs Support Scheme.

### Equity Attributable to Equity Holders of our Company

As at 30 June 2020, our Group's equity attributable to equity holders of our Company amounted to approximately S\$19.98 million.

### As at 31 December 2020

#### Non-Current Assets

As at 31 December 2020, our Group's non-current assets amounted to approximately S\$14.88 million, representing 39.8% of our total assets. Our Group's non-current assets comprised the following:

- (a) property, plant and equipment which amounted to approximately S\$11.26 million, representing 75.7% of our total non-current assets. Property, plant and equipment comprised (i) leasehold property which amounted to approximately S\$5.61 million; (ii) cold room which amounted to approximately S\$0.61 million; (iii) restoration cost which amounted to approximately S\$0.53 million; (iv) leasehold improvements which amounted to approximately S\$0.52 million, and (v) plant and equipment which amounted to approximately S\$3.99 million;
- (b) right-of-use assets which amounted to approximately S\$3.26 million, representing 21.9% of our total non-current assets. Right-of-use assets comprised (i) leasehold land and office premise which amounted to approximately S\$2.50 million; (ii) motor vehicles which amounted to approximately S\$0.71 million; and (iii) equipment which amounted to approximately S\$0.05 million;
- (c) intangible assets which amounted to S\$12, comprising research and development costs, and trademarks; and
- (d) investment in joint venture which amounted to approximately S\$0.36 million, representing 2.4% of our total current assets. Investment in joint venture relates to our investments in our associated company, Delta Bridge Singapore.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Current Assets

As at 31 December 2020, our Group's current assets amounted to approximately S\$22.50 million, representing 60.2% of our total assets. Our Group's current assets comprised the following:

- (a) inventories which amounted to approximately S\$9.17 million, representing 40.7% of our total current assets. Inventories comprised (i) finished goods for trade which amounted to approximately S\$3.97 million; (ii) raw materials for manufacturing which amounted to approximately S\$4.86 million; and (iii) work-in-progress which amounted to approximately S\$0.33 million;
- (b) trade and other receivables which amounted to approximately S\$7.62 million, representing 33.9% of our total current assets. Trade and other receivables comprised trade receivables which amounted to approximately S\$7.42 million and other receivables which amounted to approximately S\$0.20 million. Trade receivables comprised trade receivables due from unrelated and related parties. Other receivables comprised a loan to our associated company, Delta Bridge Singapore;
- (c) other non-financial assets which amounted to approximately S\$0.78 million, representing 3.5% of our total current assets. Other non-financial assets comprised (i) advance payments to trade suppliers which amounted to approximately S\$0.51 million; (ii) prepayment of listing expenses which amounted to approximately S\$0.06 million; (iii) deposit for utilities which amounted to approximately S\$0.12 million; and (iv) prepayment of insurance and annual maintenance fees which amounted to approximately S\$0.09 million; and
- (d) cash and cash equivalents which amounted to approximately S\$4.94 million, representing 21.9% of our total current assets. Cash and cash equivalents comprised cash and bank balances.

### Non-Current Liabilities

As at 31 December 2020, our Group's non-current liabilities amounted to approximately S\$7.99 million, representing 55.0% of our total liabilities. Our Group's non-current liabilities comprised the following:

- (a) deferred tax liabilities which amounted to approximately S\$0.30 million, representing 3.7% of our total non-current liabilities;
- (b) loans and borrowings which amounted to approximately S\$3.83 million, representing 48.0% of total non-current liabilities. Loans and borrowings comprised bank loans that were obtained to finance the Senoko Property, capital expenditure and working capital needs;
- (c) lease liabilities which amounted to approximately S\$3.11 million, representing 39.0% of our total non-current liabilities. Lease liabilities comprised (i) operating leases for leasehold land, office premises and motor vehicles; and (ii) finance lease for production equipment, arising from the adoption of SFRS(I) 16 Leases in FY2020;

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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- (d) other non-financial liabilities which amounted to approximately S\$0.16 million, representing 2.0% of our total non-current liabilities. Other non-financial liabilities comprised deferred capital grants for the purchase of equipment; and
- (e) provision which amounted to approximately S\$0.59 million, representing 7.4% of our total non-current liabilities. Provision relates to the restoration costs for the Senoko Property upon expiry of the lease agreement.

### **Current Liabilities**

As at 31 December 2020, our Group's current liabilities amounted to S\$6.53 million, representing 45.0% of our total liabilities. Our Group's current liabilities comprised the following:

- (a) income tax payable which amounted to approximately S\$0.60 million, representing 9.3% of total current liabilities;
- (b) trade and other payables which amounted to approximately S\$4.47 million, representing 68.5% of our total current liabilities. Trade payables comprised (i) payables to unrelated parties which amounted to approximately S\$1.68 million; and (ii) accrued liabilities for employee benefit and sales commission which amounted to approximately S\$2.53 million. Other payables comprised (i) deposits received from customers and employees which amounted to approximately S\$0.09 million; (ii) amounts owing to Delta Bridge Indonesia of approximately S\$0.14 million as deposit received for the purchase of production equipment; and (iii) other payables to unrelated parties which amounted to approximately S\$0.02 million;
- (c) loans and borrowings which amounted to approximately S\$1.03 million, representing 15.7% of our total current liabilities. Loans and borrowings comprised bank loans which were obtained to finance the Senoko Property, capital expenditure, and working capital needs;
- (d) lease liabilities which amounted to approximately S\$0.31 million, representing 4.7% of our total current liabilities. Lease liabilities comprised (i) operating leases for leasehold land, office premises and motor vehicles; and (ii) finance lease for production equipment, arising from the adoption of SFRS(I) 16 Leases in FY2020; and
- (e) other non-financial liabilities which amounted to approximately S\$0.12 million, representing 1.9% of our total current liabilities. Other non-financial liabilities comprised deferred capital grants for the purchase of equipment.

### **Equity Attributable to Equity Holders of our Company**

As at 31 December 2020, our Group's equity attributable to equity holders of our Company amounted to approximately S\$22.87 million.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Reconciliation of audited and unaudited pro forma consolidated statements of financial position as at 30 June 2020 and 31 December 2020

#### *As at 30 June 2020*

##### **Current assets**

Our current assets in the unaudited pro forma consolidated statement of financial position amounted to approximately S\$20.32 million, representing a decrease of approximately S\$1.00 million due to the payment of dividends amounting to approximately S\$1.00 million.

##### **Equity Attributable to Equity Holders of our Company**

As a result of the above, our equity attributable to equity holders of our Company in the unaudited pro forma consolidated statement of financial position amounted to S\$18.98 million, which was lower than the audited equity attributable to equity holders of our Company of S\$19.98 million as at 30 June 2020.

#### *As at 31 December 2020*

##### **Current assets**

Our current assets in the unaudited pro forma condensed consolidated interim statement of financial position amounted to approximately S\$21.50 million, representing a decrease of approximately S\$1.00 million due to the payment of dividends amounting to approximately S\$1.00 million.

##### **Equity Attributable to Equity Holders of our Company**

As a result of the above, our equity attributable to equity holders of our Company in the unaudited pro forma condensed consolidated interim statement of financial position amounted to approximately S\$21.87 million, which was lower than the equity attributable to equity holders of our Company of approximately S\$22.87 million in the unaudited condensed consolidated interim statement of financial position as at 31 December 2020.

### **LIQUIDITY AND CAPITAL RESOURCES**

During the Period Under Review, our Group's operations have been financed through a combination of shareholders' equity (including retained earnings), loans and bank borrowings, and net cash generated from operating activities. Our principal uses of cash have been for (a) financing of working capital; (b) capital expenditures; (c) investment in a joint venture; (d) repayment of loans and bank borrowings and interest expense; and (e) finance lease payments.

Based on the unaudited condensed consolidated interim statement of financial position as at 31 December 2020, our shareholders' equity amounted to approximately S\$22.87 million and our sum of indebtedness amounted to approximately S\$8.28 million. The indebtedness comprised (a) loans and bank borrowings; and (b) lease liabilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

As at the Latest Practicable Date, our Group had cash and cash equivalents amounting to approximately S\$5.99 million. Our available credit facilities amounted to approximately S\$17.41 million, of which approximately S\$7.79 million had been utilised and approximately S\$9.21 million was unutilised. Please refer to the section "Capitalisation and Indebtedness" of this Offer Document for further details.

Our Directors are of the reasonable opinion that, after taking into account (a) the cash flow generated from our Group's operations; (b) our Group's cash and cash equivalents of approximately S\$5.99 million as at the Latest Practicable Date; and (c) the available credit facilities from financial institutions, the working capital available to our Group as at the date of lodgement of this Offer Document is sufficient for our present requirements and for at least 12 months after the listing of our Company on Catalist.

The Sponsor and Issue Manager is of the reasonable opinion that, after having made due and careful enquiry and after taking into consideration the factors set out above, the cash flow generated from the Group's operations, the Group's existing cash and cash equivalents, and available credit facilities, the working capital available to the Group as at the date of lodgement of this Offer Document is sufficient for its present requirements and for at least 12 months after the listing of the Company on Catalist.

We set out below a summary of our consolidated statement of cash flows for the Period Under Review. The following cash flow summary should be read in conjunction with the full text of this Offer Document, including the "Independent Auditor's Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020", the "Independent Auditor's Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020", and the "Independent Auditor's Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020" as set out in Appendices A, B and C to this Offer Document respectively, and the section "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document.

(S\$)	← Audited →			← Unaudited →	
	FY2018	FY2019	FY2020	HY2020	HY2021
Net cash flows from operating activities	998,696	1,509,955	1,785,133	674,623	1,807,087
Net cash flows (used in) investing activities	(146,891)	(456,223)	(925,685)	(563,823)	(847,302)
Net cash flows (used in)/from financing activities	(575,632)	(397,153)	1,702,198	(754,455)	(1,068,222)
Net increase/(decrease) in cash and cash equivalents	276,173	656,579	2,561,646	(643,655)	(108,437)
Cash and cash equivalents, beginning balance	1,549,957	1,826,130	2,482,709	2,482,709	5,044,355
<b>Cash and cash equivalents, ending balance</b>	<b>1,826,130</b>	<b>2,482,709</b>	<b>5,044,355</b>	<b>1,839,054</b>	<b>4,935,918</b>



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### ***FY2018***

In FY2018, our Group's net cash flows from operating activities amounted to approximately S\$1.00 million mainly due to operating cash inflow before working capital changes of approximately S\$1.72 million, adjusted for net working capital outflow of approximately S\$0.73 million. The net working capital outflow was due to increases in (a) inventories by approximately S\$0.77 million; and (b) trade and other receivables by approximately S\$0.61 million, partially offset by (c) an increase in trade and other payables by approximately S\$0.64 million; and (d) a decrease in other non-financial assets by approximately S\$0.02 million.

Net cash used in investing activities amounted to approximately S\$0.15 million mainly due to the purchase of new office and production equipment amounting to approximately S\$0.83 million, partially offset by proceeds from (a) government grants amounting to approximately S\$0.06 million; (b) disposal of investment amounting to approximately S\$0.6 million; and (c) disposal of motor vehicle amounting to approximately S\$0.03 million.

Net cash flows used in financing activities amounted to approximately S\$0.58 million due to (a) repayment of existing loans and borrowings of approximately S\$0.82 million; (b) repayment of finance leases of approximately S\$0.47 million; (c) interest paid amounting to approximately S\$0.11 million; and (d) repayment of amount due to other related party amounting to approximately S\$0.15 million, partially offset by proceeds from new borrowings amounting to approximately S\$0.98 million.

As a result of the above, there was a net increase of approximately S\$0.28 million in cash and cash equivalents. As at 30 June 2018, our cash and cash equivalents amounted to approximately S\$1.83 million.

### ***FY2019***

In FY2019, our Group's net cash flows from operating activities amounted to approximately S\$1.51 million due to operating cash inflow before working capital changes of approximately S\$2.20 million, adjusted for (a) net working capital outflow of approximately S\$0.67 million; and (b) income tax paid amounting to approximately S\$0.01 million. The net working capital outflow was due to (i) an increase in trade and other receivables by approximately S\$0.54 million; (ii) an increase in other non-financial assets by approximately S\$0.27 million; and (iii) a decrease in trade and other payables by approximately S\$0.03 million, partially offset by a decrease in inventories by approximately S\$0.17 million.

Net cash used in investing activities amounted to approximately S\$0.46 million mainly due to the purchase of new production and office equipment and renovation works amounting to approximately S\$0.51 million, partially offset by proceeds from disposal of production equipment amounting to approximately S\$0.05 million.

Net cash flows used in financing activities amounted to approximately S\$0.40 million due to (a) repayment of existing loans and borrowings of approximately S\$0.49 million; (b) repayment of finance leases of approximately S\$0.34 million; and (c) interest paid amounting to approximately S\$0.07 million, partially offset by proceeds from new borrowings amounting to approximately S\$0.50 million.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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As a result of the above, there was a net increase of approximately S\$0.66 million in cash and cash equivalents. As at 30 June 2019, our cash and cash equivalents amounted to approximately S\$2.48 million.

### ***FY2020***

In FY2020, our Group's net cash flows from operating activities amounted to approximately S\$1.79 million due to (a) operating cash inflow before working capital changes of approximately S\$5.84 million; and (b) refund of income tax amounting to approximately S\$0.01 million, adjusted for net working capital outflow of approximately S\$4.07 million. The net working capital outflow was due to increases in (i) inventories by approximately S\$5.28 million; and (ii) trade and other receivables by approximately S\$1.77 million, partially offset by (iii) a decrease in other non-financial assets by approximately S\$0.16 million; and (iv) an increase of trade and other payables by approximately S\$2.82 million.

Net cash used in investing activities amounted to approximately S\$0.93 million due to (a) the purchase of new production equipment and renovation works amounting to approximately S\$0.48 million; (b) investment in joint venture amounting to approximately S\$0.50 million; and (c) payment of deposits amounting to approximately S\$0.05 million for the purchase of production equipment, partially offset by (d) the proceeds from disposal of office and production equipment amounting to approximately S\$0.09 million; and (e) interest received amounting to approximately S\$0.01 million.

Net cash flows from financing activities amounted to approximately S\$1.70 million mainly due to (a) proceeds from new borrowings amounting to approximately S\$2.75 million; and (b) proceeds from other non-financial liabilities amounting to approximately S\$0.03 million in relation to deferred government grants, partially offset by (c) repayment of existing loans and borrowings amounting to approximately S\$0.45 million; (d) repayment of lease liabilities amounting to approximately S\$0.54 million; and (e) interest paid amounting to approximately S\$0.09 million.

As a result of the above, there was a net increase of approximately S\$2.56 million in cash and cash equivalents. As at 30 June 2020, our cash and cash equivalents amounted to approximately S\$5.04 million.

### ***HY2020***

In HY2020, our Group's net cash flows from operating activities amounted to approximately S\$0.67 million due to operating cash inflow before working capital changes of approximately S\$1.89 million, adjusted for net working capital outflow of approximately S\$1.21 million. The net working capital outflow was due to increases in (a) inventories by approximately S\$0.70 million; and (b) trade and other receivables by approximately S\$1.68 million, partially offset by (c) an increase in trade and other payables by approximately S\$0.96 million; and (d) a decrease in other non-financial assets by approximately S\$0.21 million.

Net cash used in investing activities amounted to approximately S\$0.56 million mainly due to (a) purchase of new production equipment and renovation works amounting to approximately S\$0.33 million; and (b) investment in joint venture amounting to approximately S\$0.30 million, partially offset by proceeds from disposal of office and production equipment amounting to approximately S\$0.06 million.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Net cash flows used in financing activities amounted to approximately S\$0.75 million due to (a) repayment of existing loans and borrowings amounting to approximately S\$1.00 million; (b) repayment of lease liabilities amounting to approximately S\$0.30 million; and (c) interest paid amounting to approximately S\$0.05 million, partially offset by an increase in new borrowings amounting to approximately S\$0.59 million.

As a result of the above, there was a net decrease of approximately S\$0.64 million in cash and cash equivalents. As at 31 December 2019, our cash and cash equivalents amounted to approximately S\$1.84 million.

### ***HY2021***

In HY2021, our Group's net cash flows from operating activities amounted to approximately S\$1.81 million due to operating cash inflow before working capital changes of approximately S\$4.33 million, adjusted for (a) net working capital outflow of approximately S\$2.40 million; and (b) income tax paid amounting to approximately S\$0.13 million. The net working capital outflow was due to (i) an increase in trade and other receivables by approximately S\$1.62 million; (ii) an increase in other non-financial assets by approximately S\$0.45 million; and (iii) a decrease in trade and other payables by approximately S\$1.12 million, partially offset by a decrease in inventories by approximately S\$0.79 million.

Net cash used in investing activities amounted to approximately S\$0.85 million due to (a) purchase of new production equipment and cold room amounting to approximately S\$0.65 million; and (b) loan to our associated company, Delta Bridge Singapore, amounting to approximately S\$0.20 million.

Net cash flows used in financing activities amounted to approximately S\$1.07 million due to (a) repayment of existing loans and borrowings amounting to approximately S\$0.90 million; (b) repayment of lease liabilities amounting to approximately S\$0.24 million; (c) payment of dividends amounting to approximately S\$0.52 million; and (d) interest paid amounting to approximately S\$0.06 million, partially offset by (e) proceeds from new borrowings amounting to approximately S\$0.50 million; and (f) deposit received from Delta Bridge Indonesia for the purchase of production equipment amounting to approximately S\$0.14 million.

As a result of the above, there was a net decrease of approximately S\$0.11 million in cash and cash equivalents. As at 31 December 2020, our cash and cash equivalents amounted to approximately S\$4.94 million.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

### CAPITAL EXPENDITURES, DIVESTMENTS AND COMMITMENTS

#### Capital Expenditures and Divestments

Our capital expenditures and divestments during the Period Under Review and for the period from 1 January 2021 up to the Latest Practicable Date are as follows:

(\$)	FY2018	FY2019	FY2020	HY2021	1 January 2021 to the Latest Practicable Date
<b>Capital Expenditures</b>					
Leasehold property	–	34,250	–	–	–
Cold room	–	17,500	–	166,500	–
Restoration cost <sup>(1)</sup>	588,000	–	–	–	–
Leasehold improvement	71,442	56,267	119,688	23,518	1,803
Plant and equipment	761,855	488,081	356,580	460,258	135,517
<b>Total</b>	<b>1,421,297</b>	<b>596,098</b>	<b>476,268</b>	<b>650,276</b>	<b>137,320</b>

**Note:**

- (1) The restoration cost is the estimated costs of demolishing and removing all the leasehold improvements to the leasehold land at the Senoko Property.

The above capital expenditure was mainly due to the expeditious expansion of our Group and was financed through a combination of loans and bank borrowings, and net cash generated from operating activities.

(\$)	FY2018	FY2019	FY2020	HY2021	1 January 2021 to the Latest Practicable Date
<b>Divestments</b>					
Plant and equipment	248,117	999,317 <sup>(1)</sup>	281,744	12,170	1,311,826 <sup>(2)</sup>
<b>Total</b>	<b>248,117</b>	<b>999,317</b>	<b>281,744</b>	<b>12,170</b>	<b>1,311,826</b>

**Notes:**

- (1) The divestments in FY2019 mainly comprised old production equipment used by Golden Bridge.
- (2) The divestments in the period from 1 January 2021 to the Latest Practicable Date mainly comprised production equipment and tools, motor vehicles and office equipment.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### Capital Commitments

As at the Latest Practicable Date, we had capital commitment as follows:

	S\$
Not later than one (1) year	199,208
Later than one (1) year but not later than five (5) years	–
After five (5) years	–

Our capital commitments mainly relates to renovation works for our research and development office and purchase of software.

We intend to finance the above capital commitments from internal resources.

### Lease Commitments

With the adoption of SFRS(I) 16 Leases, the lease commitments of our Group are reflected in our consolidated financial statements and comprised leasehold land and office premises, motor vehicles and equipment.

As at the Latest Practicable Date, we had lease commitments as follows:

	S\$
Not later than one (1) year	491,409
Later than one (1) year but not later than five (5) years	1,263,384
After five (5) years	4,284,832

We intend to finance the above lease commitments from internal resources.

Please refer to the section “General Information on our Group – Properties and Fixed Assets” of this Offer Document for more details.

### Foreign Exchange Risks Management

Our Group's and our Company's reporting currency is S\$ and our Malaysian subsidiaries, Ellaziq Malaysia and GB Malaysia, maintain their accounting books and records in RM.

Transactions in a currency other than the functional currency are translated into the respective Group Company's functional currencies using the exchange rates at the respective transaction dates. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the balance sheet date are recognised in the profit and loss statement.

Our Group and our Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in US\$ and EUR.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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To the extent that our revenue, purchases and operating costs are not sufficiently matched in the same currency and to the extent that there are timing differences between receipt and payment, we will be exposed to any adverse fluctuations in exchange rates. Any restrictions over the conversion or timing of conversion of foreign currencies may also expose our Group to adverse fluctuations in exchange rates.

Our Group recorded a net foreign exchange gain of approximately S\$0.06 million and S\$0.04 million for FY2018 and HY2021, respectively, and a net foreign exchange loss of approximately S\$0.03 million and S\$0.08 million for FY2019 and FY2020, respectively.

Since our foreign exchange exposure is not material, we currently do not have any formal policy for hedging against foreign exchange exposure and have not undertaken any hedging activities during the Period Under Review. Going forward, we may employ hedging instruments to manage our foreign exchange exposure should the need arise. Prior to implementing any formal hedging policies, we will seek the approval of our Board on the policy and put in place adequate procedures which shall be reviewed and approved by our Audit Committee. Thereafter, all hedging transactions entered into by our Group will be in accordance with the set policies and procedures.

### **CHANGES IN ACCOUNTING POLICY AND DISCLOSURE ON ADOPTION OF NEW ACCOUNTING STANDARDS**

The audited consolidated financial statements of our Group and the unaudited condensed consolidated interim financial statements included in Appendices A and B to this Offer Document, respectively have been prepared in accordance with SFRS(I)s. These are our Group's first financial statements prepared in accordance with SFRS(I)s and SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) has been applied.

In adopting SFRS(I)s, our Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). Our Group's opening statement of financial position has been prepared as at 1 July 2017, which is our Group's date of transition to SFRS(I)s.

The same accounting policies are applied throughout all periods presented in the audited consolidated financial statements and the unaudited condensed consolidated interim financial statements in Appendix A and Appendix B of this Offer Document, respectively, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. For first-time adopters, SFRS(I)s allow the exemptions from the retrospective application of certain requirements under SFRS(I)s. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have significant impact on the financial performance and financial position of our Group.

Please refer to Note 33 of the Independent Auditor's Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020 as set out in Appendix A of this Offer Document for a discussion of new standards and interpretations under SFRS(I)s which have been adopted by our Group from 1 July 2017, 1 July 2018 and 1 July 2019, as the case may be. Except for SFRS(I) 16 Leases, there is no material impact on the financial performance and financial position of the consolidated financial statements in the year of initial application.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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Please refer to Note 34 of the Independent Auditor's Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020 as set out in Appendix A of this Offer Document for a discussion of new standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for our Group for the annual periods beginning on or after 1 July 2020.

Save for the effect of any mandatory or early adoption by our Group of any applicable future new or revised amendments to SFRS(I) that could result in retrospective adjustments, our Group currently has no intention to make any changes to our accounting policy in the next 12 months that may result in material adjustments to the disclosed financials for the Period Under Review.

## CAPITALISATION AND INDEBTEDNESS

The following table, which should be read in conjunction with the full text of this Offer Document, including the section “Management’s Discussion and Analysis of Results of Operations and Financial Position” of this Offer Document, and the “Independent Auditor’s Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020”, the “Independent Auditor’s Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020”, and the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020” as set out in Appendices A, B and C to this Offer Document respectively, shows the cash and cash equivalents as well as capitalisation and indebtedness of our Group:

- (a) as at 31 December 2020, based on the unaudited consolidated financial position of our Group as at 31 December 2020;
- (b) as at 31 March 2021, being a date no earlier than 60 days before the date of lodgement of this Offer Document, based on the unaudited consolidated management accounts of our Group as at 31 March 2021; and
- (c) as at 31 March 2021, based on the unaudited consolidated management accounts of our Group as at 31 March 2021, as adjusted to give effect to the allotment and issue of the New Shares.

(S\$)	As at 31 December 2020	As at 31 March 2021	As adjusted for the net proceeds from the issue of the New Shares
<b>Cash and cash equivalents</b>	4,935,918	5,785,844	12,347,492
<b>Long-term Indebtedness</b>			
Secured and guaranteed	1,524,411	1,356,213	1,356,213
Secured and non-guaranteed	–	–	–
Unsecured and guaranteed	2,315,307	2,155,473	2,155,473
Unsecured and non-guaranteed <sup>(1)</sup>	3,103,998	3,089,600	3,089,600
<b>Short-term Indebtedness</b>			
Secured and guaranteed	422,074	473,403	473,403
Secured and non-guaranteed	12,788	9,991	9,991
Unsecured and guaranteed	632,966	635,658	635,658
Unsecured and non-guaranteed <sup>(1)</sup>	263,508	287,936	287,936
<b>Total indebtedness</b>	8,275,052	8,008,274	8,008,274
<b>Total shareholders’ equity</b>	22,869,548	23,680,787	30,242,435
<b>Total capitalisation and indebtedness</b>	<b>31,144,600</b>	<b>31,689,061</b>	<b>38,250,709</b>

**Note:**

- (1) Unsecured and non-guaranteed indebtedness pertains to lease liabilities in relation to our Group’s leases on leasehold land and office premises, motor vehicles and equipment, which were substantially recognised in FY2020 onwards following the adoption of SFRS(I) 16 Leases.

Save for (i) changes in working capital; (ii) scheduled monthly repayments on our finance leases; and (iii) changes in our shareholders’ equity and reserves arising from our day-to-day operations



## CAPITALISATION AND INDEBTEDNESS

in the ordinary course of business, there were no material changes to our capitalisation and indebtedness since 1 April 2021 to the Latest Practicable Date.

### Bank Facilities

As at the Latest Practicable Date, our bank facilities (utilised and unutilised) were as follows:

Bank	Nature of facilities (Purpose)	Amount of facilities granted ('000)	Amount of facilities drawn down ('000)	Amount unutilised ('000)	Amount outstanding as at the Latest Practicable Date ('000)	Interest rate	Maturity profile
DBS Bank	Enterprise Financing Scheme Temporary Bridging Loan I <sup>(1)</sup> <i>(Working capital purposes)</i>	S\$2,000	S\$2,000	–	S\$1,687	2.00% per annum	Monthly instalment repayments over 5 years, from 25 June 2020
DBS Bank	Non-Revolving Hire Purchase Line III <sup>(1)(2)</sup> <i>(to finance the purchase of new and/or used equipment and/or vehicle(s))</i>	S\$500 <sup>(3)</sup>	S\$88	– <sup>(3)</sup>	S\$29	Up to 12 months: 1.45% per annum Up to 24 months: 1.55% per annum Up to 36 months: 1.70% per annum Up to 48 months: 1.80% per annum	Monthly instalment repayments over a period of up to 48 months from the date of each drawdown
DBS Bank	Overdraft Facility I (“OD I”) <sup>(1)(4)</sup>	S\$1,000	–	S\$1,000	–	DBS Bank’s prevailing prime rate plus 0.25% per annum	Payable on demand
DBS Bank	Letters of Guarantee I (“LG I”) Facility/Long Term Letters of Guarantee I (“LTG I”) Facility <sup>(1)(4)</sup>	S\$200	S\$36	S\$164	S\$36	Based on such terms and conditions for each bank guarantee as DBS Bank may, in its absolute discretion, approve and accept	LG I: Tenor of up to 1 year LTG I: Tenor of more than 1 year and up to 3 years

## CAPITALISATION AND INDEBTEDNESS

Bank	Nature of facilities (Purpose)	Amount of facilities granted ('000)	Amount of facilities drawn down ('000)	Amount unutilised ('000)	Amount outstanding as at the Latest Practicable Date ('000)	Interest rate	Maturity profile
DBS Bank	Trade Facilities I comprising Sight/Usance/ Local Letters of Credit ("LC"), Trust Receipts ("TR"), Import/ Local Bills Receivable Purchase ("BRP"), Shipping Guarantees ("SG") and Air Waybill Guarantees ("AWG") <sup>(1)(4)</sup>	S\$3,000	–	S\$3,000	–	<p><u>LC:</u></p> <p>Up to S\$50,000: 1/8% per month, minimum 2 months</p> <p>More than S\$50,000: 1/16% per month, minimum 2 months</p> <p><u>TR and BRP:</u></p> <p>For S\$ denominated bills:</p> <ul style="list-style-type: none"> <li>• up to S\$50,000 – DBS Bank's prevailing prime rate per annum;</li> <li>• more than S\$50,000 – the prevailing Singapore Interbank Offered Rate ("SIBOR") plus 1.25% per annum.</li> </ul> <p>For foreign currency denominated bills – DBS Bank's prevailing cost of funds plus 1.25% per annum</p>	<p>LC: Tenor – at sight or up to 180 days</p> <p>TR, BRP: Maximum tenor – 180 days inclusive of supplier's credit</p>

## CAPITALISATION AND INDEBTEDNESS

Bank	Nature of facilities (Purpose)	Amount of facilities granted ('000)	Amount of facilities drawn down ('000)	Amount unutilised ('000)	Amount outstanding as at the Latest Practicable Date ('000)	Interest rate	Maturity profile
DBS Bank	Fixed Advance Facility I ("FAFY I") <sup>(1)(4)</sup>	S\$1,000	–	S\$1,000	–	The prevailing 1, 3 or 6 months SIBOR plus 1.25% per annum and payable in arrears on the last day of the term relating to the drawing	The term for each drawing shall be 1, 3 or 6 months or any other period as agreed to by DBS Bank.  Each drawing shall be repaid in full on the last day of the term relating to such drawing unless otherwise agreed by DBS Bank.
DBS Bank	Term Loan II ("TL II") <sup>(1)(4)</sup> <i>(already disbursed to finance the construction works for the extension to be made at 30 Senoko South Road Singapore 758088)</i>	S\$2,975	S\$2,975	–	S\$721	1st year and 2nd year: Fixed at 2.10% per annum Subsequent years: Prevailing Enterprise Financing Rate ("EFR")	Monthly instalment repayments over a period of 10 years, from 13 January 2012
DBS Bank	Term Loan V ("TL V") <sup>(1)(4)</sup> <i>(for funding Golden Bridge's overseas expansion plans)</i>	S\$1,400	S\$1,400	–	S\$1,037	1st year and 2nd year: Fixed at 2.25% per annum Subsequent years: DBS Bank's prevailing EFR	Monthly instalment repayments over a period of 10 years, from 6 April 2018
DBS Bank	Foreign Exchange ("FX") spot and forward <sup>(1)(4)</sup>	Notional principal limit of S\$3,000	–	S\$3,000	–	–	Maximum tenor (for each transaction): 12 months

## CAPITALISATION AND INDEBTEDNESS

Bank	Nature of facilities (Purpose)	Amount of facilities granted ('000)	Amount of facilities drawn down ('000)	Amount unutilised ('000)	Amount outstanding as at the Latest Practicable Date ('000)	Interest rate	Maturity profile
BMW Credit (Malaysia) Sdn Bhd	Hire purchase of new truck with refrigeration system for business use <sup>(5)</sup>	RM121	RM121	–	RM28	3.65% per annum	Monthly instalment payments over a period of 4 years from 27 March 2018
DBS Bank	Enterprise Financing Scheme Temporary Bridging Loan I <sup>(1)(5)</sup> (Working capital purposes)	S\$1,250	S\$1,250	–	S\$1,030	2.00% per annum	Monthly instalment repayments over 5 years from May 2020
DBS Bank	Overdraft Facility I <sup>(1)(5)</sup>	S\$50	–	S\$50	–	DBS Bank's prevailing prime rate plus 1.50% per annum	Payable on demand
DBS Bank	Trade Facilities I comprising Sight/Usance/ Local Letters of Credit ("LC"), Trust Receipts ("TR"), Import/ Local Bills Receivable Purchase ("BRP"), Shipping Guarantees ("SG") and Air Waybill Guarantees ("AWG") <sup>(1)(5)</sup>	S\$500	–	S\$500	–	<p>TR and BRP: For S\$ denominated bills:</p> <ul style="list-style-type: none"> <li>• up to S\$50,000 – DBS Bank's prevailing prime rate;</li> <li>• more than S\$50,000 – DBS Bank's cost of funds plus 1.75% per annum.</li> </ul> <p>For foreign currency denominated bills – DBS Bank's cost of funds plus 1.75% per annum</p>	<p>LC: Maximum tenor – Usance up to 90 days</p> <p>TR, BRP: Maximum tenor – 90 days inclusive of supplier's credit</p>
DBS Bank	Foreign Exchange ("FX") spot and forward <sup>(1)(5)</sup>	Aggregate notional limit of S\$500	–	S\$500	–	–	Maximum tenor (for each transaction): 12 months
<b>Total Amount</b>		<b>S\$17,414</b>	<b>S\$7,788</b>	<b>S\$9,214</b>	<b>S\$4,549</b>		

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## CAPITALISATION AND INDEBTEDNESS

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**Notes:**

- (1) The facilities granted to us by DBS Bank are secured by joint and several personal guarantees executed by each of our Controlling Shareholder and Managing Director, Ong Bee Chip, our Controlling Shareholder, Ong Bee Song, and our Executive Director and Substantial Shareholder, Ong Chew Yong. Please refer to the section “Interested Person Transactions – Present and On-going Interested Person Transactions – Personal guarantees provided by Ong Bee Chip, Ong Chew Yong and Ong Bee Song” of this Offer Document for further details on the personal guarantees provided by Ong Bee Chip, Ong Chew Yong and Ong Bee Song.
- (2) Under the Non-Revolving Hire Purchase Line III, Golden Bridge has taken out a hire purchase facility amounting to S\$88,246 for the purchase of “Foodscan TM 2 Lab”, repayable by 36 monthly instalments commencing from 30 May 2019, with an interest rate of 1.70% per annum flat rate (effective interest rate of 3.45% per annum).
- (3) Based on the terms and conditions of the Non-Revolving Hire Purchase Line III, the facility is required to be drawn down within six (6) months from the date of the facility letter (i.e. 23 March 2018), unless otherwise extended by DBS Bank at its sole discretion. As Golden Bridge had only utilised around S\$88,000 within the six (6) month period, the remaining unutilised amount of the facility has lapsed and is no longer available for drawdown.
- (4) The facilities granted to us by DBS Bank is secured by a first legal mortgage over the Senoko Property, and a deed of undertaking from Golden Bridge to undertake to, among other things, grant security over the Senoko Property in favour of DBS Bank.
- (5) Secured by a corporate guarantee provided by Golden Bridge.

All of the facilities granted to our Group contain covenants that include, among others, restrictions on changes of control or shareholding of our Company or the constitutive documents of our Company that relate to our ability to borrow. In particular, the terms and conditions of the Enterprise Financing Scheme Temporary Bridging Loan I require Golden Bridge and Ellaziq Singapore to have at least 30.0% local equity held directly or indirectly by Singaporean(s) and/or Singapore permanent residents, determined by the ultimate individual ownership, and Golden Bridge and Ellaziq Singapore are also required to notify DBS Bank in writing if there is any change exceeding 50.0% in its ownership (beneficial or legal). The terms and conditions of our bank facilities also include financial covenants such as requirements to maintain a certain minimum net worth and loan-to-value ratios (in relation to the market value of the Senoko Property). Please see the section “Risk Factors – We may not be able to pay dividends in the future” of this Offer Document for further details.

Save as disclosed above, there are no specific covenants in our bank facilities which are tied to any Controlling Shareholder’s shareholding interest in our Company.

Pursuant to Rule 728 of the Catalist Rules, the Controlling Shareholders of our Group, BCS, Ong Bee Chip and Ong Bee Song have provided undertakings to our Company that they will notify our Company as soon as they become aware of any share pledging arrangements relating to their respective Shares, and of any event which will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal amount of the loan or debt securities. Upon notification by any of the Controlling Shareholders, our Company will make the necessary announcement(s) in compliance with the said rule.

In the event that any Group Company enters into a loan agreement or issues debt securities that contain a specified condition, and the breach of this specified condition will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the principal amount of the loan or debt securities, significantly affecting the operations of our Group or results in our Group facing a cash flow problem, we will immediately announce the details of the specified condition(s) in accordance with Rule 704(33) of the Catalist Rules, and the level of these facilities that may be affected by a breach of such specified condition(s). Pursuant to Rule 704(33) of the Catalist Rules, a “specified condition” is a condition that makes reference to the shareholding interests of any Controlling Shareholder, or a restriction on any change of control of our Company.

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## CAPITALISATION AND INDEBTEDNESS

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To the best of our Directors' knowledge, we are not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our financial position and results or business operations, or the investments of our Shareholders in our Shares.

### **Contingent Liabilities**

As at the Latest Practicable Date, we are not aware of any contingent liabilities which may have a material effect on the financial position and profitability of our Group.

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## GENERAL INFORMATION ON OUR GROUP

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### HISTORY

The history of our Group can be traced back to August 1993 when Golden Bridge was established by Ong Tuan Seng and Ang Tik Bee (who is the father and brother-in-law respectively of our Executive Directors, Ong Bee Chip and Ong Chew Yong, and our Controlling Shareholder, Ong Bee Song) primarily to produce premium Chinese sausages. Ong Tuan Seng first came up with the innovative idea of creating XO special lean Chinese sausages, recognising that the aroma of XO brandy would be popular with the market. He partnered with Ang Tik Bee, who was involved at the relevant time in the business of producing Chinese sausages. Ang Tik Bee eventually exited Golden Bridge in May 2008.

In September 1993, Golden Bridge leased the factory premises at the Senoko Property and established a non-halal production facility. At that time, Golden Bridge produced primarily Chinese sausages, which were marketed and sold under the brand “Golden Bridge” to both retail consumers as well as the food service sector.

In January 1995, Ong Bee Song joined Golden Bridge as a sales manager.

Believing in constantly innovating and investing in new technologies, Golden Bridge started to expand our product offering to include chilled products (including Taiwanese-style sausages) in 1999.

In 2003, recognising the importance of technology in increasing our productivity and efficiency, we adopted certain modules of an ERP system to track and monitor our processes and products more efficiently. This eventually led to the adoption of an ERP system, which connects every step of the manufacturing process together.

Between 2003 and 2006, Ong Tuan Seng transferred all of his shareholding interest in Golden Bridge to Ong Bee Chip, Ong Chew Yong and Ong Bee Song, who then became shareholders of Golden Bridge. It was also during this period that Ong Bee Chip and Ong Chew Yong joined the management of Golden Bridge, and they have since been instrumental in the growth, development and success of our Group.

Entering into the new millennium and recognising that consumers’ tastes were fast evolving and that demand for western products were on the rise, a new house brand “Kelly’s” was created in 2004 to fulfil such increasing demand. We started marketing our western meat products such as sausages and hams under this new house brand.

From 2007, Golden Bridge commenced selling its food products in major supermarkets in Singapore such as NTUC Fairprice, Prime Supermarket and Giant.

In 2009, we expanded our product range and set up a production line to manufacture canned food products, specifically canned luncheon meat, with a view to entering the export market as canned food products have a longer shelf life and were therefore more suitable for export. The canned luncheon meat were marketed under our house brand “Golden Bridge”.

In the same year, we established Ellaziq Singapore as a wholly-owned subsidiary of Golden Bridge with a view to offer a wide range of quality halal food to our discerning consumers locally and overseas. We had observed that the halal food and beverage scene was expanding, and believed that there was a ready market for quality halal meat products. We therefore decided to leverage on our years of meat manufacturing experience, expertise and know-how, and invested in the construction of a halal production facility, fully segregated from our existing non-halal production facility, at the Senoko Property.



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## GENERAL INFORMATION ON OUR GROUP

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In 2010, we received halal certification from MUIS for our halal production facility and created and launched new house brands “El-Dina” and “Kizmiq” under Ellaziq Singapore, under which our halal products were marketed. Ellaziq Singapore also commenced sale of its food products in major supermarkets in Singapore such as NTUC Fairprice and Giant in 2010.

In 2012, to cater to the increasing demand for our products locally and overseas, we undertook expansion plans for both our halal and non-halal production facilities at the Senoko Property, pursuant to which we built an additional five-storey annex building to supplement the existing two-storey production facilities. After the completion of the construction of the additional annex building, the total size of our production facilities increased from an aggregate of about 4,387 sq m to about 9,071 sq m. In the same year, we started exporting canned luncheon meats and hams to Malaysia and Brunei, marking our first foray into the export market.

As a result of busy lifestyles, we recognised that there was an increase in consumer demand for convenience, with a tendency to consume smaller portions. To adapt and cater to such shift in consumer preference, we invested in a new production line in 2012 to produce luncheon ham in small portion pack sizes of 100 grams (instead of the usual 340 grams regular size can) – the Portion Pack Luncheon Ham Series. We designed these products in single serving size and use microwaveable aluminium tray packaging to facilitate heating up and consumption, hence minimising food waste and the need for storage of leftovers. The aluminium tray packaging is recyclable and therefore more environmentally friendly. The Portion Pack Luncheon Ham Series are marketed under our house brand “Kelly’s”, and are available in four (4) flavours (namely bacon bits, barbeque, picante, and chicken lyoner). We believe we may have been among one of the first in the world to manufacture luncheon ham in 100 grams size in aluminium tray packaging.

In 2013, we created and launched another new house brand “GoldenLion”, and expanded our product offering to include re-developed oriental and western meat products which are competitively priced, to cater to price sensitive customers (such as the food service industry and mass market).

Between 2014 and 2016, a major rebranding and restructuring exercise was conceptualised and undertaken whereby we re-designed and launched a new modernised logo for Golden Bridge. Our Company was also incorporated in March 2015 with a view to becoming the holding company of our Group. We subsequently rationalised our Group structure in 2016, pursuant to which Golden Bridge and Ellaziq Singapore became wholly-owned subsidiaries of our Company. Please refer to the section “Extended Group Structure – Internal Restructuring” of this Offer Document for further details.

In 2015, we purchased a new luncheon meat filling line, which enabled us to produce canned luncheon meat in rectangular cans instead of round cans. These rectangular cans are made of aluminium instead of tin, which is environmentally friendly as aluminium is recyclable. In addition, it is less prone to rusting, provides better heat permissibility to the meat and thereby improves the product texture, requires less storage space, and provides us with better product differentiation from our competitors which typically produce canned luncheon meat in round cans.

In 2016, we commenced sales of our products via the e-commerce platform Qoo10, and subsequently also made our products available on other e-commerce platforms such as Shopee, Lazada, Singapore Food Shows and Singapore Food United.

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## GENERAL INFORMATION ON OUR GROUP

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In 2017, we created a new house brand “Orchid”, to target the food service market, and also established GB Malaysia in Malaysia as a wholly-owned subsidiary of Golden Bridge, with the aim of expanding our non-halal food distribution business in Malaysia and the region. Today, GB Malaysia sells and distributes food products, which are mainly marketed under our house brands “Golden Bridge”, “Kelly’s”, “GoldenLion” and “Orchid”.

In 2018, following the success of Ellaziq Singapore, we established Ellaziq Malaysia in Malaysia as a wholly-owned subsidiary of Ellaziq Singapore, to expand our halal food distribution business in Malaysia and the region. Ellaziq Malaysia primarily sells and distributes halal food products in Malaysia, which are produced by a third party contract manufacturer in Malaysia, specifically for Ellaziq Malaysia. These halal products are marketed under our house brands “El-Dina” and “Kizmiq”.

In March 2019, we expanded into a new market, Indonesia, by entering into a joint venture with Hogsworld Pte Ltd (part of the KMP Group). Pursuant to the joint venture, our associated company, Delta Bridge Singapore, was established to be the holding company of Delta Bridge Indonesia, to process pork related products (such as Chinese sausages and canned luncheon meat), which are marketed primarily under our existing house brand “Orchid” for sale in Indonesia.

On 1 June 2021, our Company was converted to a public company limited by shares and our name was changed to “OTS Holdings Limited”.

### *Awards and Certifications*

Knowing how important safety and quality standards are to consumers, especially in the food business, we are dedicated to ensuring our culture embodies these key beliefs in our processes.

Both Golden Bridge and Ellaziq Singapore have consistently achieved Grade ‘A’ status for excellence in food hygiene, sanitation and processing since 2010 and 2011 respectively for certain types of processing such as retort canning, sausage and ham processing. In 2014, Golden Bridge also received from the Singapore Food Manufacturers’ Association (a) the Great Singapore Food Gifts Award in respect of the Golden Bridge Waxed (Preserved) Sausages – Gift Tin Pack, (b) the Great Singapore Food Gifts Award in respect of the Golden Bridge Waxed (Preserved) Sausages – Singapore Orchids (SG50) Series, and (c) the Great Singapore Food Gifts Award in respect of the Kelly’s Portion Pack Luncheon Ham Series. In 2015, our halal and non-halal production facilities received the FSSC 22000 Food Safety System Certification, which demonstrates that our production facilities have robust food safety management systems in place. In the same year, Golden Bridge also received the Food Safety Excellence Award (Bronze), awarded by the AVA.

For further details, please refer to the section “General Information on our Group – Certifications, Accreditations and Awards – Awards” of this Offer Document.

## **BUSINESS OVERVIEW**

Preserving **Traditions**, Inspiring **Generations** – where **Tradition** meets **Innovation**.

Established in 1993, we are a brand builder and food manufacturing group in the consumer industry with a strong niche in ready-to-eat and ready-to-cook meat products with key markets in Singapore and Malaysia.

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## GENERAL INFORMATION ON OUR GROUP

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Our vision is to develop a growing portfolio of established consumer brands and to become an innovative market leader in the region.

**Rich Heritage and a Major Player in Singapore.** With an established track record of over 27 years in the industry, we have been able to grow in scale and become one of the major ready-to-eat and ready-to-cook meat product manufacturers in Singapore today. We believe we are one of the largest meat product manufacturing companies in Singapore with the capability to manage and process as many as four (4) product categories – chilled, frozen, dried and shelf-stable ready-to-eat and ready-to-cook meat products – within one single facility.

**Multi-brand, Multi-product Portfolio.** We are brand builders. Our flagship heritage brand “Golden Bridge”, created by our late founder, Ong Tuan Seng, embodies our belief that we should serve as a connection between consumers’ preferences and our quality food products. By placing strong emphasis on the branding and positioning of our Group’s flagship brands, “Golden Bridge” and “Kelly’s” have become established household names within the ready-to-eat and ready-to-cook meat products market in Singapore and Malaysia. Targeting the growing halal food market, we established a prominent retail brand, “El-Dina”, and a food service brand, “Kizmiq”, under our subsidiary, Ellaziq Singapore, a halal food specialist in Singapore. We continuously innovate and introduce new products to target new markets. As at the Latest Practicable Date, we have more than 1,100 SKUs across 13 main product types under our six (6) house brands, targeting both halal and non-halal consumer segments. We also produce seasonal food products (such as roast meats, hams and pork knuckles) during festive periods such as Chinese New Year and Christmas.

**Strong Focus on Innovation.** Building the momentum of our success is our spirit of innovation which has been part of our culture since 1993. From challenging ourselves to improve our recipes to exploring technological innovations to enhance efficiency and quality in our manufacturing processes, we continue to push new boundaries as food innovators. Supported by our in-house research and development team, we take pride in our commitment to continuously reinvent ourselves and create better products to respond swiftly and in a timely manner to market trends and support the diverse tastes of our customers. For example, during the Period Under Review, we developed and launched more than 160 new products and/or new varieties of food products.

**Technology Driven Manufacturing Capabilities.** The Extended Group owns and operates three (3) modern food manufacturing facilities, two (2) in Singapore and one (1) in Bulan Island, Indonesia. In Singapore, our integrated food manufacturing facilities span across around 9,131 sq m with an average annual production of around 2,500 tonnes of ready-to-eat and ready-to-cook meat products. Working in collaboration with Hogsworld Pte Ltd (part of the KMP Group), our third food manufacturing facility located in Bulan Island, Indonesia is currently focused on the production of Chinese sausages with an annual production capacity of around 140 tonnes as at the Latest Practicable Date. Recognising the importance of technology in increasing productivity and efficiency, we believe we were among the first in our industry in Singapore to adopt certain modules of an ERP system in 2003. Since then, we have made several upgrades and improvements leading eventually to the implementation of an ERP system today which connects every step of the manufacturing process – from research and development, order taking, product development, sourcing, food processing, packaging to delivery – thereby enabling us to track and monitor every aspect of our process and products with speed, accuracy and ease.

**Quality Assurance.** Knowing how important safety and quality standards are to consumers, especially in the food business, we are dedicated to ensuring our culture embodies these key beliefs in our processes. Our production facilities, processes, and food products are routinely checked for quality and safety, both internally and through third party surveillance audits conducted by certification companies such as SGS United Kingdom Ltd. We have also been

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## GENERAL INFORMATION ON OUR GROUP

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achieving Grade 'A' status for excellence in food hygiene and food safety standards from the Singapore Food Agency or the AVA (as the case may be) since 2010 for Golden Bridge and since 2011 for Ellaziq Singapore for certain types of processing such as retort canning, sausage and ham processing. In addition, our two (2) production facilities in Singapore are the only two (2) out of the three (3) meat processing plants in Singapore which have obtained approval for the export of meat products from Singapore to the European Union.

**Established Distribution Channels.** We have built an established sales and distribution network over the past few decades and our brands have been widely marketed and sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. Through our export business and wholesalers, our food products have also been marketed and sold in more than 25 countries, including Brunei, Hong Kong, Myanmar, India and the European Union. Besides receiving the FSSC 22000 Food Safety System Certification, both our production facilities in Singapore have also achieved a Grade 'A' status for excellence in food hygiene and food safety standards from the Singapore Food Agency or the AVA (as the case may be) for certain types of processing such as retort canning, sausage and ham processing. No matter where our customers are located, they are assured of safe and high-quality food products made by us, which facilitate fulfilment of import standards and compliance with international market regulations and certifications.

### OUR PRODUCTS

#### **Golden Bridge and GB Malaysia (non-halal products)**

Golden Bridge, our wholly-owned subsidiary, manufactures a wide range of non-halal meat products at our non-halal production facility located at the Senoko Property.

Golden Bridge manufactures meat products that are marketed and sold throughout the year, as well as certain specialised meat products that are typically consumed during festive seasons such as Christmas and Chinese New Year.

Golden Bridge also undertakes product development with a view to enhancing and refreshing its product offerings. Golden Bridge has developed, over the years, different meat products using different types of meat and flavours to cater to the diverse and changing tastes and preferences of our customers. For instance, we manufacture and sell different types of Chinese sausages, such as original flavour sausages, XO lean sausages, chicken wine sausages and liver sausages, and also different flavours of canned luncheon meat, such as original, black pepper, cheese and spicy. These meat products are marketed and sold off-the-shelf under our house brands.

Our meat products are marketed and sold primarily under our house brands "Golden Bridge", and "Kelly's". Other meat products marketed and sold under our brands "GoldenLion" and "Orchid" target the food service businesses (such as hotels, restaurants, airlines, caterers, quick service restaurants, bakeries, clubs, cafes and pubs) in Singapore and Asia. Our meat products sold under our brand "Orchid" are also marketed to local communities in our overseas markets.

All our meat products can be categorised according to the product's recommended final storage condition, which comprises chilled, frozen, dried and shelf-stable conditions.

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## GENERAL INFORMATION ON OUR GROUP

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**Key products (by storage conditions)**

**Sample product pictures (not indicative of full range of products and pack sizes/formats)**

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**Dried**



### **Chinese sausages and other waxed/cured meat products**

- XO Special Lean Sausage
- Liver Sausage
- Tung Yuen Sausage
- Special Grade Sausage
- Golden Bridge Sausage
- Chicken Wine Sausage
- Red Wine Sausage
- First Grade Sausage
- Iberico Pork Sausage
- XO Lean Liver Sausage
- Duck Liver Sausage
- Taiwan Sausage
- Waxed Duck Leg
- Waxed Pork

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## GENERAL INFORMATION ON OUR GROUP

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**Key products (by storage conditions)**

**Sample product pictures (not indicative of full range of products and pack sizes/formats)**

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**Bak Kwa (sweet barbequed meat jerky)**

- Applewood Smoked Bak Kwa
- Lycheewood Smoked Bak Kwa
- Original Pork Bak Kwa
- Iberico Pork Bak Kwa



**Floss**

- Pork Floss
- Chicken Floss



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## GENERAL INFORMATION ON OUR GROUP

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**Key products (by storage conditions)**

**Sample product pictures (not indicative of full range of products and pack sizes/formats)**

**Shelf-stable**

**Canned luncheon meat**



### **Golden Bridge**

- Golden Bridge Pork Luncheon Meat Original flavour
- Golden Bridge Pork Luncheon Meat with Cheese
- Golden Bridge Pork Luncheon Meat with Black Pepper
- Golden Bridge Pork Luncheon Meat Mala flavour
- Golden Bridge Pork Luncheon Meat Shrimp Paste flavour
- Golden Bridge Chicken Luncheon Meat Original flavour
- Golden Bridge Pork Luncheon Meat Original flavour (Food Service)
- Golden Bridge Stewed Pork Sliced
- Golden Bridge Stewed Pork Ribs
- Golden Bridge DongPo Pork
- Golden Bridge Buddha Jump Over the Wall



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## GENERAL INFORMATION ON OUR GROUP

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Key products (by storage conditions)

Sample product pictures (not indicative of full range of products and pack sizes/formats)

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### Kelly's

- Kelly's Healthier Choice Pork Luncheon Meat
- Kelly's Healthier Choice Chicken Luncheon Meat
- Kelly's Pork Luncheon Meat Classic
- Kelly's Pork Luncheon Meat Black Pepper
- Kelly's Pork Luncheon Meat Cheese
- Kelly's Chicken Luncheon Meat
- Kelly's Iberico Pork Luncheon Ham
- Kelly's Truffle Pork Ham
- Kelly's Premium Ham

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## GENERAL INFORMATION ON OUR GROUP

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Key products (by storage conditions)

Sample product pictures (not indicative of full range of products and pack sizes/formats)

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### GoldenLion

- GB GoldenLion Pork Luncheon Meat



### Orchid

- Orchid Pork Luncheon Meat



### Kelly's Portion Pack

- Kelly's Bacon Bits Luncheon Ham
- Kelly's Picante Pork Luncheon Ham
- Kelly's BBQ Luncheon Ham
- Kelly's Chicken Lyoner

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## GENERAL INFORMATION ON OUR GROUP

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Key products (by storage conditions)

Sample product pictures (not indicative of full range of products and pack sizes/formats)

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Chilled and Frozen



### Golden Bridge Sausages

- Taiwanese Pork Sausage
- Taiwanese Chicken Sausage
- BBQ Pork Sausage
- BBQ Pork Mini Sausage
- BBQ Chicken Sausage
- BBQ Chicken Mini Sausage
- QQ Pork Sausage
- QQ Chicken Sausage

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## GENERAL INFORMATION ON OUR GROUP

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**Key products (by storage conditions)**

**Sample product pictures (not indicative of full range of products and pack sizes/formats)**



**Kelly's Hams and Bacon (retail and bulk packs)**

- Premium Apple Baked Ham
- Premium Honey Baked Ham
- Breakfast Ham
- Chicken Picnic Ham
- Honey Glazed Ham
- Honey Glazed Ham with Herbs
- Pork Picnic Ham
- Square Chicken Ham
- Leg Ham
- Shoulder Ham
- Premium Truffle Ham
- Applewood Smoked Streaky Bacon
- Applewood Smoked Back Bacon
- German Bierschinken Cold Cut Ham
- German Jagwurst Hunter Cold Cut Ham
- Italian Bologna Cold Cut Ham
- Japanese Arabiki Cold Cut Ham
- Switzerland Ham & Cheese Cold Cut Ham
- Streaky Bacon
- Back Bacon

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## GENERAL INFORMATION ON OUR GROUP

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Key products (by storage conditions)

Sample product pictures (not indicative of full range of products and pack sizes/formats)

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### Kelly's Sausages (retail and bulk packs)

- Cheese Sausage
- Garlic Sausage
- Chicken Cocktail
- Chicken Cocktail with Cheese
- Pork Bockwurst Sausage
- Chicken Vienna Gold
- Chicken Vienna Gold with Cheese
- German Chicken Frankfurter
- Italian Sausage
- BBQ Cheese Sausage
- Bacon Sausage
- American Sausage
- Veal Sausage
- Chicken Chipolata
- Jumbo Cheese Knackers
- Jumbo Hunter Sausage
- Mini Chicken Chipolata
- Pork Chipolata
- Nuernberger Grill Sausage
- Chicken Hot Dog
- Mushroom Sausage
- English Cumberland with Cranberries Sausage
- Frikandel Sausage
- Japanese Chicken Sausage
- Truffle Pork Sausage



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## GENERAL INFORMATION ON OUR GROUP

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Key products (by storage conditions)

Sample product pictures (not indicative of full range of products and pack sizes/formats)

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### Seasonal Meats & Sets

- German Pork Knuckle
- Traditional Christmas Ham (bone-in)
- Smoked Applewood Gammon Ham (bone-in)
- Smoked Gammon Ham (bone-in)
- Champagne Gammon Ham (boneless)
- Honeycomb Virginia Baked Ham (boneless)
- Honey Baked Ham (Whole)
- Honey Baked Ham (pre-sliced)
- Rosemary Turkey Supreme
- Traditional Roast Turkey
- Grilled Turkey Breast with Pork Stuffing
- Roast Turkey Breast in Net
- Roast Bone-in Lamb Leg
- Italian Leg of Lamb (bone-in)
- Pork Belly Roulad with Bacon Stuffing
- Smoked Capon Chicken
- Earl-Grey Breast of Duck
- Smoked Applewood Breast of Duck
- Mixed Herbs Rib-eye Roast Beef
- Black Pepper Rib-eye Roast Beef
- X'mas Turkey Set
- X'mas Turkey Combo
- X'mas Fest Set
- Mixed Sausage Platter
- International Sausages Platter

Golden Bridge also acts as contract manufacturer of non-halal food products for third parties which include supermarkets.

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## GENERAL INFORMATION ON OUR GROUP

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GB Malaysia, a wholly-owned subsidiary of Golden Bridge, sells and distributes halal and non-halal food products, which are mainly marketed under our house brands “Golden Bridge”, “Kelly’s”, “GoldenLion”, “Orchid”, “El-Dina” and “Kizmiq”.

### Delta Bridge Indonesia (non-halal products)

We have also established and commenced operations in Indonesia through our joint venture entity, Delta Bridge Indonesia. Delta Bridge Indonesia manufactures non-halal Chinese sausages in its production facility in Bulan Island, Indonesia for distribution in Indonesia. The products are marketed and sold under the “Orchid” brand. Barring any unforeseen circumstances, we intend to manufacture and introduce our canned meat products by early 2022.

Key product (by storage conditions)	Sample product pictures (not indicative of full range of products and pack sizes/formats)
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Dried



#### Chinese sausages (Sosis Babi)

- XO Special Lean Sausage
- Red Wine Sausage

Our Group is responsible for the (a) provision of machinery, technology, expertise and assistance in pork production, processing and manufacturing, (b) marketing and distribution of products, and (c) preparation of business plans for the joint venture company. Our joint venture partner, Hogsworld Pte Ltd, is responsible for (a) the provision of facilities, infrastructure, land and raw materials, and (b) the provision of administrative, logistical support and corporate secretarial services for the joint venture company.

### Ellaziq Singapore and Ellaziq Malaysia (halal products)

Ellaziq Singapore, our wholly-owned subsidiary, manufactures a wide range of halal meat products at our halal production facility located at the Senoko Property. Although located at the same premises, our non-halal production facility and halal production facility are separate and distinct facilities. This is to ensure that our halal products satisfy the requirements under Ellaziq Singapore’s halal certification.



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## GENERAL INFORMATION ON OUR GROUP

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Our halal meat products include:

Key product (by storage conditions)	Sample product pictures (not indicative of full range of products and pack sizes/formats)
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**Dried**



- Oriental Sausage
- Chicken Floss
- Chicken Floss with Seaweed
- Chicken Floss (Chilli)
- Chicken Floss (Black Pepper)
- Chicken Floss (Curry)

**Shelf-Stable**



- Chicken Meat Loaf
- Chicken Black Pepper Meat Loaf
- Chicken Cheese Meat Loaf
- Beef Meat Loaf
- Mutton with Chicken Meat Loaf
- Italiana Corned Chicken
- Pastrami Corned Beef
- Chicken Meat Loaf Healthier Choice
- Shredded Chicken Spring Water
- Shredded Chicken Mayonnaise
- Shredded Chicken Tandoori
- Shredded Chicken Peri-Peri
- Tuna Chunks
- Chicken Luncheon Meat
- Crispy Prawn Chilli
- Crispy Fish Chilli
- Crispy Cuttlefish Chilli
- Crispy Seaweed Chilli
- Crispy XO Sauce
- Classic Sauces & Paste
- Flounder Fish seasoning
- Herbs & Spices packs

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## GENERAL INFORMATION ON OUR GROUP

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**Key product (by storage conditions)**

**Sample product pictures (not indicative of full range of products and pack sizes/formats)**

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**Chilled and Frozen**



- Honey Baked Chicken Ham
- Honey Black Pepper Chicken Ham
- Smoked Chicken Ham
- Chicken Breakfast Ham
- Premium Beef Pepperoni
- Premium Turkey Bacon
- Premium Chicken Bacon
- Chicken Luncheon Roll
- BBQ Chicken Ham
- Chicken Breakfast
- Chicken Breakfast Cocktail
- Smoked Chicken Cheese
- Smoked Chicken Cheese Cocktail
- El-Dina Beef Bakso
- El-Dina Chicken Bakso
- Kizmiq Cuttlefish Balls
- El-Dina Dendeng Lembu
- El-Dina Dendeng Ayam Pedas
- Chicken Char Siew Filling
- Tempura Chicken Nuggets
- Fish Chip
- Cuttlefish Chip
- Cheese Finger
- Fish Tofu
- Extra Crispy Fried Boneless Chicken Thigh
- Traditional Roast Turkey
- Smoked Chicken Ham
- Black Pepper Rib-Eye Roast Beef
- Honey Baked Chicken Ham
- Turkey Snail Sausage

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## GENERAL INFORMATION ON OUR GROUP

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Our halal meat products are marketed and sold under our house brands, “El-Dina” and “Kizmiq”. All meat products manufactured and sold by Ellaziq Singapore are certified halal by MUIS.

Ellaziq Singapore is also the sole agent and distributor in Singapore for the brand “Heng’s”, which is a third party brand originating from Malacca, Malaysia. We market and sell the Heng’s brand of products which includes sauces, condiments, herbs and spices and seasonings (such as nyonya chicken curry sauce, nyonya asam seafood sauce, crispy prawn chilli and crispy XO chilli).

Ellaziq Malaysia, a wholly-owned subsidiary of Ellaziq Singapore, carries on the business of sale and distribution of halal products in Malaysia. We do not have a production facility in Malaysia, and Ellaziq Malaysia outsources the manufacture of food products to a contract manufacturer in Malaysia. Ellaziq Malaysia supplies all raw materials (including the poultry and other meat), premix ingredients and packaging, and provides production equipment (such as the meat grinder, mixing equipment, filling equipment and inline metal detector) to the contract manufacturer so as to maintain the quality standards of our food products. These outsourced products include primarily different flavours of chicken meat loaves (such as original flavour, black pepper flavour and cheese flavour), as well as corned beef and corned chicken products, and are marketed under our house brands “El-Dina”, “Kizmiq” and “Orchid”.

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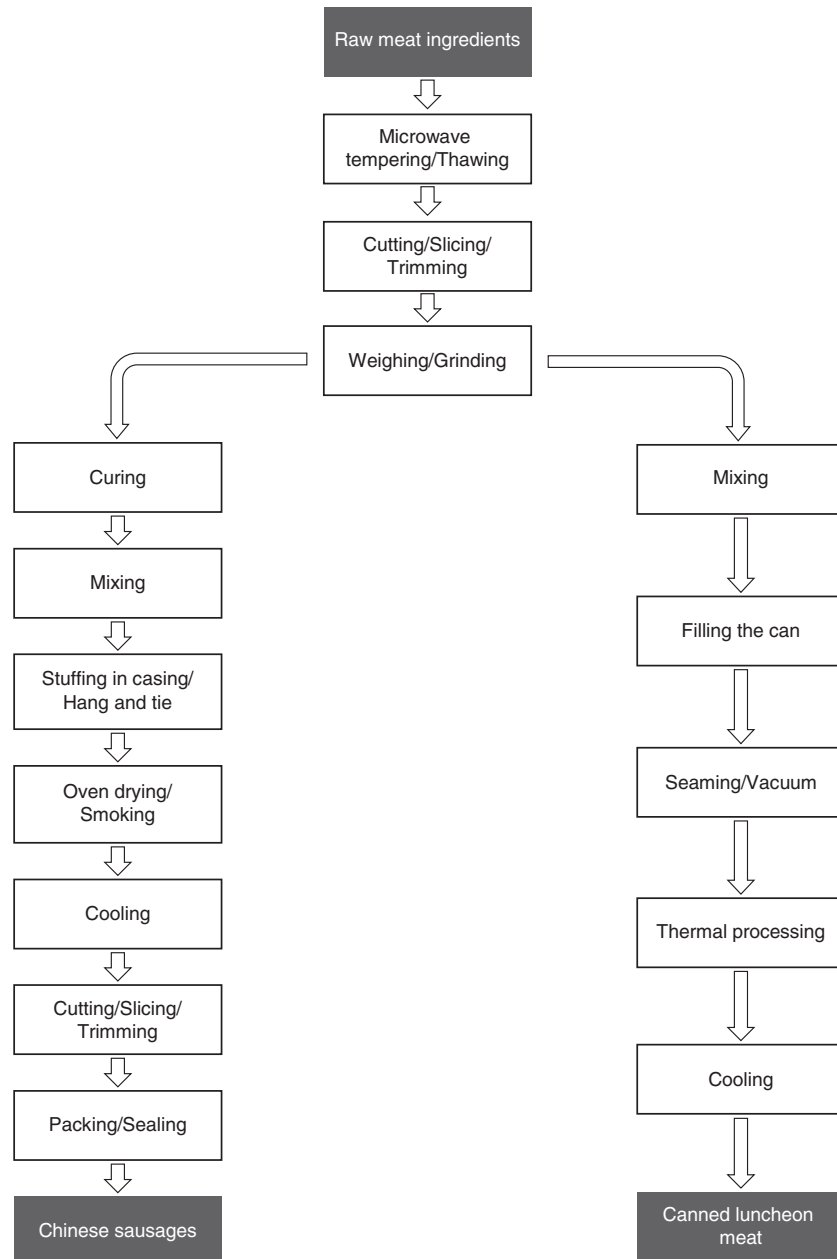
## GENERAL INFORMATION ON OUR GROUP

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### PRODUCTION PROCESS

#### Outline

Our production process is broadly similar for the different products. For illustration purposes, the flow chart below generally outlines the principal steps in the production process for our key food products, i.e. Chinese sausages and canned luncheon meat:



## GENERAL INFORMATION ON OUR GROUP

### *Principal steps*

The preparation stage of the production process is similar for both Chinese sausages and canned luncheon meat. The frozen raw meat ingredients will first be put through a microwave tempering machine and undergo tempering or thawing to bring the temperature of the frozen meat ingredients to an appropriate temperature to expedite the thawing process, in preparation for processing. Depending on the product, the meat ingredients are cut, sliced and/or trimmed using our meat grinding, cutting or slicing machines, and then weighed and grinded in preparation for the next step.

The processing stage of the production process is as follows:

- In relation to Chinese sausages, after grinding, the raw meat ingredients are cured and then mixed with other dry ingredients (such as a mixture of spices and condiments) using a mixer. The resulting meat paste mixture is then marinated and put through an automated sausage filler machine, where it is stuffed into sausage casings. The sausages are then transferred to oven racks and cooked by way of an oven drying/smoking process at an appropriate temperature and time, depending on the product. Thereafter, the sausages are cooled, and trimmed to form pairs. The sausages are packed into clear (food grade) plastic pouches and go through a vacuum sealing process and a metal detection process before being placed in its final packaging. The finished goods of Chinese sausages are packed into cartons and stored in our warehouse, ready for delivery to customers.
- In relation to canned luncheon meat, the raw meat ingredients are mixed with other dry ingredients (such as a mixture of spices and condiments) using a mixer. At the same time, the cans are machine-washed and blast dried, in preparation for the filling process. The meat paste mixture is then marinated and put through a filling machine, whereby the meat paste mixture will undergo a metal detection process before being mechanically filled into the cans. The filled cans are then hermetically sealed. The sealed cans are then subjected to thermal processing in a retort machine at appropriate temperatures. The cans are then cooled and put through a labelling machine to be labelled with the product labels. The finished goods are packed into cartons and stored in our warehouse, ready for delivery to customers.

### **Production Capacity and Utilisation**

As at the Latest Practicable Date, our Group operates two (2) separate production facilities with an aggregate area of about 9,131 sq m, located at the Senoko Property. We manufacture halal food products at one production facility and non-halal food products at the other production facility.

The average production capacity and extent of utilisation of our Group's production facilities for FY2018, FY2019 and FY2020 and HY2021 were as follows:

	FY2018		FY2019		FY2020		HY2021	
	Annual Production Capacity <sup>(1)</sup> (Tonnes)	Extent of Utilisation <sup>(2)</sup>	Annual Production Capacity <sup>(1)</sup> (Tonnes)	Extent of Utilisation <sup>(2)</sup>	Annual Production Capacity <sup>(1)</sup> (Tonnes)	Extent of Utilisation <sup>(2)</sup>	Annual Production Capacity <sup>(1)</sup> (Tonnes)	Extent of Utilisation <sup>(2)</sup>
Non-halal production facility	5,400	34.6%	5,400	32.1%	5,400	43.9%	2,700	58.0%
Halal production facility	900	57.0%	900	67.5%	900	68.7%	450	71.3%

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## GENERAL INFORMATION ON OUR GROUP

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### Notes:

- (1) Assuming our production facilities operate for 10 hours per day, seven (7) days per week, 52 weeks per year and excludes maintenance and repair time.
- (2) Approximate extent of utilisation is calculated based on actual annual production output divided by annual production capacity based on the actual production output type of product mix.

In general, our utilisation rate increased over the Period Under Review due to an increase in demand for our products, which is in line with the increase in our Group's total revenue. For further details, please refer to the section "Management's Discussion and Analysis of Results of Operations and Financial Position" of this Offer Document.

### RESEARCH AND DEVELOPMENT

We have our own in-house research and development team that comprises eight (8) persons as at the Latest Practicable Date. Our research and development activities are carried out within the same premises as our production facilities at the Senoko Property. Our research and development team conducts research and analysis focusing on creating new product concepts, formulations and recipes to cater to our customers' evolving tastes and preferences, enhancing the sensory properties that make our food products more appealing, enhancing the nutritional value of our products to cater to various dietary needs, improving food safety with new innovation and processes, adding convenience to consumers with new concepts and packaging, and exploring technology innovations to enhance efficiency and quality in our manufacturing processes. Our research and development team experiments with the creation of new food products and concepts after taking into account feedback received from our customers, market trends, availability and cost of ingredients, technological capability, production process flow, as well as the popularity of our existing food products.

We also utilise our research and development capabilities to offer product and formulation development services to support our customers' business needs. For example, we work with our customers to develop and create new recipes and customise new seasonal or limited-time offer products, and are equipped to develop customised food products and packaging for our customers based on their specific requirements and requests. In this regard, we have a dedicated research and development team in charge of product innovation, who create, test and refine new recipes for such customised products. Our customers usually reach out to us from between six (6) months to a year in advance of their proposed product launch, and we will work closely with them to prepare samples of the requested customised food product for their customer surveys and taste tests. For example, Ellaziq Singapore manufactures customised food products for our customers such as KFC, RE&S Holdings Limited and Singapore Food Delight Manufacturer Pte. Ltd. These customised food products are typically prepared for our customers in conjunction with their limited time offer promotions.

Our research and development-related expenses mainly comprised employee salaries and benefits which were not significant as compared to our revenue during the Period Under Review.

### WAREHOUSING AND DISTRIBUTION

Our finished goods are stored at Golden Bridge and Ellaziq Singapore's respective warehouses which are also located at the Senoko Property. Although Golden Bridge and Ellaziq Singapore's warehouses are located at the same premises, the two (2) warehouses are kept segregated and distinct in order to ensure that our halal products satisfy the requirements under Ellaziq Singapore's halal certification. Our shelf-stable food products generally have a shelf life of up to three (3) years. We generally rely on third party service providers to handle the delivery of our food products to our customers in Singapore. Our third party service providers collect the food products from Golden Bridge and Ellaziq Singapore's warehouses and load them onto delivery trucks, for delivery to our customers.

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## GENERAL INFORMATION ON OUR GROUP

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We store our finished goods for distribution in Malaysia in two (2) warehouses leased by GB Malaysia and Ellaziq Malaysia at Lot 17-9, Jalan CJ 1/1, Bersatu Industrial Park, 43200 Cheras Jaya, Selangor, Malaysia and Lot 17-21 (Ground Floor), Jalan CJ 1/1, Bersatu Industrial Park, Cheras Jaya 43200 Cheras, Selangor Darul Ehsan, Malaysia, respectively.

We distribute our food products primarily to our customers in Singapore and Malaysia. We also export our halal and non-halal food products, and our export markets include Brunei, Hong Kong, Myanmar, India and the European Union. The production facilities of Golden Bridge and Ellaziq Singapore are two (2) out of the three (3) meat processing plants in Singapore which have obtained approval for export of meat products from Singapore to the European Union.

We distribute and sell our products via our four (4) business segments being (a) Modern Trade, (b) General Trade, (c) Food Services, and (d) Others.

Under the Modern Trade segment, our products are retailed in major supermarkets such as NTUC Fairprice, Sheng Siong and Giant.

Under the General Trade segment, our products are retailed in convenience stores, provision shops and wholesalers such as Ang Mo Supermarket. We also sell our products to wholesalers which include DKSH Marketing Services Pte Ltd.

Under the Food Services segment, our products are mainly sold to food and beverage stores, restaurants, caterers, hawker centres, food courts and hotels, such as Swee Heng, Singapore Hai Di Lao Dining Pte Ltd, RE&S Holdings Limited, SATS Food Services Pte Ltd and Orange Clove Catering Pte Ltd.

Under the Others segment, our products are mainly sold to, among others, overseas customers via export sales, and to customers through business-to-customer (B2C) or business-to-business (B2B) arrangements with e-commerce platforms such as Qoo10, Shopee, Lazada, Singapore Food Shows, Singapore Food United, Amazon and Redmart.

In respect of Qoo10, Shopee, Lazada, Singapore Food Shows and Singapore Food United, we have a business-to-customer (B2C) arrangement to sell our products on these e-commerce platforms. The product listings, sales orders and shipping are processed and coordinated by our digital marketing team. Consumers make payment to the relevant e-commerce stores directly, and our sales staff handle the processing of the orders placed by the consumers after being informed by the e-commerce stores of the confirmed orders and successful payment.

In respect of Amazon and Redmart, we have a business-to-business (B2B) arrangement to sell our products through these e-commerce platforms. Under such B2B arrangement, each of Amazon and Redmart places orders with us and we deliver our products to their warehouse. Amazon and Redmart handle the end-customer's orders as well as the last-mile delivery to these end-customers, and we are not involved in direct transactions with the end-customers.

We also sell our non-halal and halal food products in Singapore directly via our websites, <https://golden-bridge.com> and <https://www.ellaziq.com>. Products available on Golden Bridge's and Ellaziq Singapore's websites are sold only to Singapore customers due to the stringent regulatory requirements for overseas shipping. Our e-commerce team manages the website, product listings, sale of products, order processing, customer service, and fulfilment coordination. We generally engage third party service providers to handle the last mile delivery to the customers.



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## GENERAL INFORMATION ON OUR GROUP

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### QUALITY ASSURANCE AND FOOD SAFETY

We manufacture and supply halal and non-halal meat products. We implement stringent quality and food safety management procedures which cover our entire business process, from our purchase and receipt of raw materials, our food production, storage, to the delivery of our finished products.

Since 2015, the food safety management systems of our production facilities in Singapore have received the FSSC 22000 Food Safety System Certification, which demonstrates that our production facilities have robust food safety management systems in place. In addition, our production facility in Bulan Island, Indonesia, has also achieved a grade 'B' status for Good Food Manufacturing Practice (Cara Produksi Pangan Olahan Yang Baik or CPPOB) from the National Agency of Drug and Food Control (Badan Pengawas Obat dan Makanan) in Indonesia. To ensure high standards of food quality and hygiene, we have a dedicated quality assurance and quality control team that is responsible for ensuring that our food safety management systems are effectively implemented and to oversee the manufacturing, packaging, labelling and operations in the production process to ensure that these functions are performed properly.

Our management and our quality assurance and quality control team conduct formal meetings at least once a year to review the food safety management systems and ensure that the policies and procedures in place are suitable, adequate, sustainable and effective, with a view to continually improve the systems.

Our new employees are required to undergo on-the-job training, including training on our food safety management systems and procedures. Our employees are also required to attend, on a regular basis, food safety refresher training programs, including training on good manufacturing practices and allergen controls. Our employees handling halal food products are required to attend the Halal Foundation Training organised by MUIS to be better prepared to comply with the MUIS halal requirements.

### Sourcing of raw materials

Our quality management procedures start from the selection of the suppliers from whom we source our products and food ingredients. We adopt and maintain stringent control over the selection of our suppliers, with an emphasis on quality, food safety and taste. We take into account, among other things, their reputation, stability of supply, their quality control practices, cold chain management, their range and specification of products and pricing. We are required to ensure that the meat products imported into Singapore meet the Singapore Food Agency's conditions, which include, among others, importing from food sources approved by the Singapore Food Agency, obtaining health certificates issued by the competent authority of the exporting country for each consignment of meat products imported (to certify that imports comply with Singapore's animal health and food safety requirements), and ensuring that the food labels on the cartons and packaging units of the meat products are accurate and complete. Additionally, consignments of meat or fish products imported into Singapore are subject to examination in accordance with the procedures under the Wholesome Meat and Fish (Import, Export and Transhipment) Rules.

For halal raw ingredients, we will request for the halal certificates from the supplier and ensure that the halal certification is from MUIS or MUIS-recognised halal certification bodies prior to purchasing from them. For medium or low risk ingredients (e.g. non-animal products), if a halal certificate is not available, the supplier would have to complete a MUIS approved halal questionnaire and product specifications or laboratory analysis would have to be obtained. Once the items have been submitted and approved by MUIS, our e-halal system will be updated to indicate that the item is allowed for use.

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## GENERAL INFORMATION ON OUR GROUP

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### Receiving of raw materials

Upon receipt of delivery of the raw materials, we will inspect and verify the quality of the products, taking into account the temperature, condition of packaging, appearance, odour and expiry date. The temperature of the raw materials is taken and recorded to ensure that chilled and frozen products are at their appropriate acceptable range. Raw materials which do not meet our order specifications and quality requirements are rejected.

We also review the labels of incoming raw materials to check the allergen information and ensure that any damaged containers of allergens are properly handled to minimise cross-contact at receipt. Allergens include, among other things, milk, peanuts, eggs, soy and cereal gluten, which may cause food allergies and result in injury or death to the customer. Our suppliers are required to provide us with letters guaranteeing that the ingredients supplied to us do not contain undeclared allergens.

For halal raw ingredients, all incoming raw materials will be inspected upon receipt of delivery to ensure, among other things, that it has a recognised halal logo, the seals are not broken and is not tainted by non-halal items. The inspection is further verified and countersigned by a Muslim representative before the raw materials are allowed to be transferred into our warehouse.

### Storage

All accepted raw materials are stored at their designated locations such as the cold room or the dry store, and storage conditions are maintained and controlled in a manner to assure product integrity. The cold rooms have their temperatures controlled and monitored daily to ensure that they are maintained at the appropriate temperatures. Temperature logs are automatically generated by the system and are kept for our records.

We ensure that our raw materials, finished products, packaging materials and equipment are not stored in close proximity to any chemical, cleaning product, pesticide or other non-food materials, which are stored in separate closed and secured areas. Allergen containing foods are also marked or tagged and stored separately from non-allergen containing foods and different allergen containing foods to prevent cross-contact.

We ensure that our storage area for halal food products is structurally segregated from our storage area for non-halal food products, to ensure that there is no cross-contamination. Our halal raw ingredients are stored at the designated storage areas for halal products after inspection, and our finished products are also stored at the designated halal storage areas.

### Processing and preparation

Our employees at the production facilities are required to practise good personal hygiene, and follow strict guidelines and procedures for hygiene and cleanliness as set out in our personal hygiene policy. For example, at our production facilities, our employees who handle food are required to wear appropriate protective coverings such as hairnets, face masks, disposable hand gloves and safety boots before entering the processing areas, and are required to wash and sanitise their hands thoroughly before starting work and during work as necessary to prevent contamination of foods. The preparation, cooking and storage facilities, equipment and utensils are also regularly cleaned and sanitised after the completion of each activity.

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Our canned food products are hermetically sealed in a can, which are commercially sterilised to kill pathogenic microorganisms and to preserve the nutrition and the quality of the food.

Our finished products are inspected and verified against the relevant production control cards and further evaluated by our quality control staff. In the event that our finished products do not pass the inspection checks, the affected batch of products will be quarantined and we will take appropriate corrective actions after investigations and product testing.

We generally segregate our production areas for allergenic and non-allergenic products, and have either dedicated processing equipment and lines to prevent allergen cross-contact, or ensure thorough cleaning and sanitising of production areas and equipment after processing of allergenic products and before processing of non-allergenic products.

In order to prevent our food products from being contaminated by food safety hazards, we have established a glass, brittle plastic and wood control procedure. These procedures include, among other things, limiting the use of wooden pallets in the warehouse and excluding wood products from production facilities, ensuring that no glass and brittle plastic items be brought into the processing area, and ensuring that the raw ingredients are to the extent possible purchased in non-glass containers.

Our halal production facility is fully segregated from our non-halal production facility. For our halal production facility, in order to ensure that the halal food products are not contaminated by non-halal food products, we have established a policy that no non-halal food is allowed to be brought into the halal production facility. Regular inspection is conducted by our appointed halal team members to check that the policy is complied with.

### **Product Labelling**

We ensure that the product labels always reflect correct information, and highlight newly introduced allergen components on our product labels, as required by regulatory authorities. Our product labelling personnel are also trained to ensure that the product labels are switched appropriately at product changeovers on the production line.

We check all new label artwork as well as all finished products to ensure that only products registered under Ellaziq Singapore's halal certification under the product scheme use the MUIS halal logo.

### **Delivery of finished products**

Prior to loading our finished products on to trucks for delivery, all delivery trucks are inspected to ensure that, among other things, they are clean, have the correct temperature setting, do not have any odour, are free of pest infestation and have door seals which are intact. For our halal products, before loading the finished products onto the delivery trucks, our delivery personnel will first inspect the delivery truck to ensure that there is no mixing of halal and non-halal products.

We outsource the delivery of some of our finished products to third party service providers. We ensure that our quality and food safety management procedures are met by such third party service providers through inspections of the delivery truck or cold truck.

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## GENERAL INFORMATION ON OUR GROUP

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### **Cleaning and Sanitation Program and Pest Control**

To ensure that all our finished products meet our hygiene and quality standards, our processing areas and our equipment are regularly cleaned and/or sanitised. We have established an in-house cleaning and sanitation procedure which sets out the guidelines on the cleaning of processing areas and equipment to ensure that all production staff conduct the cleaning properly and effectively. The hygiene and sanitary conditions of our production facilities, including the storage areas, surrounding areas and toilet facilities are also monitored through regular inspections.

To prevent contamination of our food, we engage an external pest controller to examine our premises for evidence of infestation or pest problems on a regular basis.

### **Food Defence**

We have established security measures to protect our business processes (such as sourcing, purchasing, receiving of raw materials, food production, storage and delivery) from intentional harm such as vandalism or sabotage by animal rights activists, contamination, counterfeiting or misappropriation of packaging by criminals.

Our security measures include, among other things, ensuring that plant boundaries are clear and secured to prevent unauthorised entry, installing closed-circuit television cameras at the processing area, warehouse and at the entrance of the premises, examining incoming shipments for potential tampering and checking that they are secured with locks or seals, ensuring that outgoing shipments are sealed before loading onto delivery trucks, restricting access to process control equipment (such as ovens and mixers) and storage areas, controlling labels and packaging materials to prevent theft and misuse, performing periodic examinations for tampering of materials in storage, restricting access to storage tanks for potable water and to water reuse systems, ensuring that chemicals/hazardous materials (such as pesticides, cleaning materials and sanitisers) are in a restricted area or secured by a lock, and protecting access to computer systems through firewalls and/or passwords.

### **MARKETING**

We have a sales and marketing team in Singapore which is responsible for developing and promoting our brands and products, launching marketing and promotional activities and implementing marketing strategies. We market our Group's products through a variety of media channels, with a focus on digital marketing and trade marketing.

We carry out above-the-line advertising using traditional mass media such as newspaper print advertisements, radio advertisements and bus wraps, to create and strengthen brand and product awareness amongst mass consumer groups.

We also utilise social media platforms such as Facebook and Instagram, which allows us to advertise directly to our target demographics and to engage with our followers. We maintain an active presence on Facebook and Instagram, which we use to publish content relating to our products and distribute brand information and news in order to better connect with potential and existing consumers. We also conduct contests and giveaways via these platforms and engage social media influencers to promote our brands and products on Instagram.

We execute branding and marketing campaigns to promote our new brands and products and we also engage digital marketing firms to assist us in advertising our brands and products online, and on social media platforms such as Facebook and Instagram. These digital marketing firms use, among other tools, algorithms to place advertisements of specific products to consumers identified as more likely to be interested in such products. We believe such targeted advertising may be more effective than the typical mass advertising in reaching our targeted consumers.

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## GENERAL INFORMATION ON OUR GROUP

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We participate in joint promotion activities with supermarkets to promote our products. For example, we participate in NTUC Fairprice's promotion plans such as the Weekly More Great Value Specials and the Monthly Specials, and our products are from time to time featured in NTUC Fairprice's press advertisements in the newspapers.

We also market our products on business-to-business online channels such as OctoRocket.com and AllaboutF&B.com, which are platforms which connect manufacturers with distributors and retail purchasers. This enables us to increase the market visibility of our brands and products and reach out to potential buyers across Southeast Asia.

Prior to the restrictions on mass gatherings and events brought about by the COVID-19 outbreak, we participated in food halls and exhibitions in Singapore and other countries around twice every year to promote our products such as at the World Food Fair in 2019. Due to the COVID-19 outbreak and the regulatory and travel restrictions imposed as a result of the COVID-19 outbreak, we have been unable to participate in any food halls or exhibitions. We have, however, participated in digital commerce channels set up by exhibition organisers such as Singapore Food Shows and Singapore Food United in an effort to increase our brands and product exposure to consumers.

### MAJOR CUSTOMERS

Our customers comprise mainly supermarkets, convenience stores, provision shops, wholesalers, hotels, restaurants, hawker centres, food courts, food and beverage stores and caterers.

The customers which accounted for 5.0% or more of our total revenue during the Period Under Review are set out below:

Name of Customer	Percentage of total revenue (%)			
	FY2018	FY2019	FY2020	HY2021
NTUC Fairprice Co-operative Ltd, NTUC Foodfare Co-operative Ltd and Cheers Holdings (2004) Pte Ltd. <sup>(1)(2)</sup> ("NTUC Group")	27.6	23.6	18.5	10.3
Sheng Siong Supermarket Pte Ltd and CMM Marketing Management Pte Ltd <sup>(3)</sup>	6.5	6.5	7.9	6.7

#### Notes:

- (1) Sales to NTUC Fairprice Co-operative Ltd ("NTUC Fairprice"), NTUC Foodfare Co-operative Ltd and Cheers Holdings (2004) Pte Ltd (a wholly owned subsidiary of NTUC Fairprice) were aggregated as they are affiliated by virtue of common ownership.
- (2) Revenue from NTUC Group as a percentage of our Group's revenue fell from 27.6% in FY2018 to 23.6% in FY2019, and from 18.5% in FY2020 to 10.3% in HY2021, mainly due to a change in product mix by our Group to focus on higher margin products. Revenue from NTUC Group as a percentage of our Group's revenue fell from 23.6% in FY2019 to 18.5% in FY2020 due to an overall increase in our Group's revenue.
- (3) Sales to Sheng Siong Supermarket Pte Ltd (a wholly owned subsidiary of Sheng Siong) and CMM Marketing Management Pte Ltd (a wholly owned subsidiary of Sheng Siong) were aggregated as they are affiliated by virtue of common ownership. Our Independent Director, Tan Poh Hong, is currently an independent director of Sheng Siong. Please refer to the section "Corporate Governance – Nominating Committee – Our Nominating Committee's view on Tan Poh Hong" of this Offer Document for further information.

Save as disclosed above, no other customer accounted for 5.0% or more of our Group's total revenue in FY2018, FY2019, FY2020, or HY2021.

## GENERAL INFORMATION ON OUR GROUP

Save as disclosed above and in the risk factor “We depend on a limited number of customers for a substantial amount of our revenue” of this Offer Document, our Directors are of the view that, as at the date of this Offer Document, our business and profitability are not materially dependent on any one (1) of our major customers listed above as our revenue is diversified across our product types and customers in our various business segments.

As at the Latest Practicable Date and to the best of their knowledge, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our Group’s relationship with any of our major customers listed above.

As at the Latest Practicable Date, none of our Directors, Substantial Shareholders or any of their associates has any interest, direct or indirect, in any of our major customers listed above.

### MAJOR SUPPLIERS

Our suppliers comprise mainly traders, distributors, producers and/or manufacturers of raw materials such as raw meats, food ingredients and packaging materials.

The suppliers which accounted for 5.0% or more of our total purchases during the Period Under Review are set out below:

Name of Supplier	Products supplied/services provided	Percentage of total purchases (%)			
		FY2018	FY2019	FY2020	HY2021
Ronald A. Chisholm Limited <sup>(1)</sup>	Meat (Raw material)	17.0	6.8	24.1	11.9
Leong Hup Distribution Pte Ltd, Leong Hup Food Pte Ltd and Emerging Success Pte Ltd <sup>(2)</sup> (“Leong Hup Group”)	Meat (Raw material)	14.1	19.3	11.9	12.1
Tomex Danmark A/S <sup>(3)</sup>	Meat (Semi-finished products)	14.7	11.6	9.1	10.8
Hanil G & M Company Limited <sup>(4)</sup>	Packaging materials	1.2	3.9	6.8	7.9
Luan Cheong Food Industries Sdn Bhd	Meat (Finished products)	2.1	5.2	2.7	2.7

#### Notes:

- (1) The purchases of meat (raw material) from Ronald A. Chisholm Limited (“RAC”) as a percentage of our Group’s total purchases fell from 17.0% in FY2018 to 6.8% in FY2019, as our Group switched to other suppliers which offered better terms for similar meat products as compared to RAC. The purchases of meat (raw material) from RAC as a percentage of our Group’s total purchases increased from 6.8% in FY2019 to 24.1% in FY2020, as the Group purchased more raw materials from RAC to mitigate the risk of supply shortages arising from supply chain disruptions and to meet an increase in production volume during the COVID-19 pandemic in FY2020.
- (2) Purchases from Leong Hup Distribution Pte Ltd, Leong Hup Food Pte Ltd, and Emerging Success Pte Ltd were aggregated as they are affiliated by virtue of common ownership.



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## GENERAL INFORMATION ON OUR GROUP

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- (3) The purchases of meat (semi-finished products) from Tomex Danmark A/S as a percentage of our Group's total purchases fell from 14.7% in FY2018 to 11.6% in FY2019, as our Group reduced purchases on semi-finished meat products that were used for contract manufacturing. The purchases of meat (semi-finished products) from Tomex Danmark A/S as a percentage of our Group's total purchases fell from 11.6% in FY2019 to 9.1% in FY2020, due to an overall increase in our Group's purchases.
- (4) The purchases of rectangular cans from Hanil G & M Company Limited as a percentage of our Group's total purchases increased from 1.2% in FY2018 to 7.9% in HY2021, in line with an increase in our Group's total revenue.

Save as disclosed above, no other supplier accounted for 5.0% or more of our Group's total purchases in FY2018, FY2019, FY2020 or HY2021.

The amount we purchase from each supplier tends to fluctuate from year to year since our choice of supplier may depend on, amongst others, pricing, specification, quality, track record, reputation, who can supply us the required amount, and whether they can meet our delivery requirements at the relevant time.

We generally do not enter into long-term exclusive agreements or contracts with any of our suppliers. There are many suitable alternative suppliers of raw materials in the market. In the event that our major suppliers are unable to meet our demand for raw materials, we will source for alternative suppliers. Our Directors believe that we will not encounter significant difficulty in procuring alternative suppliers, and are of the view that, as at the date of this Offer Document, our business and profitability are not materially dependent on any one of our major suppliers listed above.

As at the Latest Practicable Date, our Directors are not aware of any information or arrangement which would lead to a cessation or termination of our Group's relationship with any of our major suppliers listed above.

As at the Latest Practicable Date, none of our Directors, Substantial Shareholders or any of their associates has any interest, direct or indirect, in any of our major suppliers listed above.

### CREDIT MANAGEMENT

#### Credit terms to our customers

Our Group generally extends credit terms ranging from cash to 90 days to our customers. The credit terms extended to our customers may differ as we grant credit terms based on, amongst others, creditworthiness, level of risk involved, size of order, payment history records and length of dealing with the customer. For instance, we may sell to new customers on cash terms until they have demonstrated a prompt payment track record, following which we may extend the appropriate credit terms. We also re-evaluate our customers' credit standing and the credit limit extended to them from time to time to ensure collectability of trade receivables.

Our total trade receivables and average trade receivables turnover days during the Period Under Review were as follows:

	FY2018	FY2019	FY2020	HY2021
Total trade receivables (S\$)	3,428,376	4,061,372	5,828,412	7,419,033
Average trade receivables turnover days <sup>(1)(2)</sup>	48	52	52	58



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**Notes:**

- (1) For FY2018, FY2019 and FY2020, the average trade receivables turnover days is computed based on the average of the opening and closing trade receivables balance (including any allowance for impairment of trade receivables) divided by the revenue for the relevant financial year, and multiplied by the number of calendar days in the relevant financial year.
- (2) For HY2021, the average trade receivables turnover days is computed based on the average of the opening and closing trade receivables balance (including allowance for impairment of trade receivables) divided by revenue for the relevant financial period and multiplied by 184 days.

Our Group's trade receivables increased from S\$3.43 million as at 30 June 2018 to S\$7.42 million as at 31 December 2020, in line with the increase in revenue over the same period. Our Group's average trade receivables turnover days increased from 48 days in FY2018 to 52 days in FY2019 mainly due to the increase in sales in Malaysia towards the end of FY2019. Our Group's average trade receivables turnover days increased from 52 days in FY2020 to 58 days in HY2021 mainly due to the increase in sales towards the end of HY2021 as a result of the Christmas festive season.

Our finance department monitors the payment status of our customers closely and follows up with our customers on overdue payments. Specific provision is made when the recoverability of an outstanding debt is in doubt. We may also write off an outstanding debt when we are certain that the relevant customer is unable to meet its financial obligations.

Our allowance for impairment of trade receivables and bad debts written-off for the Period Under Review were as follows:

S\$	FY2018	FY2019	FY2020	HY2021
Allowance for impairment of trade receivables	2,563 <sup>(1)</sup>	–	–	–
Bad debts written-off	–	22,312	–	–

**Note:**

- (1) The allowance for impairment of trade receivables amounting to S\$2,563 in FY2018 was subsequently reversed in FY2019.

The bad debts written off in FY2019 pertain to receivables from a few of our food services customers, that our management deemed to be uncollectable.

As at 31 December 2020, our total trade receivables amounted to S\$7.42 million, of which approximately 99.4% has been collected as at the Latest Practicable Date.

### Credit terms from our suppliers

Generally, the credit terms granted by our suppliers are up to 30 days. Our average trade payables turnover days for the Period Under Review were as follows:

	FY2018	FY2019	FY2020	HY2021
Average trade payables turnover days <sup>(1)(2)</sup>	45	48	60	61

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**Notes:**

- (1) For FY2018, FY2019 and FY2020, the average trade payables turnover days is computed based on the average of the opening and closing trade payables balance divided by the cost of sales for the relevant financial year, and multiplied by the number of calendar days in the relevant financial year.
- (2) For HY2021, the average trade payables turnover days is computed based on the average of the opening and closing trade payables balance divided by the cost of sales for the relevant financial period and multiplied by 184 days.

Our Group's average trade payables turnover days increased from 48 days in FY2019 to 60 days in FY2020 due to the increase in purchase of raw materials towards the end of FY2020 to mitigate the risk of supply shortages arising from supply chain disruptions caused by the COVID-19 pandemic, the payment for which were not due as at the end of the financial year.

### INVENTORY MANAGEMENT

Our inventories comprise raw materials, work-in-progress and finished goods. We maintain a computerised ERP system to track in-coming and out-going inventories. This system enables us to monitor levels of inventory on a timely basis so as to maintain an optimum level of raw materials and finished products. We also monitor the inventory levels of our major distributors by communicating with their sales personnel regarding their inventory level of our products on a regular basis. We review and analyse such information from our sales personnel to assess the market demand for our products and adjust our production schedules accordingly. We also regularly conduct stocktake of our inventories.

We generally maintain an adequate level of raw materials, and all of our raw materials and finished products at our production facilities are respectively consumed based on the expiry date and sold on a first-in-first-out basis. Once our finished goods are produced and we receive a purchase order, we endeavour to deliver them to our customers at the earliest possible time.

Our average inventory turnover days during the Period Under Review were as follows:

	FY2018	FY2019	FY2020	HY2021
Average inventory turnover days <sup>(1)(2)</sup>	88	89	110	122

**Notes:**

- (1) For FY2018, FY2019 and FY2020, the average inventory turnover days is computed based on the average of the opening and closing inventory balance divided by the total cost of sales for the relevant financial year, and multiplied by the number of calendar days in the relevant financial year.
- (2) For HY2021, the average inventory turnover days is computed based on the average of the opening and closing inventory balance divided by the total cost of sales for the relevant financial period and multiplied by 184 days.

Our Group's average inventory turnover days increased from 89 days in FY2019 to 110 days in FY2020 as we held more raw materials to mitigate the risk of supply shortages arising from supply chain disruptions caused by the COVID-19 pandemic. Our Group's average inventory turnover days increased from 110 days in FY2020 to 122 days in HY2021 mainly due to higher inventory levels to meet the demands of our increased scale of operations in Malaysia.

## GENERAL INFORMATION ON OUR GROUP

### PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, our Group does not own any property.

As at the Latest Practicable Date, our Group leases the following properties:

Lessee	Location	Tenure	Approximate Land/Built-up Area (sq m)	Lessor	Description of use
Golden Bridge	30 Senoko South Road, Singapore 758088 <sup>(1)(2)</sup>	30 years commencing from 16 September 1993 and expiring on 15 September 2023 <sup>(3)</sup>	6,032.2	JTC	Factory and office
GB Malaysia	Lot 17-9, Jalan CJ 1/1, Bersatu Industrial Park, 43200 Cheras Jaya, Selangor, Malaysia	Three (3) years commencing from 1 December 2020 and expiring on 30 November 2023	557.4	Rakan Bersatu Sdn Bhd	Office and warehouse
Ellaziq Malaysia	Lot 17-21 (Ground Floor), Jalan CJ 1/1, Bersatu Industrial Park, Cheras Jaya 43200 Cheras, Selangor Darul Ehsan, Malaysia	Three (3) years commencing on 1 February 2021 and expiring on 31 January 2024	445.9	Rakan Bersatu Sdn Bhd	Warehouse

**Notes:**

- (1) The leasehold interest in the Senoko Property has been mortgaged to DBS Bank to secure facilities granted by DBS Bank to Golden Bridge.
- (2) Golden Bridge has sublet 1,900 sq m of the Senoko Property to Ellaziq Singapore to operate our Group's halal production facility, and has entered into a lease agreement with Ellaziq Singapore for the period from 1 July 2020 to 30 June 2021 in respect of the subletting arrangement.
- (3) JTC has informed Golden Bridge that it has complied with the required investment criteria for the grant of a 30 plus 30 year lease with effect from 16 September 1993. However, the lease in respect of the additional term of 30 years commencing from 16 September 2023 and expiring on 15 September 2053 has not been executed as at the Latest Practicable Date and is subject to Golden Bridge's continuing compliance with the terms and conditions of the existing lease.

None of the above lease agreements may be terminated by the landlord unilaterally in the absence of breach by the tenant that entitles the landlord to do so in accordance with the terms thereof.

As at the Latest Practicable Date, our Directors are not aware of any breach of any obligations under the above lease agreements that would result in their termination by the lessor or non-renewal, if required, when they expire.

## GENERAL INFORMATION ON OUR GROUP

As at 31 December 2020, our fixed assets, comprising leasehold property, cold room, restoration cost, leasehold improvements, and plant and equipment, had a net book value of about S\$11.26 million.






As at the Latest Practicable Date, none of our properties or fixed assets are subject to any mortgage, pledge or other encumbrances or otherwise used as security for any bank borrowing except for (a) the mortgage over the leasehold interest of Golden Bridge in the Senoko Property and (b) the hire purchase arrangements in respect of our Group's equipment and vehicles reflected in the section "Capitalisation and Indebtedness – Bank Facilities" of this Offer Document.

To the best of our Directors' knowledge and belief, there are no regulatory requirements or environmental issues that may materially affect our Group's utilisation of the above properties and fixed assets.











### INTELLECTUAL PROPERTY

#### Trademarks











As at the Latest Practicable Date, we have registered the following trademarks:

Trademark	Registration number	Place of registration	Registered owner	Class <sup>(1)(2)</sup>	Expiry date
	40201900662Q	Singapore	Company	29	10 January 2029
金桥	2011007687	Malaysia	Golden Bridge	29	28 April 2031
	2011054558	Malaysia	Golden Bridge	29	3 November 2031
					
	2011054560	Malaysia	Golden Bridge	29	3 November 2031
					
金橋	2013054271	Malaysia	Golden Bridge	29	4 May 2023

## GENERAL INFORMATION ON OUR GROUP

Trademark	Registration number	Place of registration	Registered owner	Class <sup>(1)(2)</sup>	Expiry date
	T1309192F	Singapore	Golden Bridge	29	7 June 2023
	2013008751	Malaysia	Golden Bridge	29	25 June 2023
	302659564	Hong Kong	Golden Bridge	29	2 July 2023
	303050630	Hong Kong	Golden Bridge	29	29 June 2024
	303050649	Hong Kong	Golden Bridge	29	29 June 2024
OTS Holdings Pte Ltd. OTS HOLDINGS PTE LTD.	T1410594G	Singapore	Golden Bridge	29	4 July 2024
OTS Holdings Pte Ltd. OTS HOLDINGS PTE LTD.	T1410593I	Singapore	Golden Bridge	29	4 July 2024
	T0415028A	Singapore	Golden Bridge	29	9 September 2024
	T0415029Z	Singapore	Golden Bridge	43	9 September 2024
	T0417455E	Singapore	Golden Bridge	29	18 October 2024
	T0417456C	Singapore	Golden Bridge	43	18 October 2024
					

## GENERAL INFORMATION ON OUR GROUP


Trademark	Registration number	Place of registration	Registered owner	Class <sup>(1)(2)</sup>	Expiry date
	T9411322D	Singapore	Golden Bridge	29	30 December 2024
	40201511204P	Singapore	Golden Bridge	29	30 June 2025
	40201511207Y	Singapore	Golden Bridge	29	30 June 2025
	T9508589E	Singapore	Golden Bridge	29	8 September 2025
	19770/2016	Mauritius	Golden Bridge	29	21 December 2025
	06006501	Malaysia	Golden Bridge	29	20 April 2026
	06006502	Malaysia	Golden Bridge	29	20 April 2026
	12922364	PRC	Golden Bridge	29	27 May 2026
	T0016081I	Singapore	Golden Bridge	29	12 September 2030
					

## GENERAL INFORMATION ON OUR GROUP

Trademark	Registration number	Place of registration	Registered owner	Class <sup>(1)(2)</sup>	Expiry date
	T1308914Z	Singapore	Ellaziq Singapore	29	5 June 2023
					
	T1308916F	Singapore	Ellaziq Singapore	29	5 June 2023
	2011054562	Malaysia	Ellaziq Singapore	29	3 November 2031
					
	2011054559	Malaysia	Ellaziq Singapore	29	3 November 2031
	302659771	Hong Kong	Ellaziq Singapore	29	3 July 2023
	302659762	Hong Kong	Ellaziq Singapore	29	3 July 2023
	12922366	PRC	Ellaziq Singapore	29	20 December 2024









## GENERAL INFORMATION ON OUR GROUP

Trademark	Registration number	Place of registration	Registered owner	Class <sup>(1)(2)</sup>	Expiry date
	12922365	PRC	Ellaziq Singapore	29	20 December 2024


**Notes:**

- (1) The goods classified under Class 29 include, among other things, meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk, cheese, butter, yogurt and other milk products; oils and fats for food.
- (2) The services classified under Class 43 include, among other things, services for providing food and drink; temporary accommodation.

As at the Latest Practicable Date, we have registered declarations of ownerships with the Office of the Registration of Deeds in Myanmar pursuant to the Myanmar Governmental Direction on Trademark Registration Purpose (Direction 13/1962) in respect of the following trademarks:

Trademark	Owner <sup>(1)</sup>	Territory	Class <sup>(2)</sup>	Date of Declaration
	Golden Bridge	Myanmar	29	12 April 2011
				
	Golden Bridge	Myanmar	29	12 April 2011
				
	Ellaziq Singapore	Myanmar	29	22 April 2014
				







## GENERAL INFORMATION ON OUR GROUP

Trademark	Owner <sup>(1)</sup>	Territory	Class <sup>(2)</sup>	Date of Declaration
	Ellaziq Singapore	Myanmar	29	22 April 2014



**Notes:**

- (1) There was previously no trademark law in Myanmar, but pursuant to the Myanmar Governmental Direction on Trademark Registration Purpose (Direction 13/1962), there was a procedure pursuant to which a declaration of ownership of a trademark (“**Trademark Declaration**”) can be registered with the Office of the Registration of Deeds in Myanmar, and once the registration is approved, the Trademark Declaration is annotated as proof of due registration. Golden Bridge and Ellaziq Singapore have registered declarations of ownership in respect of the trademarks set out above. The new Myanmar Trademark Law was enacted in January 2019. Golden Bridge and Ellaziq Singapore have submitted applications for registration of the above trademarks under the Myanmar Trademark Law, and these applications are currently still pending.
- (2) The goods classified under Class 29 include, among other things, meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk, cheese, butter, yogurt and other milk products; oils and fats for food.

As at the date of this Offer Document, we have applied to register the following trademarks:

Trademark	Application number	Place of application	Registered owner	Class <sup>(1)(2)</sup>	Application date	Status
	D002019022942	Indonesia	Company	29	3 May 2019	Provisionally rejected, appeal has been filed
	TM2020007150	Malaysia	Company	29	17 April 2020	Provisionally refused (objected) <sup>(3)</sup>
	42021506582	Philippines	Company	29	18 March 2021	Pending
	42021506576	Philippines	Golden Bridge	29	18 March 2021	Pending
	42021506577	Philippines	Golden Bridge	29	18 March 2021	Pending
	42021506584	Philippines	Ellaziq Singapore	29	18 March 2021	Pending

## GENERAL INFORMATION ON OUR GROUP

Trademark	Application number	Place of application	Registered owner	Class <sup>(1)(2)</sup>	Application date	Status
	T/2020/14231	Myanmar	Golden Bridge	29	29 December 2020	Pending
						
	T/2020/14232	Myanmar	Golden Bridge	29	29 December 2020	Pending
						
	T/2020/14229	Myanmar	Ellaziq Singapore	29	29 December 2020	Pending
						
	T/2020/14230	Myanmar	Ellaziq Singapore	29	29 December 2020	Pending
	40202110978S	Singapore	Company	35	12 May 2021	Pending
	40202110979T	Singapore	Ellaziq Singapore	35	12 May 2021	Pending
	DID2021033765	Indonesia	Ellaziq Singapore	29	18 May 2021	Pending

## GENERAL INFORMATION ON OUR GROUP

Trademark	Application number	Place of application	Registered owner	Class <sup>(1)(2)</sup>	Application date	Status
	DID2021033778	Indonesia	Ellaziq Singapore	29	18 May 2021	Pending

**Notes:**

- (1) The goods classified under Class 29 include, among other things, meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs; milk, cheese, butter, yogurt and other milk products; oils and fats for food.
- (2) The services classified under Class 35 include, among other things, advertising; business management, organisation and administration; office functions.
- (3) Our Company will be submitting a response against the objections raised by the relevant authorities in respect of this trademark application.

### Internet Domain Names

As at the Latest Practicable Date, we have registered the following domain names:

Domain name	Registered owner	Expiry date
ots-holdings.com	Company	5 February 2025
ots-holdings.com.sg	Company	3 April 2023
golden-bridge.com	Company	12 August 2025
golden-bridge.com.sg	Company	11 June 2021
ellaziq.com	Company	30 April 2026
ellaziq.com.sg	Company	7 March 2023
kellys.com.sg	Company	27 September 2021
gb-global.com.my	GB Malaysia	28 June 2021
gb-global.com.ph	Company	30 November 2025
ellaziq-my.com	Company	20 February 2023
delta-bridge.co.id	Delta Bridge Indonesia	9 September 2021

Save as disclosed above, we do not own or use any other intellectual property rights, and our business and profitability are not materially dependent on any patent or licence or any other intellectual property rights.

### LICENCES, PERMITS AND GOVERNMENT REGULATIONS

Our Extended Group's business and operations are carried out in Singapore, Malaysia and Indonesia, and we are subject to relevant laws and regulations in Singapore, Malaysia and Indonesia. A summary of the relevant laws and regulations applicable to our Extended Group's business and operations in Singapore, Malaysia and Indonesia are set out in "Appendix E – Summary of Applicable Singapore Laws", "Appendix F – Summary of Applicable Malaysia Laws" and "Appendix G – Summary of Applicable Indonesia Laws" of this Offer Document respectively.

## GENERAL INFORMATION ON OUR GROUP

As at the Latest Practicable Date, our Group has obtained the following material licences, permits and approvals:

Holder	Description of Licence	Issuing authority	Expiry date <sup>(1)</sup>
Golden Bridge	Licence to Operate a Food Establishment <sup>(2)</sup>	Singapore Food Agency	31 August 2021
Golden Bridge	Licence for Import, Export and Transhipment of Meat Products and Fish Products	Singapore Food Agency	30 April 2022
Golden Bridge	Registration to Import Processed Food Products and Food Appliances	Singapore Food Agency	30 September 2021
Ellaziq Singapore	Licence to Operate a Food Establishment <sup>(3)</sup>	Singapore Food Agency	28 February 2022
Ellaziq Singapore	Licence for Import, Export and Transhipment of Meat Products and Fish Products	Singapore Food Agency	30 September 2021
Ellaziq Singapore	Registration to Import Processed Food Products and Food Appliances	Singapore Food Agency	28 February 2022
GB Malaysia	Wholesale and Retail Distribution Trade Application Licence	Ministry of Domestic Trade and Consumer Affairs of Malaysia	9 December 2021
GB Malaysia	Business Premises Licence	Kajang Municipal Council	15 November 2021
Ellaziq Malaysia	Wholesale and Retail Distribution Trade Application Licence	Ministry of Domestic Trade and Consumer Affairs of Malaysia	25 June 2022
Ellaziq Malaysia	Business Premises Licence	Hulu Selangor District Council	31 December 2021

**Notes:**

- (1) We intend to apply for renewal of the licences closer to their expiry dates. Our Directors do not foresee any material difficulties in respect of obtaining such renewal.
- (2) The licensed premises is at the Senoko Property. The licensed premises is allowed to be used for the following purposes: (a) Retort Canning, Sausage, Ham, Sweet Meat & Floss (Chicken & Pork) Processing, and (b) Surimi Based Products Processing.
- (3) The licensed premises is at the Senoko Property. The licensed premises is allowed to be used for the following purposes: (a) Retort Canning (Meat & Seafood), Ham & Sausages (Taiwanese & Western), Chicken Floss & Meat Ball Processing, and (b) Processing of Sauces.

To the best of our Directors' knowledge, as at the Latest Practicable Date, our Group has obtained all requisite licences, permits and approvals necessary for our business and operations, and is in compliance with all relevant laws and regulations in Singapore and Malaysia that would materially affect our business and operations.

## GENERAL INFORMATION ON OUR GROUP

We have not encountered any issues with the renewal of our Group's material licences, permits and approvals in the past. As at the Latest Practicable Date, we are not aware of any reason which may cause the revocation or suspension or non-renewal of the licences, permits and approvals which are material to our Group's business and operations.

### CERTIFICATIONS, ACCREDITATIONS AND AWARDS

#### Certificates and accreditations

As at the Latest Practicable Date, we have received the following certifications and accreditations:

Recipient	Certification or accreditation	Issuing organisation	Date of Grant/ Expiry Date
Golden Bridge	bizSAFE Level 3 certificate <sup>(1)</sup>	Workplace Safety and Health Council	8 December 2020/ 7 December 2023
Golden Bridge	FSSC 22000 Food Safety System Certification <sup>(2)</sup>	SGS United Kingdom Ltd	8 January 2021 (certified since 2 December 2015)/ 1 December 2021
Ellaziq Singapore	bizSAFE Level 3 certificate <sup>(1)</sup>	Workplace Safety and Health Council	9 December 2020/ 8 December 2023
Ellaziq Singapore	FSSC 22000 Food Safety System Certification <sup>(3)</sup>	SGS United Kingdom Ltd	30 July 2020 (certified since 14 August 2015)/22 June 2022
Ellaziq Singapore	Halal certificate under the Product Scheme in respect of the identified product certified as halal to Muslims according to Islamic Law <sup>(4)</sup>	MUIS	12 April 2021/ 30 April 2022
Ellaziq Singapore	Halal certificate under the Product Scheme in respect of a total of 119 identified products certified as halal to Muslims according to Islamic Law <sup>(5)</sup>	MUIS	16 April 2021/ 30 April 2024
Ellaziq Malaysia	Halal Certificate of Authentication and Malaysian Halal Logo <sup>(6)</sup>	Department of Islamic Development Malaysia (JAKIM)	1 November 2019/ 31 October 2021

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## GENERAL INFORMATION ON OUR GROUP

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### Notes:

- (1) The bizSAFE Level 3 certificate has been issued by the Workplace Safety and Health Council certifying that each of Golden Bridge and Ellaziq Singapore has fulfilled the necessary requirements to attain bizSAFE Level 3. bizSAFE is a programme tailored to assist enterprises, especially small and medium enterprises, to build up their workplace safety and health capabilities. It provides a five-level approach to help enterprises progress towards workplace safety and health management system capabilities. In order to obtain bizSAFE Level 3, the enterprise must implement a risk management plan and engage an MOM-approved workplace safety and health auditor to assess the implementation of risk management in the enterprise.
- (2) Certification scheme for food safety management systems consisting of the following elements: ISO 22000:2018, ISO/TS22002-1:2009 and additional FSSC 22000 requirement (version 5). The certification is applicable for: Manufacturing of waxed meat, Taiwan-style sausages, western hams and sausages, western rolls, roast meat, shelf stable canned meat products, floss products, meat rolls and balls, surimi-based products and shrimp paste.
- (3) Certification scheme for food safety management systems consisting of the following elements: ISO 22000:2018, ISO/TS22002-1:2009 and additional FSSC 22000 requirement (version 5). This certification is applicable for: Manufacturing of western rolls, western ham & sausages, meat balls, dried sausages, roast meat, meat floss, meat paste & filling, cooked chicken breast, shelf stable canned meat products and RTE chilled sauces.
- (4) Product covered: Kizmiq Cuttlefish Ball.
- (5) Products covered: (SFD) Chicken Luncheon Meat Sliced (5mm), Black Pepper Rib-Eye Roast Beef, Chestnut Stuffing, Chestnut Stuffing Roll, Chicken Floss (PH Original), Chicken Plain B Slice, Cooked Seasoned Chicken Breast, Cranberry Sauce, Delectable Roast Turkey, El-Dina Corned Beef, El-Dina Corned Chicken, El-Dina Dendeng Ayam Pedas (BBQ Spicy Chicken Slice), El-Dina Dendeng Lembu (BBQ Beef Slice), El-Dina Home-Style Balacan Chilli Paste, El-Dina Beef Bakso, El-Dina Beef Meat Loaf, El-Dina Chicken Bakso, El-Dina Chicken Black Pepper Meat Loaf, El-Dina Chicken Breakfast Cocktail, El-Dina Chicken Breakfast Sausage, El-Dina Chicken Breakfast Slice, El-Dina Chicken Cheese Meat Loaf, El-Dina Chicken Floss (Original), El-Dina Chicken Floss (Seaweed), El-Dina Chicken Meat Loaf, El-Dina Honey Baked Chicken Slice, El-Dina Honey Black Pepper Chicken Slice, El-Dina Mutton with Chicken Meat Loaf, El-Dina Premium Turkey Bacon, El-Dina Smoked Chicken Cheese Sausage, El-Dina Smoked Chicken Cheese Cocktail, Gourmet Sauce, Honey Baked Chicken Ham, Honey Baked Chicken Ham (With Cross-Cut), Kizmiq BBQ Chicken Leg (Half-Cooked), Kizmiq Chicken Ham Cube, Kizmiq Chicken Luncheon (Sliced) 6 mm, Kizmiq Chicken Luncheon Roll Sliced, Kizmiq Chicken Luncheon Roll Sliced (10 mm), Kizmiq Chicken Meat Loaf (12mm) Strips, Kizmiq Chicken Pepperoni Sliced, Kizmiq Delectable Roast Turkey, Kizmiq Haochi Fried Chicken Wing (Marinate Semi Finish), Kizmiq Herbs Glazed Chicken Ham, Kizmiq Herbs Glazed Chicken Ham (PH) Sliced 2mm, Kizmiq Honey Baked Chicken Ham Slice 2.5mm, Kizmiq Honey Baked Chicken Slice, Kizmiq 100% Chicken Breast Ham 5 mm (Sliced), Kizmiq 100% Chicken Meat Ham 6mm (Sliced), Kizmiq Marbled Chicken Ham, Kizmiq Mutton Snail Sausage, Kizmiq Nyonya Sauce, Kizmiq Red Chicken Shaved Ham (1mm), Kizmiq Roasted Black Pepper Rib-Eye Beef, Kizmiq Shaved Chicken Ham (1 mm), Kizmiq Shredded Chicken, Kizmiq Smoked Chicken Hotdog 5.5", Kizmiq Smoked Chicken Sausage 5 ~ 5.5", Kizmiq Smoked Turkey Ham, Kizmiq Smoked Turkey Ham (B) Sliced, Kizmiq Smoked Turkey Ham (B) Whole, Kizmiq Spicy Chicken Floss, Kizmiq Spicy Salted Egg Sauce, Kizmiq Spicy Shrimp Floss, Kizmiq Turkey Bacon Bits, Kizmiq Turkey Snail Sausage, Kizmiq Barbeque Chicken Sausage, Kizmiq BBQ Chicken Meat (Square), Kizmiq Beef Ball, Kizmiq Beef Sausage 3", Kizmiq Black Pepper Chicken Roll, Kizmiq Black Pepper Chicken Roll Sliced (5mm), Kizmiq Chicken Ball, Kizmiq Chicken Breakfast Cocktail, Kizmiq Chicken Char Siew Filling, Kizmiq Chicken Chipolata, Kizmiq Chicken Floss (Curry), Kizmiq Chicken Floss (Original), Kizmiq Chicken Floss with Seaweed, Kizmiq Chicken Frankfurter, Kizmiq Chicken Luncheon Meat, Kizmiq Chicken Luncheon Roll, Kizmiq Chicken Luncheon Slice, Kizmiq Chicken Plain 4X4, Kizmiq Chicken Plain B 4X4, Kizmiq Chicken Slice Plain, Kizmiq Honey Baked Chicken Ham, Kizmiq Honey Baked Chicken Ham (Chunks), Kizmiq Honey Baked Chicken Ham Slice, Kizmiq Honey Baked Chicken Roll, Kizmiq Honey Baked Chicken Roll Slice, Kizmiq Mini Barbeque Chicken Sausage, Kizmiq Mini Chicken Cheese Cocktail, Kizmiq Mutton Sausage 3", Kizmiq Oriental Chicken Sausage, Kizmiq Premium Chicken Luncheon, Kizmiq Premium Smoked Chicken Ham Sliced 7mm, Kizmiq Sliced Chicken Luncheon Meat, Kizmiq Smoked Chicken Breast (Sliced), Kizmiq Smoked Chicken Cheese Cocktail, Kizmiq Smoked Chicken Cheese Hotdog, Kizmiq Smoked Chicken Cocktail, Kizmiq Smoked Chicken Ham, Kizmiq Smoked Chicken Ham Slice, Kizmiq Smoked Chicken Hotdog, Kizmiq Turkey Bacon, Kizmiq Turkey Bacon (Without Smoke), Mushroom Stuffing, Mushroom Stuffing Roll, Roasted Black Pepper Rib-Eye Beef, Tok-Tok Beef Bakso, Traditional Roast Turkey, Kizmiq Chicken Bacon, El-Dina Chicken Bacon, Kizmiq Beef Pepperoni, El-Dina Premium Beef Pepperoni Slice, Kizmiq Blackpepper Chicken Cocktail, Liverpool Chicken Breakfast Hotdog, and Liverpool Chicken Honey Baked.
- (6) Products covered: corned chicken, corned beef, sardine with tomato sauce, chicken curry with potatoes and beef curry with potatoes.



## GENERAL INFORMATION ON OUR GROUP

### Awards

We have received a number of awards over the years of our operations. Some of the major awards received by our Group include the following:

Recipient	Award	Issuing organisation	Years of award
Golden Bridge	Certificate of Commendation for achieving Grade 'A' status for excellence in food hygiene, sanitation and processing <sup>(1)</sup>	AVA	2010 to 2017
Golden Bridge	Achieved Grade 'A' status for excellence in food hygiene and food safety standards <sup>(1)</sup>	AVA	2018
Golden Bridge	Achieved Grade 'A' status for excellence in food hygiene and food safety standards <sup>(2)</sup>	AVA	2019
Golden Bridge	Achieved Grade 'A' status for excellence in food hygiene and food safety standards <sup>(2)</sup>	Singapore Food Agency	2020 to 2021
Golden Bridge	Enterprise 50 Award	The Business Times and KPMG	2011
Golden Bridge	Enterprise 50 Award	The Business Times and KPMG	2012
Golden Bridge	Great Singapore Food Gifts Award in respect of the following products: <ul style="list-style-type: none"> <li>• Golden Bridge Waxed (Preserved) Sausages – Gift Tin Pack</li> <li>• Golden Bridge Waxed (Preserved) Sausages – Singapore Orchids (SG50) Series</li> <li>• Kelly's Portion Pack Luncheon Ham Series</li> </ul>	Singapore Food Manufacturers' Association	2014
Golden Bridge	Food Safety Excellence Award 2015 (Bronze)	AVA	2015

## GENERAL INFORMATION ON OUR GROUP

Recipient	Award	Issuing organisation	Years of award
Golden Bridge	Tasty Singapore Brand Ambassador (for the brands “Golden Bridge” and “Kelly’s”)	Enterprise Singapore, Singapore Food Manufacturers’ Association, Singapore Manufacturing Federation and Restaurant Association of Singapore	2012 to 2014, 2017 to 2021
Ellaziq Singapore	Certificate of Commendation for achieving Grade ‘A’ status for excellence in food hygiene, sanitation and processing <sup>(3)</sup>	AVA	2011 to 2017
Ellaziq Singapore	Achieved Grade ‘A’ status for excellence in food hygiene and food safety standards <sup>(4)</sup>	AVA	2018 to 2019
Ellaziq Singapore	Achieved Grade ‘A’ status for excellence in food hygiene and food safety standards <sup>(5)</sup>	Singapore Food Agency	2020 to 2021
Ellaziq Singapore	Tasty Singapore Brand Ambassador (for the brands “El-Dina” and “Kizmiq”)	Enterprise Singapore, Singapore Food Manufacturers’ Association, Singapore Manufacturing Federation and Restaurant Association of Singapore	2019 to 2021

**Notes:**

- (1) For retort canning, sausage, ham, sweet meat and floss (chicken and pork) processing.
- (2) For retort canning, sausage, ham, sweet meat and floss (chicken and pork) processing; and surimi based products processing.
- (3) 2011 to 2014: For retort canning, sausages (Taiwanese and western) and ham processing; 2014 to 2017: For retort canning (meat and seafood), ham and sausages (Taiwanese and western), chicken floss and meat ball processing.
- (4) For retort canning (meat and seafood), ham and sausages (Taiwanese and western), chicken floss and meat ball processing.
- (5) For retort canning (meat and seafood), ham and sausages (Taiwanese and western), chicken floss and meat ball processing; and processing of sauces.

## GENERAL INFORMATION ON OUR GROUP

### EMPLOYEES

As at the Latest Practicable Date, we have 160 full-time employees.

The functional distribution breakdown of the full-time employees of our Group as at the end of each of FY2018, FY2019, FY2020 and HY2021 and as at the Latest Practicable Date is as follows:

Function	As at 30 June 2018	As at 30 June 2019	As at 30 June 2020	As at 31 December 2020	As at the Latest Practicable Date
Management	19	21	22	23	24
Administrative	28	30	37	39	42
Finance	5	5	6	7	8
Operation	84	86	95	99	86
<b>Total</b>	<b>136</b>	<b>142</b>	<b>160</b>	<b>168</b>	<b>160</b>

The geographical distribution of our Group's full-time employees as at the end of each of FY2018, FY2019, FY2020 and HY2021 and as at the Latest Practicable Date is as follows:

Country	As at 30 June 2018	As at 30 June 2019	As at 30 June 2020	As at 31 December 2020	As at the Latest Practicable Date
Singapore	132	136	143	148	141
Malaysia	4	6	9	10	10
Indonesia	–	–	8	10	9
<b>Total</b>	<b>136</b>	<b>142</b>	<b>160</b>	<b>168</b>	<b>160</b>

The increase in the number of employees in our Group from 30 June 2018 to 31 December 2020 was primarily due to our business expansion as well as the hiring of employees for our operations in Indonesia through Delta Bridge Indonesia which commenced in the first half of 2020.

We do not employ a significant number of temporary employees.

Our Group's employees are not unionised. There has not been any incidence of work stoppages or labour disputes that affected our Group's business. Our Group considers our relationship with our employees to be good.

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## GENERAL INFORMATION ON OUR GROUP

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### INSURANCE

As at the Latest Practicable Date, our Group maintains, among other things, the following insurance policies to cover, among other things, our operational, human resource and fixed asset risks:

- (a) public liability insurance;
- (b) product liability insurance;
- (c) fire insurance covering damage to our building, cold room, certain machinery and inventories at the Senoko Property;
- (d) consequential loss (industrial) insurance;
- (e) marine cargo open cover insurance;
- (f) insurance covering the loss of money;
- (g) insurance covering the death and permanent disability and hospitalisation of our employees; and
- (h) work injury compensation insurance.

Our Directors believe that our Group's current insurance coverage from the above insurance policies is generally adequate for our existing business and operations and, to the best of our Directors' knowledge and belief, is in line with industry practice. To ensure that we will continue to have adequate insurance coverage, we will review our insurance coverage on an annual basis.

### ORDER BOOK

We do not have any long-term fixed-volume contractual agreements with our customers. This is due to the nature of the industries our customers are in. Instead, our customers provide us with non-binding forecasts which provide an indication of the likely demand for our products and services in the short-term. Our customers would from time to time enter into separate purchase orders for our products, as and when they require our products. Such purchase orders would be for a short-term duration, setting out the quantity of products and services to be delivered. As a result, we do not maintain an order book.

### CORPORATE SOCIAL RESPONSIBILITY

We view corporate social responsibility as our responsibility and we recognise that we have an obligation towards our employees, investors, customers, suppliers and the community as a whole. We believe that our reputation, together with the trust and confidence of those with whom we deal with, is one of our most valuable assets. We seek to maintain our reputation and such trust and confidence, and are committed to achieving long-term mutually sustainable relationships with our stakeholders.

As part of our sustainability policy, we use mainly products with lower environmental impact. For instance, when we launched our small portion pack sizes of luncheon ham in 2012, we chose to use aluminium trays which are recyclable and therefore more environmentally friendly. In 2015, in respect of our canned luncheon meat products, we also switched from using tin cans to aluminium cans.

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## GENERAL INFORMATION ON OUR GROUP

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Our Directors intend to establish a corporate social responsibility policy which will formally address our Group's impact on the local community. In addition, we will be required to disclose our corporate social responsibility policies with reference to the SGX-ST's Guide to Sustainability Reporting for Listed Companies.

### COMPETITION

The food industry in general is highly competitive in nature. We face direct competition from ready-to-eat and ready-to-cook meat products, and indirect competition from alternative or substitute food products.

However, to the best of our Directors' knowledge and belief, there are few meat product manufacturers in Singapore that operate on a scale similar to ours, including having the ability to manufacture both non-halal and halal meat products, and the capability to manage and process as many as four (4) product categories – chilled, frozen, dried and shelf-stable meat products – within one single facility. Notwithstanding the foregoing, we face direct competition from other meat product manufacturers in Singapore that compete within each of our product categories.

In addition, we face varying degrees of competition from a number of brands of products which are similar to our ready-to-eat and ready-to-cook meat products, that are imported into Singapore and Malaysia, our principal markets, for sale.

To the best of our Directors' knowledge, there are no published statistics or official sources of information relating to industry statistics that can be used to accurately measure the market share of our business in Singapore and Malaysia.

To the best of our Directors' knowledge, none of our Directors, Substantial Shareholders or any of their associates is related to or has any interest, direct or indirect, in any of our competitors.

### COMPETITIVE STRENGTHS

We believe that we are able to compete effectively due to our competitive strengths, as described below.

#### ***An established heritage with strong market brand recognition***

With an established track record of over 27 years in the industry, we have been able to grow in scale and become one of the major ready-to-eat and ready-to-cook meat product manufacturers in Singapore today. We believe we are one of the largest meat product manufacturing companies in Singapore with the capability to manage and process as many as four (4) product categories – chilled, frozen, dried and shelf-stable meat products – within one single facility.

We believe that our current success, capabilities and established reputation in the food industry in Singapore is not easily replicated as the barriers of entry into the meat processing industry in Singapore are relatively high, in view of attributes needed such as relatively high capital investment, established distribution channels, access to retail shelf space, high cost of marketing, compliance with stringent food safety standards and strong research and development capabilities.

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## GENERAL INFORMATION ON OUR GROUP

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Our brands, “Golden Bridge” and “Kelly’s”, established since 1993 and 2004 respectively, are well-known and have a long-standing presence in the Singapore and Malaysia consumer markets. We have also established a prominent retail brand “El-Dina” in 2010, which targets consumers of halal food products in Singapore and Malaysia. To capture a greater market share, we also have our “GoldenLion” and “Kizmiq” brands for products which are more competitively priced to target the non-halal and halal food service businesses, respectively, in Singapore and Malaysia.

As a result of the heritage and strength of our brands as well as our high standards of quality, we have been certified as a Tasty Singapore Brand Ambassador by Enterprise Singapore for our brands “Golden Bridge”, “Kelly’s”, “El-Dina” and “Kizmiq”. We believe that the strong market recognition of our brands allows us to maintain our competitive edge in the food industry and, in particular, the ready-to-eat and ready-to-cook meat products industry.

We believe that our well-established reputation and trusted brands provide a strong platform to maintain and grow our market share through the introduction of new brands, products and product lines, and the expansion of our distribution networks overseas.

### ***Multi-category, multi-brand product portfolio catering to different customer tastes and price points***

Over the past 27 years, we have successfully built a diversified product portfolio. As at the Latest Practicable Date, we have more than 1,100 SKUs across 13 main product types under our six (6) house brands, targeting both halal and non-halal consumer segments. We also produce seasonal food products (such as roast meats, hams and pork knuckles) during festive periods such as Chinese New Year and Christmas.

We produce numerous product variants to cater to different customer tastes and preferences. For instance, we manufacture and sell different types of Chinese sausages, such as original flavour sausages, XO lean sausages, chicken wine sausages and liver sausages, and also different flavours of canned luncheon meat, such as original, black pepper, truffle, cheese and spicy flavours. Our diverse product portfolio allows us to target a wider customer base and provides broader avenues for future growth, both within and across our key product categories. In addition, this also reduces our dependence on any single product category or brand, and makes us more resilient to changes in the competitive landscape or price fluctuations in raw materials that may impact one product category more than another.

Our products offered under our six (6) house brands, namely “Golden Bridge”, “Kelly’s”, “El-Dina”, “Kizmiq”, “GoldenLion” and “Orchid” have differentiated packaging and pricing strategies. Such segmentation allows us to target consumers in different regions with different demographics in a strategic approach, as well as react quickly and opportunistically to changes in consumer preferences and market trends.

### ***Strong track record of product innovation and successful introduction of new brands and products***

We believe that our product innovation and strong research and development capabilities are among our most valuable assets which distinguish us from our competitors and have been crucial to our success. We have demonstrated strong innovation capabilities, as shown by our consistent track record of launching new products to address changing consumer needs and preferences. During the Period Under Review, we developed and launched more than 160 new products and/or new varieties of food products.

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## GENERAL INFORMATION ON OUR GROUP

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We have a dedicated in-house research and development team to conduct research and develop new product concepts, formulations and recipes that cater to the evolving tastes and preferences of consumers as well as tailor to different target consumer base. Our research and development team is primarily responsible for expanding and diversifying our product range by enhancing the sensory properties that make our food products more appealing, enhancing the nutritional value of our products to cater to various dietary needs, improving food safety with new innovation and processes, offering convenience to consumers with new concepts and packaging, and exploring technology innovations to enhance efficiency and quality in our manufacturing processes. For example, we work with our customers, including KFC, RE&S Holdings Limited and Singapore Food Delight Manufacturer Pte. Ltd. to develop and create new recipes and customise new seasonal or limited-time offer products. We are equipped to develop customised food products and packaging for our customers based on their specific requirements and requests.

In addition, we may have been among one of the first in the world to manufacture our Portion Pack Luncheon Ham Series – luncheon ham in small portion pack sizes of 100 grams (instead of the usual 340 grams regular size can). Recognising an increase in consumer demand for convenience and a tendency to consume smaller portions, we invested in a new production line in 2012 to produce our Portion Pack Luncheon Ham Series. We designed these products in single serving size and use microwaveable aluminium tray packaging to facilitate heating up and consumption, thereby minimising food waste and the need for storage of leftovers. The Portion Pack Luncheon Ham Series is marketed under our house brand “Kelly’s”, and is available in four (4) flavours (namely bacon bits, barbeque, picante, and chicken lyoner).

We believe our product innovation and our commitment to continuously reinvent ourselves and create better products will enable us to respond swiftly and in a timely manner to market trends and support the diverse tastes and preferences of our customers.

### ***Technology driven manufacturing capabilities in our modern production facilities***

To the best of our Directors’ knowledge and belief, there are few meat product manufacturers in Singapore that manufacture both non-halal and halal meat products on a similar operational scale and with a similar variety of meat products as our Group. We consider our manufacturing capabilities in Singapore and wide product range to be a significant competitive strength, as elaborated below:

- *Meat products with different storage requirements.* We have the capability to manufacture meat products with different storage requirements, such as chilled, frozen, dried and shelf-stable meat products, which is not easy to achieve in the same factory given the differing processing and food safety requirements. Our range of chilled, frozen, dried and shelf-stable meat products enable us to reach customers with differing lifestyles and preferences.
- *Halal manufacturing capabilities.* We obtained halal certification for our production facility in Singapore from MUIS and launched our halal products in 2010. Our manufacturing capabilities enable our meat products to potentially reach the Muslim population in Singapore and the region. Our Directors believe that there is significant growth potential in the global halal food market, and that our capability to manufacture halal food products would put us in good stead to capitalise on such growth in the future. Please refer to the section “Prospects, Business Strategies and Future Plans – Industry Overview and Prospects – Overseas – Rising global demand for halal products” of this Offer Document for further information.



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## GENERAL INFORMATION ON OUR GROUP

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Recognising the importance of technology in increasing productivity and efficiency, we believe that we were among the first in our industry in Singapore to adopt certain modules of the ERP system in 2003. Since then, we have made several upgrades and improvements leading eventually to the implementation of an ERP system today which connects every step of the manufacturing process – from research and development, order taking, product development, sourcing, food processing, packaging to delivery, thereby enabling us to track and monitor every aspect of our process and products with speed, accuracy and ease.

### ***Stringent quality assurance and food safety standards in our Singapore production facilities***

We believe that stringent food quality and safety standards are our core values and it is our mission to contribute to the safety and security of the food industry. As such, our Singapore production facilities adhere to stringent quality and safety controls in accordance with Singapore laws and regulations as well as applicable international standards. We implement stringent quality and food safety management procedures which cover our entire business process, from purchase and receipt of raw materials, food production, storage, to the delivery of finished products. Since 2015, the food safety management systems of our production facilities in Singapore have received the FSSC 22000 Food Safety System Certification, which demonstrates that our production facilities have robust food safety management systems in place. Both of our production facilities in Singapore have achieved a Grade 'A' status for excellence in food hygiene and food safety standards from the Singapore Food Agency for certain types of processing such as retort canning, sausage and ham processing, and Golden Bridge also received the Food Safety Excellence Award (Bronze) awarded by the AVA in 2015. Please refer to the section "General Information on our Group – Certifications, Accreditations and Awards – Awards" of this Offer Document for further details.

As a testament to our high standards in quality assurance and food safety, the production facilities of Golden Bridge and Ellaziq Singapore are two (2) out of the three (3) meat processing plants in Singapore which have obtained approval for export of Singapore meat products to the European Union.

We believe that these certifications signify our commitment to pursue excellence in our quality control standards and food safety measures, which we believe is fundamental to consumers' loyalty to, and confidence in, our brands and products.

### ***Our established sales and distribution network in Singapore and Malaysia allows us to tap on the highly scalable export business***

We have built an established sales and distribution network across Singapore and Malaysia. Our products are sold across a broad spectrum of channels where we have developed strong relationships directly with retailers, including modern and general trade stores, as well as through third party distributors and wholesalers. In FY2020, approximately 31.7% of our revenue was derived from Modern Trade, approximately 40.8% was from General Trade, and approximately 17.7% was from Food Services. Our Modern Trade coverage comprises major supermarkets in Singapore and Malaysia, such as NTUC Fairprice, Sheng Siong and Giant. Our General Trade coverage comprises convenience stores, provision shops and wholesalers in Singapore and Malaysia. Our Food Services coverage comprises hotels, restaurants, hawker centres, food courts, caterers, and other food and beverage stores in Singapore and Malaysia, such as KFC, RE&S Holdings Limited, Singapore Hai Di Lao Dining Pte Ltd, SATS Food Services Pte Ltd and Singapore Food Delight Manufacturer Pte. Ltd.

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## GENERAL INFORMATION ON OUR GROUP

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Through our export business and wholesalers, our food products have also been marketed and sold in more than 25 countries, including Brunei, Hong Kong, Myanmar, India and countries in the European Union. Building on our established sales and distribution network in Singapore and Malaysia, and our reputation in Singapore as a reliable and trusted brand with a strong emphasis on food safety and quality – with both our production facilities in Singapore having received the FSSC 22000 Food Safety System Certification and also Grade ‘A’ status for excellence in food hygiene and food safety standards from the Singapore Food Agency for certain types of processing such as retort canning, sausage and ham processing – we believe we are well-positioned to tap on the highly scalable export business, which helps increase our scale, reduce costs and increase our competitiveness.

### ***Resilient and profitable business with a strong track record of growth***

During the Period Under Review, our business has remained resilient and profitable. In tandem with our improvements in production efficiency, our revenue and profitability have also increased. Total revenue grew by a CAGR of 20.2% from S\$23.88 million in FY2018 to S\$34.54 million in FY2020, while our profit after tax grew by a CAGR of 57.9% from S\$1.42 million to S\$3.55 million over the corresponding period. In HY2021, total revenue was S\$21.12 million and our profit after tax was S\$2.88 million, representing an increase of 44.2% and 261.7% respectively over HY2020. We believe that our long-standing track record and resilient business model will stand us in good stead to continue to realise future growth opportunities for our business. Please see the section “Prospects, Business Strategies and Future Plans – Business Strategies and Future Plans” of this Offer Document for details.

### ***Experienced management team with proven track record***

We have a proven and experienced management team that endeavours to continuously pursue excellence in every aspect of our business, in particular in the areas of product and process innovation, operational efficiency enhancement and quality and food safety assurance.

Our Group is led by our Managing Director, Ong Bee Chip, who has over 14 years of experience in the meat product manufacturing business, and was responsible for the growth and expansion of our Group over the past decade. Ong Bee Chip oversees our Group’s business and strategic planning and expansion, management, sales, overseas operations, facilities and maintenance, and sits on the board of each of our subsidiaries. He is assisted by our Executive Director, Ong Chew Yong, who has more than 15 years of experience in the meat product manufacturing business, and oversees our Group’s general operations.

The dynamic and proactive approach of our senior management is demonstrated in the steps that have been taken in a number of key areas since 1993, recording many achievements in various areas of business:

- In process innovation, we believe that our Group was among the first in our industry in Singapore to adopt certain modules of an ERP system to track and monitor our processes and products more efficiently, eventually leading to the adoption of an ERP system that is implemented today.
- In product innovation, our Group was the first in Singapore to produce XO Chinese sausages, introducing a new level of culinary luxury to a well-known product.

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## GENERAL INFORMATION ON OUR GROUP

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- In manufacturing, we believe that we are the one of the largest meat product manufacturing companies in Singapore with the capability to manage and process as many as four (4) product categories – chilled, frozen, dried and shelf-stable ready-to-eat and ready-to-cook meat products – within one single facility.
- In quality assurance and food safety, our Singapore production facilities are two (2) out of the three (3) meat processing plants in Singapore which have obtained approval for export of Singapore meat products to the European Union.

Ong Bee Chip and Ong Chew Yong are supported by our senior management team comprising our General Manager (Malaysia), Teh Chong Piow, who has more than 12 years of experience in sales and marketing, and our Group Financial Controller, Toh Kiam Hwee, who has more than 15 years of experience in managing the finance and accounting functions of various companies.

We believe that our team's experience, expertise and dedication will allow us to expand our business and geographic reach, and to ensure the continued success of our Group.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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### INDUSTRY OVERVIEW AND PROSPECTS

Save as disclosed in the section “Prospects, Business Strategies and Future Plans – Trend Information” of this Offer Document, and barring any unforeseen circumstances, our Directors believe that the outlook for our business is expected to remain positive, taking into account (among other things) the factors mentioned below<sup>(1)</sup>.

#### Overview

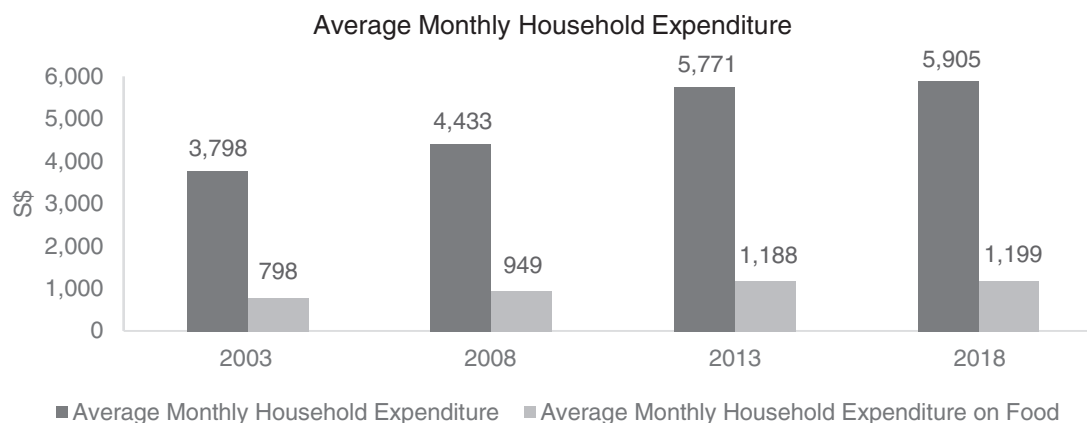
We are a manufacturer and supplier of ready-to-eat and ready-to-cook meat products, which typically require less time and effort to prepare and are therefore faster and more convenient to consume. Currently, our key markets are in Singapore and Malaysia. We also export some of our products overseas to countries such as Brunei, Hong Kong, Myanmar, India and countries in the European Union.

Food is one of the basic necessities in life. Food consumption is driven primarily by population, while dietary composition is influenced by, among others, income, relative prices, other demographic factors, consumer preferences and lifestyles. Taking into account an expected 11% expansion in the global population as well as gains in per capita income, total consumption of food commodities is expected to rise by 15% by 2029, as measured on a calorie basis, although the extent of the increase may vary by country and region<sup>(2)</sup>.

#### Singapore

##### Overview

As at end-June 2020, Singapore had a population of 5.7 million, representing a slight decrease by 0.3 per cent. from 2019, largely due to a 2.1 per cent. decrease in the non-resident population in 2020<sup>(3)</sup>. By 2030, it is estimated that Singapore’s total population could range between 6.5 million and 6.9 million<sup>(4)</sup>. In addition, Singapore recorded a gross domestic product per capita of S\$82,503<sup>(5)</sup> in 2020, and median monthly household income from work (among resident employed households) increased from S\$6,342 in 2010 to S\$9,189 in 2020<sup>(6)</sup>. In tandem with the rise in household incomes, the average monthly household expenditure (among resident households) as well as the amount thereof spent on food (comprising both food and non-alcoholic beverages and food serving services) have risen through the years, as illustrated in the following chart:



Source: Department of Statistics Singapore<sup>(7)</sup>

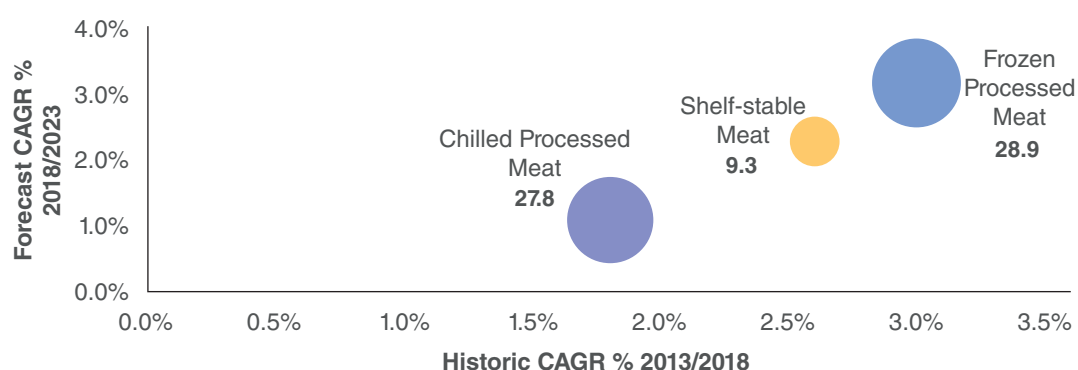
## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

In 2018, expenditure on food constituted approximately 20.3% of the total average monthly household expenditure in Singapore, forming the second largest category of expenditure, behind just housing and related expenditure.<sup>(7)</sup>

### **Singapore meat processing industry**

In 2018, the total market value of the processed meat sector in Singapore was approximately EUR 66 million (or approximately S\$105 million<sup>(8)</sup>). The market value for frozen and chilled processed meat amounted to approximately EUR 28.9 million (or approximately S\$46 million<sup>(8)</sup>) and EUR 27.8 million (or approximately S\$44 million<sup>(8)</sup>) respectively, accounting for over 85 per cent. of the Singapore's processed meat market value in 2018. Between 2013 and 2018, the market values for frozen processed meat, chilled processed meat and shelf-stable meat grew at a CAGR of 3 per cent., 1.8 per cent. and 2.6 per cent. respectively. Between 2018 and 2023, the market values for frozen processed meat, chilled processed meat and shelf-stable meat are forecasted to grow at a CAGR of 3.2 per cent., 1.1 per cent. and 2.3 per cent. respectively<sup>(9)</sup>.

### Evolution and forecast of the processed meat market in Singapore, 2013 to 2023; 2018 retail value EUR' million<sup>(9)</sup>



Source: Euromonitor International: Packaged Food, 2020 (as extracted)<sup>(9)</sup>

### **Increasing awareness of food security in Singapore**

As Singapore imports over 90 per cent. of its food supply, Singapore is vulnerable to volatilities of the global food market causing supply disruptions such as export bans, disruptions to transport routes and food safety incidences overseas<sup>(10)</sup>. For instance, the prolonged COVID-19 pandemic has also led to widespread impact on the world's food-exporting countries, including the key sources that Singapore imports a significant amount of food from, such as Malaysia, Indonesia, Vietnam, the PRC, Brazil, Australia, the Netherlands, Spain, South Africa and the United States<sup>(11)</sup>.

Singapore's dependence on food imports requires it to have a multi-prong approach to achieve food security. Besides diversification of food sources and optimisation of local production, national stockpiling is the third core strategy in Singapore's Food Security Roadmap as stockpiling can help to stabilise prices in times of short-term shortages<sup>(12)</sup>. Minister for Trade and Industry Chan Chun Sing disclosed, among others, that the strength of the nation's stockpile includes more than two (2) months' worth of supplies for fresh, frozen and canned meat and vegetables<sup>(13)</sup>. Canned food has a longer shelf life than fresh or frozen food, and storing these items would also not require refrigeration, making them a good option for padding up the national stockpile.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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With the rising awareness of food security in Singapore, there is an increased awareness and importance placed on shelf-stable products, and we expect our products to benefit from such awareness in Singapore.

### ***Increasing demand of plant-based products as sustainable protein alternatives***

The global plant-based meat market size by revenue is estimated to cross US\$12 billion by 2025, growing at a CAGR of more than 18 per cent. during the period from 2019 to 2025<sup>(14)</sup>.

The increasing shift in demand for plant-based products as protein alternatives is driven by several key factors:

- *Growing public awareness and social consciousness of the sustainability of animal-based protein consumption*

Reliance on animal-based protein consumption is unsustainable with the growing global population. Traditional meat production methods are often land and water intensive, with approximately 70 per cent.<sup>(15)</sup> of agricultural land being used to feed animals and approximately 30 per cent.<sup>(16)</sup> of the water in agriculture being directly or indirectly used for animal production. With the growing global population and the rising focus on environmental sustainability, there is pressure on the food industry to find ways to meet the growth in consumer demand without further straining the environment and the world's resources. Plant-based options as a meat replacement thus represents a viable solution<sup>(17)</sup>. Consumers are also seeking healthier food alternatives with rising obesity rates across the world.

- *COVID-19 accelerating the shift to meatless alternatives*

The COVID-19 pandemic has exposed the extent of the world's reliance on animal-based food. The closure of slaughterhouses and meat packaging facilities, due to employees contracting COVID-19, has also accelerated the growth of the plant-based product scene, as people become more concerned about food security<sup>(18)</sup>.

The "30 by 30" goal – to produce 30 per cent. of Singapore's nutritional needs locally by 2030<sup>(10)</sup>, is part of a larger national strategy to ramp up local food production and improve the country's supply of food. Authorities in Singapore have been vocal about their support for building a vibrant food technology scene, which includes developing alternative proteins<sup>(19)</sup>, and will help to create the supportive ecosystem in the development of, among others, the plant-based product scene in Singapore.

Our Group is looking to capture this rising trend through research and development of our own shelf-stable, plant-based food products. Our Directors believe that there is a rising demand for plant-based food products, and our Group's capability in creating shelf-stable products will enable us to capture the demand for plant-based food products in both the local and overseas markets.

### **Overseas**

Singapore imposes stringent quality and food safety management procedures and stringent quality and safety controls. For example, Singapore has been free from the African swine fever and classical swine fever disease during the Relevant Period. As some countries have imposed strict regulations and restrictions regarding the import of meat products from countries which have been affected by the African swine fever or classical swine fever disease, having our main production facilities based in Singapore gives us an advantage over our competitors with

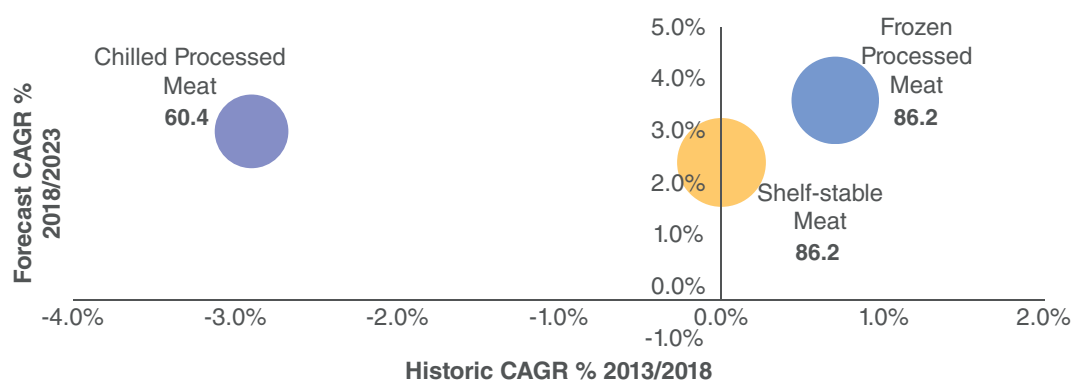
## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

production facilities in countries which are affected by the African swine fever or classical swine fever disease for our export business. Our Directors believe that this enhances our status as a food manufacturer in Singapore, and facilitates the export of our products overseas.

### **Malaysia meat processing industry**

In 2018, the total market size of the processed meat market in Malaysia was close to EUR 233 million (or approximately S\$371 million<sup>(8)</sup>). The frozen processed meat and shelf-stable meat had the same market size of approximately EUR 86.2 million (or approximately S\$137 million<sup>(8)</sup>) in 2018, and the chilled processed meat market size is approximately EUR 60.4 million (or approximately S\$96 million<sup>(8)</sup>) in 2018. Between 2013 and 2018, the market value for chilled processed meat declined (at a compounded annual rate) by approximately 2.9 per cent., while the market value for frozen processed meat and the shelf-stable meat remained flat. Between 2018 and 2023, the market value for frozen processed meat, chilled processed meat and shelf-stable meat is forecasted to grow at a CAGR of 3.6 per cent., 3.0 per cent. and 2.4 per cent. respectively<sup>(20)</sup>, though the estimates provided predate COVID-19.

Evolution and forecast of the processed meat market in Malaysia, 2013 to 2023; 2018 retail value EUR' million<sup>(20)</sup>



Source: Euromonitor International: Packaged Food, 2020 (as extracted)<sup>(20)</sup>

### **Rising global demand for halal products**

The number of Muslims in the world is projected to increase significantly, driving the demand for halal food. In 2015, the Muslim population was around 1.8 billion (constituting approximately 24 per cent. of the world population), and was the second largest religious group in the world. Between 2015 and 2060, the Muslim population is projected to increase by 70 per cent., which is at a faster pace than any other religious group, and will reach around 3.0 billion (constituting around 31 per cent. of the world population) in 2060<sup>(21)</sup>. Closer to our key markets, it was estimated that in 2020, 87 per cent. of the Indonesian population were Muslim. Indonesia has the largest share of Muslims in Southeast Asia, followed by Brunei and Malaysia. Indonesia also has the world's largest Muslim population, with an estimated 229.6 million Muslims<sup>(22)</sup>.

Global Muslim spend on food and beverage has increased by 5.1% CAGR in 2017 from US\$1.30 trillion to US\$1.37 trillion in 2018, with Indonesia, Turkey and Pakistan the top three (3) country spenders. Muslim spend on food and beverage is projected to grow by 6.3% CAGR to reach US\$2 trillion by 2024<sup>(23)</sup>.



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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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As our halal production facility obtained halal certification from MUIS, coupled by the existing large Muslim populations in Malaysia and Indonesia, we believe that we are well positioned to scale and capture the potential global halal market.

### ***Benefits from tariffs reduction arising from Singapore's bilateral and regional trade agreements***

With Singapore's continuing efforts in forging an extensive network of free trade agreements with other countries, Singapore-based exporters stand to enjoy a myriad of benefits like tariff concessions, preferential access to certain sectors and faster entry into markets.

For instance, the European Union-Singapore Free Trade Agreement (EUSFTA) has been in effect since 21 November 2019 and is the first Free Trade Agreement (FTA) between the European Union and an ASEAN country. Under the EUSFTA, the European Union removed tariffs on 84 per cent. of certain Singapore products (including selected food products, electronics and pharmaceuticals) entering the European Union within the first year, and the remaining 16 per cent. of the Singapore products (including selected meat and seafood produce, fruits, textiles and consumer goods) over a period of 3 to 5 years (by November 2024). Singapore is the European Union's largest goods trading partner in ASEAN. In 2018, bilateral trade in goods exceeded S\$114 billion, comprising S\$49 billion of Singapore exports to the European Union and S\$65 billion of Singapore imports from the European Union<sup>(24)</sup>. In addition, following the departure of the United Kingdom from the European Union, the United Kingdom and Singapore entered into the United Kingdom-Singapore Free Trade Agreement (UKSFTA) which has been in effect since 1 January 2021, which largely mirrors the EUSFTA<sup>(25)</sup>.

Our Singapore production facilities are two (2) out of the three (3) meat processing plants in Singapore which have obtained approval for export of Singapore meat products to the European Union. Therefore, we believe that we are well positioned to benefit from such tariff elimination through such bilateral and regional trade agreements, as it reduces the technical barriers to trade and increases access to international markets, including the European Union.

### ***Philippines***

The Philippines' economic outlook remains favourable, attributable in part to the Philippines' youthful and growing population. The growth of real GDP is estimated to be 6.5 per cent. between 2021 and 2027<sup>(26)</sup>.

Consumer-oriented food and beverage products remain the best prospects for future export growth fuelled by consumer familiarity with American brands and the steady expansion of the country's retail, food service, and food processing sectors<sup>(26)</sup>.

According to Euromonitor International, retail sales in the packaged food market in the Philippines had been estimated to reach nearly US\$12.3 billion in 2019, representing a growth rate of 28.7 per cent. since 2015, and is estimated to grow by 30.8 per cent. to reach US\$17.2 billion in 2024<sup>(26)</sup>. High growth products in the forecast include processed meat and ready meals. Drivers of such growth in the Philippines include the expansion of modern food retail markets such as supermarkets and convenience stores in both urban and rural areas, as consumers demand convenience and flexibility<sup>(26)</sup>.

We believe that we are poised to capture this growing demand through our new venture in the Philippines by early 2022.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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### Notes:

- (1) The information in this section has been obtained from the respective sources as set out in the notes below. Each of the Organisation for Economic Co-operation and Development, Food and Agriculture Organization of the United Nations, Department of Statistics Singapore, The Strategy Group in the Prime Minister's Office of Singapore, Consumers, Health, Agriculture and Food Executive Agency (Chafea), Agency for Science, Technology and Research, Singapore Food Agency, Channel News Asia, Yahoo News, Elsevier, Enterprise Singapore, The Straits Times, Pew Research Center, Statista, Salaam Gateway, Ministry of Trade and Industry Singapore and Food Export Association of the Midwest USA and Food Export USA-Northeast has not provided its consent, for the purposes of section 249 of the SFA, to the inclusion of the information cited and attributed to it in this Offer Document, and is therefore not liable for the relevant information under sections 253 and 254 of the SFA. While the Board has taken reasonable care to ensure that such information has been reproduced in its proper form and context and has been extracted accurately and fairly from a source that is reliable, none of the Board or any other party has conducted an independent review of such information or verified the accuracy of the contents of such information.
- (2) Information obtained from a report titled "OECD-FAO Agricultural Outlook 2020-2029" (FAO, Rome/OECD Publishing, Paris) published on the website of the Organisation for Economic Co-operation and Development. <<https://doi.org/10.1787/1112c23b-en>>. (last accessed on 14 May 2021).
- (3) Information obtained from a report titled "Population Trends, 2020" published by the Department of Statistics Singapore <<https://www.singstat.gov.sg/-/media/files/publications/population/population2020.pdf>> (last accessed on 14 May 2021).
- (4) Information obtained from a report titled "A Sustainable Population for a Dynamic Singapore, Population White Paper (January 2013)" published from the website of The Strategy Group in the Prime Minister's Office of Singapore <<https://www.strategygroup.gov.sg/media-centre/population-white-paper-a-sustainable-population-for-a-dynamic-singapore>> (last accessed on 14 May 2021).
- (5) Information obtained from data published from the website of Department of Statistics Singapore <<https://www.singstat.gov.sg/find-data/search-by-theme/economy/national-accounts/latest-data>> (last accessed on 14 May 2021).
- (6) Information obtained from a report titled "Key Household Income Trends, 2020" published on the website of the Department of Statistics Singapore. <<https://www.singstat.gov.sg/-/media/files/publications/households/pp-s27.pdf>> (last accessed on 14 May 2021).
- (7) Information obtained from data published from the website of Department of Statistics Singapore <<https://www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=17056>> (last accessed on 14 May 2021).
- (8) Based on the average closing exchange rates of EUR 1: S\$1.5925 for the calendar year 2018, as extracted from Bloomberg L.P..
- (9) Information obtained from a report titled "The Food and Beverage Market Entry Handbook: Singapore: a Practical Guide to the Market in Singapore for European Agri-food Products" by the Consumers, Health, Agriculture and Food Executive Agency (Chafea) acting under the mandate from the European Commission. <[https://ec.europa.eu/chafea/agri/sites/chafea/files/handbook-singapore-2020\\_en.pdf](https://ec.europa.eu/chafea/agri/sites/chafea/files/handbook-singapore-2020_en.pdf)> (last accessed on 14 May 2021).
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- (14) Information obtained from an article by Research and Markets, "Plant-based Meat Market – Global Outlook and Forecast 2020-2025: In-depth Analysis and Data-driven Insights on the Impact of COVID-19", Yahoo News (9 September 2020) <<https://sg.news.yahoo.com/plant-based-meat-market-global-150500108.html>> (last accessed on 14 May 2021).
- (15) Information obtained from the website of the Food and Agriculture Organisation of the United Nations <<http://www.fao.org/land-water/news-archive/news-detail/en/c/1032702/>> (last accessed on 14 May 2021).

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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- (17) Information obtained from an article by Johnny Teo, Executive Director for Food, Healthcare & Biomedical, Enterprise Singapore “Alternative protein a boon for food security. What can Spore do to this end?”, Enterprise Singapore (20 August 2020) <<https://www.enterprisesg.gov.sg/media-centre/news/2020/august/alternative-protein-a-boon-for-food-security-what-can-spore-do-to-this-end>> (last accessed on 14 May 2021).
- (18) Information obtained from an article by Sagi Karni, “Food security: How S’pore, Israel can “feed” off innovations”, The Straits Times (21 January 2021) <<https://www.straitstimes.com/opinion/food-security-how-spore-israel-can-feed-off-innovations>> (last accessed on 14 May 2021).
- (19) Information obtained from an article by Rachel Phua, “In Focus: No roaming cattle but with high-tech labs, could Singapore be a “meat” exporter?”, Channel News Asia (13 February 2021) <<https://www.channelnewsasia.com/news/singapore/alternative-proteins-plant-based-singapore-companies-in-focus-13986682>> (last accessed on 14 May 2021).
- (20) Information obtained from a report titled “The Food and Beverage Market Entry Handbook: Malaysia: a Practical Guide to the Market in Malaysia for European Agri-food Products” by the Consumers, Health, Agriculture and Food Executive Agency (Chafea) acting under the mandate from the European Commission <[https://ec.europa.eu/chafea/agri/sites/chafea/files/malaysia-handbook-2020\\_en.pdf](https://ec.europa.eu/chafea/agri/sites/chafea/files/malaysia-handbook-2020_en.pdf)> (last accessed on 14 May 2021).
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- (22) Information obtained from data published from the website of Statista. <<https://www.statista.com/statistics/1113906/southeast-asia-muslim-population-forecasted-share-by-country/>> (last accessed on 14 May 2021).
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- (25) Information obtained from the website of the Ministry of Trade and Industry Singapore. <<https://www.mti.gov.sg/Newsroom/Press-Releases/2021/02/The-UK-Singapore-Free-Trade-Agreement-Enters-Into-Force>> (last accessed on 14 May 2021).
- (26) Information obtained from the website of Food Export Association of the Midwest USA and Food Export USA-Northeast <<https://foodexport.org/export-insights/market-and-country-profiles/philippines-country-profile>> (last accessed on 14 May 2021).

### TREND INFORMATION

Based on our Directors’ knowledge and experience in the industry and barring any unforeseen circumstances (including a prolonged COVID-19 outbreak or a recurrence of COVID-19 in the economies that our Extended Group is operating in – please also refer to the section “Management’s Discussion and Analysis of Results of Operations and Financial Position – Review of Results of Operations – Impact of COVID-19 on our Group” of this Offer Document), our Directors observe the following trends for the 12 months from the Latest Practicable Date:

- (a) As with other businesses in Singapore, we expect to face inflationary pressures and a general trend of increase in the costs of our food ingredients and other overheads such as utilities.
- (b) We expect the costs of our manpower to increase with the reduction in the supply and/or quota of foreign employees that companies in Singapore are permitted to employ and the travel restrictions imposed as a result of the COVID-19 outbreak. Please also refer to the risk factor “We are dependent on foreign employees” as set out in the section “Risk Factors” of this Offer Document for further details.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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- (c) We intend to improve our production efficiency by purchasing new machineries and equipment which include, among others, labelling and packaging equipment. In line with our expansion plan, we expect to incur more capital expenditure.
- (d) We expect to record share-based payment expenses pursuant to the transfer of 1,000,000 Employee Shares to 35 of our employees to recognise and reward them for their past contributions and services, and to align their interests with our Group to encourage greater dedication and loyalty to our Group.

We expect to charge an aggregate of approximately S\$0.23 million to our profit or loss pursuant to the transfer of the Employee Shares over a period of 24 months commencing from the Listing Date.

- (e) Coupled with the ongoing compliance costs of a public listed company and our one-time listing expenses in connection with the Invitation, we expect our financial performance in FY2021 to be affected by additional compliance costs and expenses. Please refer to the section “Use of Proceeds and Listing Expenses” of this Offer Document for further details in relation to our listing expenses.

Save as disclosed above and in the sections “Risk Factors”, “Management’s Discussion and Analysis of Results of Operations and Financial Position” and “Prospects, Business Strategies and Future Plans” of this Offer Document, the “Independent Auditor’s Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020”, the “Independent Auditor’s Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020”, and the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020” as set out in Appendices A, B and C to this Offer Document respectively, and barring any unforeseen circumstances, our Directors are not aware of (a) any significant recent trends in production, sales and inventory and in the costs and selling prices of products and services since 31 December 2020; or (b) any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, profitability, liquidity or capital resources for FY2021, or that may cause the financial information disclosed in this Offer Document to be not necessarily indicative of our future operating results or financial condition. Please refer to the section “Cautionary Note Regarding Forward-Looking Statements” of this Offer Document for further details.

### **BUSINESS STRATEGIES AND FUTURE PLANS**

We intend to drive the growth of our Group through the following strategic initiatives:

#### ***Actively develop and manage brand and product portfolio***

We have a history of driving growth through the development of new brands and innovative products, capitalising on emerging market trends and introducing extensions of successful product lines. In addition to our focus on the development of new brands to cater to new market trends, we will continue to grow our existing product categories and deliver innovative products under our brand portfolio to meet evolving consumer tastes and preferences. We also intend to continuously review our product offerings to rationalise unprofitable and/or lower-margin products from our portfolio.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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Therefore, we will continue to place a strong emphasis in our production innovation and continue investing in our research and development efforts to continually improve the quality and variety of our products. For instance, there is currently a growing demand for plant-based food products. In this regard, we are currently in the process of developing our own plant-based food products, such as plant-based canned luncheon meat. These plant-based food products will be made using existing plant-based materials available in the market, and are expected to look and taste like animal-based meat products, so as to enable consumers to experience the taste, flavour, texture and other sensory attributes of animal-based meat products whilst enjoying the nutritional benefits of eating plant-based food products. We believe that our plant-based food products will appeal to targeted consumers who seek healthier food alternatives. We intend to launch our new plant-based food products by early 2022.

In addition, we will continue to market different brands to target different consumer price points and expand our presence in our existing markets. For instance, we believe that there is a growing demand for online food ordering and delivery services due to the changing lifestyles and the convenience such services offer to time-stretched consumers. We intend to strengthen our presence on e-commerce platforms such as Qoo10, Shopee, Lazada, Singapore Food Shows and Singapore Food United, and also via our websites <https://golden-bridge.com> and <https://www.ellaziq.com>. The sale of our products online will enable us to expand into the business-to-consumer (B2C) market and capture additional revenue via a wider customer base. At the same time, the sale of our products online will also serve as a marketing tool for strengthening our brand presence and awareness amongst our consumers.

We intend to utilise S\$0.50 million of the net proceeds raised from the Invitation to fund our research and development initiatives for new products, including developing our own plant-based food products.

### ***Expand our business overseas through the continued replication of our successful business model***

We intend to continue to expand our presence overseas, whether in terms of setting up a business presence and/or exporting our products overseas.

We believe that there is overseas demand for our food products marketed under our house brands. We have an established business presence in Malaysia via our subsidiaries, GB Malaysia and Ellaziq Malaysia, and we intend to focus on increasing and expanding our product offerings to the Malaysia market. To further expand our business overseas, we have established and commenced operations in Indonesia in the first half of 2020 through our associated company, Delta Bridge Indonesia. Delta Bridge Indonesia currently manufactures non-halal Chinese sausages for distribution in Indonesia. We intend to expand the product range offered by Delta Bridge Indonesia to include canned meat products by early 2022.

Further, we have incorporated a subsidiary in the Philippines on 5 April 2021, and expect to import our food products into the Philippines for sale via our subsidiary in the Philippines by early 2022. We believe that there is potential demand for our products in the Philippines and we intend to focus on capturing this demand through our new venture. Please refer to the section “Prospects, Business Strategies and Future Plans – Industry Overview and Prospects – Philippines” of this Offer Document for further details on the overview of the Philippines market.

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## PROSPECTS, BUSINESS STRATEGIES AND FUTURE PLANS

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We intend to utilise S\$2.50 million of the net proceeds raised from the Invitation to fund our overseas expansion plans, including but not limited to the initial set up costs of our Philippines business and operations, and expanding our distribution network and channels through working with distributors and trade partners.

### ***Improvement and/or expansion of production efficiency and capacities***

We expect an increase in the demand for our products manufactured by our production facilities in Singapore due to our expansion plans in Malaysia and Philippines.

Therefore, we are focused on increasing production efficiency both through optimisation and enhancements to our existing facilities and through investments in new facilities, where necessary. To further increase our production efficiency and to reduce our reliance on manpower, we intend to acquire new machineries and equipment for various equipment replacements and/or upgrade certain production processes, such as labelling and packaging equipment, to provide production flexibility as well as minimise production bottlenecks.

If and when necessary, we may also enhance our current production facilities by installing additional production lines, investing and/or acquiring new production facilities to expand our existing production capacities.

The improvement and/or expansion of our production efficiencies and capacities, if supported by a corresponding increase in demand for our products, will enable us to increase our revenue and profits by selling larger quantities of products and also increase our profit margins by spreading fixed overheads over a larger volume of products and consequently reducing per unit costs of our products. We believe that this will in the long run enable us to remain cost competitive.

We intend to utilise S\$2.00 million of the net proceeds raised from the Invitation to fund the capital expenditure for the purchase of new machineries and equipment.

### ***Expansion of our business through acquisitions, joint ventures or strategic alliances***

In addition to growing organically, we may also expand our business, whether in Singapore or overseas, through acquisitions, joint ventures and strategic alliances with parties whose businesses are synergistic with our business. We believe that suitable acquisitions, joint ventures and strategic alliances will strengthen our market position, give us access to new brands, new products, new markets and customers as well as new complementary businesses. They will also bring about greater economies of scale and provide an impetus for our future growth. This could also involve acquiring under-promoted and neglected brands and products, and revitalising them by applying our industry know-how and strategies, such as innovative branding and marketing campaigns as well as appropriate distribution coverage.

As at the Latest Practicable Date, we are not engaged in any formal discussion with any party for acquisitions, joint ventures or strategic alliances.



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## INTERESTED PERSON TRANSACTIONS

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### OVERVIEW

In general, transactions between our Group and any of our interested persons (namely, our Directors, CEO, Controlling Shareholders and their associates (as defined in the Catalist Rules)) (“Interested Persons” and each, an “Interested Person”) would constitute interested person transactions for the purposes of Chapter 9 of the Catalist Rules.

Details of the present and on-going transactions as well as past transactions between our Group and Interested Persons which are material in the context of the Invitation are set out below. Save as disclosed in this section and in the section “Extended Group Structure – Internal Restructuring” of this Offer Document, there was no interested person transaction which is considered material in the context of the Invitation during the Relevant Period.

In line with the rules of Chapter 9 of the Catalist Rules, a transaction of value less than S\$100,000 is not considered material in the context of the Invitation and may not be disclosed below or taken into account for the purposes of aggregation in this section.

Our Group may continue to transact with some of the Interested Persons as disclosed below after our admission to Catalist. Save as otherwise provided in this section, investors shall, upon their subscription and/or purchase of the Invitation Shares, be deemed to have specifically approved the transactions with the Interested Persons as set out below and as such these transactions are not subject to Rules 905 and 906 of the Catalist Rules to the extent that there are no subsequent changes to the terms of the agreements in relation to the relevant transactions.

### INTERESTED PERSONS

Each of the following persons is an “Interested Person” for the purpose of the interested person transactions described below:

<b>Interested Person</b>	<b>Relationship with our Group</b>
Ong Bee Chip	Our Controlling Shareholder through his shareholding interest in BCS and Managing Director
Ong Bee Song	Our Controlling Shareholder through his shareholding interest in BCS
Ong Chew Yong	Our Executive Director and a Substantial Shareholder
Ong Bee Dee	The brother, and therefore an associate, of Ong Bee Chip, Ong Bee Song and Ong Chew Yong
Ong Chu Eng	The sister, and therefore an associate, of Ong Bee Chip, Ong Bee Song and Ong Chew Yong
Swee Heng	An associate of Ong Bee Chip, Ong Bee Song and Ong Chew Yong, being a company in which Ong Chu Eng (the sister of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 50.0% shareholding interest
Hock Eek Seng	An associate of Ong Bee Chip, Ong Bee Song and Ong Chew Yong, being a company in which Ong Bee Dee (the brother of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 55.0% shareholding interest



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## INTERESTED PERSON TRANSACTIONS

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### PAST INTERESTED PERSON TRANSACTIONS

#### *Provision of management services to Swee Heng*

Our Company entered into a management agreement with Golden Bridge, Ellaziq Singapore and Swee Heng on 1 July 2017, pursuant to which our Company agreed to provide Golden Bridge, Ellaziq Singapore and Swee Heng with infrastructure, facilities and information technology services. Swee Heng was a subsidiary of our Company at the time the management agreement was entered into, but ceased to be a subsidiary of our Company and became an Interested Person on 23 January 2018, when our Company disposed of 3,000,000 ordinary shares in Swee Heng, constituting 100% of the issued shares in the capital of Swee Heng, to Ng Chai Huat and Ong Chu Eng as part of our internal restructuring exercise. Please see the section “Extended Group Structure – Internal Restructuring” of this Offer Document for further details on the internal restructuring. The management agreement was terminated on 30 June 2018.

The aggregate amount received from Swee Heng by our Company during the Relevant Period was as follows:

S\$	FY2018	FY2019	FY2020	HY2021	From 1 January 2021 to the Latest Practicable Date
Aggregate amount received from Swee Heng for the provision of management services	179,654	–	–	–	–

As the management fee for the management services was calculated based on cost plus a 5.0% mark up and allocated among Golden Bridge, Ellaziq Singapore and Swee Heng based on the sales revenue of each entity for the relevant financial year, our Directors are of the view that the provision of management services to Swee Heng was carried out on an arm’s length basis, was on normal commercial terms and was not prejudicial to the interests of our Group and our minority Shareholders. We do not intend to enter into such arrangements with Swee Heng after the Listing.

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## INTERESTED PERSON TRANSACTIONS

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### PRESENT AND ON-GOING INTERESTED PERSON TRANSACTIONS

#### ***Purchase of forklifts and forklift maintenance and repair services from Hock Eek Seng***

During the Relevant Period, our Group purchased forklifts and related spare parts from Hock Eek Seng, and engaged Hock Eek Seng to provide forklift maintenance and repair services to our Group. The aggregate amounts paid by our Group to Hock Eek Seng for the purchase of forklifts and related spare parts and for the forklift maintenance and repair services during the Relevant Period were as follows:

S\$	FY2018	FY2019	FY2020	HY2021	From 1 January 2021 to the Latest Practicable Date
Aggregate amounts paid to Hock Eek Seng for the purchase of forklifts and related spare parts and for the provision of forklift maintenance and repair services	2,696	7,606	33,087	25,862	53,116

No comparable quotes from unrelated third parties were obtained prior to the entry of such transactions. The transactions were not entered into or carried out on an arm's length basis and were not on normal commercial terms, but our Directors are of the opinion that the above transactions were not prejudicial to the interests of our Group and our minority Shareholders as, based on the management's assessment, the prices offered to our Group were lower than the prevailing market rates for similar transactions.

We intend to continue to enter into similar transactions with Hock Eek Seng after the Listing. Such transactions after the Listing will be subject to the requirements under Chapter 9 of the Catalist Rules and guidelines and review procedures set out in the section "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions other than those covered under the IPT General Mandate" of this Offer Document.

#### ***Sale of food products to Swee Heng***

During the Relevant Period, our Group sold various food products to Swee Heng, including but not limited to raw materials and ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised to the specifications of Swee Heng. The aggregate amounts received from Swee Heng by our Group for the food products during the Relevant Period were as follows:

S\$	FY2018	FY2019	FY2020	HY2021	From 1 January 2021 to the Latest Practicable Date
Aggregate amounts received from Swee Heng for the sale of food products	881,707	1,141,632	1,207,023	641,602	410,550

## INTERESTED PERSON TRANSACTIONS

As the sale of food products to Swee Heng are on substantially the same terms and/or in line with our pricing principles (including according appropriate bulk discounts given) for similar products sold to unrelated third parties, our Directors are of the view that the transactions were carried out on an arm's length basis, were on normal commercial terms and were not prejudicial to the interests of our Group and our minority Shareholders.

We intend to continue to enter into similar transactions with Swee Heng after the Listing. Such transactions after the Listing will be subject to the requirements under Chapter 9 of the Catalist Rules, and guidelines and review procedures set out in the section "Interested Person Transactions – General Mandate for Interested Person Transactions" of this Offer Document.

### ***Personal Guarantees provided by Ong Bee Chip, Ong Chew Yong and Ong Bee Song***

Each of Ong Bee Chip, Ong Chew Yong and Ong Bee Song has provided joint and several personal guarantees in relation to bank facilities extended to us by DBS Bank. Please refer to the section "Capitalisation and Indebtedness – Bank Facilities" of this Offer Document for further details.

The amounts under the bank facilities extended to us by DBS Bank which were secured by the personal guarantees, the outstanding amounts secured by the personal guarantees as at the Latest Practicable Date, as well as the largest amounts guaranteed during the Relevant Period, based on month-end balances, were as follows:

<b>Bank</b>	<b>Borrower</b>	<b>Nature of facilities</b>	<b>Guarantor(s)</b>	<b>Amount of facilities guaranteed (\$'000)</b>	<b>Amount guaranteed as at the Latest Practicable Date (\$'000)</b>	<b>Largest amount guaranteed during the Relevant Period (\$'000)</b>
DBS Bank	Golden Bridge	Enterprise Financing Scheme Temporary Bridging Loan I	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	2,000	1,687	1,944
DBS Bank	Golden Bridge	Non-Revolving Hire Purchase Line III	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	88 <sup>(1)</sup>	29	88 <sup>(1)</sup>
DBS Bank	Golden Bridge	Overdraft Facility I	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	1,000	–	–
DBS Bank	Golden Bridge	Letters of Guarantee I Facility/Long Term Letters of Guarantee I Facility	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	200	36	36

## INTERESTED PERSON TRANSACTIONS

Bank	Borrower	Nature of facilities	Guarantor(s)	Amount of facilities guaranteed (S\$'000)	Amount guaranteed as at the Latest Practicable Date (S\$'000)	Largest amount guaranteed during the Relevant Period (S\$'000)
DBS Bank	Golden Bridge	Trade Facilities I comprising Sight/Usance/ Local Letters of Credit, Trust Receipts, Import/ Local Bills Receivable Purchase, Shipping Guarantees and Air Waybill Guarantees <sup>(2)</sup>	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	3,000	–	970
DBS Bank	Golden Bridge	Fixed Advance Facility I	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	1,000	–	–
DBS Bank	Golden Bridge	Term Loan II	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	2,975	721	1,847
DBS Bank	Golden Bridge	Term Loan IV <sup>(3)</sup>	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	300	–	223
DBS Bank	Golden Bridge	Term Loan V <sup>(4)</sup>	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	1,400	1,037	1,274
DBS Bank	Golden Bridge	Foreign Exchange spot and forward <sup>(5)</sup>	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	3,000	–	–
DBS Bank	Ellaziq Singapore	Enterprise Financing Scheme Temporary Bridging Loan I	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	1,250	1,030	1,250
DBS Bank	Ellaziq Singapore	Overdraft Facility I	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	50	–	–
DBS Bank	Ellaziq Singapore	Trade Facilities I comprising Sight/Usance/ Local Letters of Credit, Trust Receipts, Import/ Local Bills Receivable Purchase, Shipping Guarantees and Air Waybill Guarantees	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	500	–	–
DBS Bank	Ellaziq Singapore	Foreign Exchange spot and forward	Ong Bee Chip, Ong Chew Yong and Ong Bee Song	500	–	–

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## INTERESTED PERSON TRANSACTIONS

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### Notes:

- (1) Based on the terms and conditions of the Non-Revolving Hire Purchase Line III, the facility is required to be drawn down within six (6) months from the date of the facility letter (i.e. 23 March 2018), unless otherwise extended by DBS Bank at its sole discretion. As Golden Bridge had only utilised around S\$88,000 within the six (6) month period, the remaining unutilised amount of the facility has lapsed and is no longer available for drawdown.
- (2) On 23 March 2018, the limit of Trade Facilities I comprising Sight/Usance/Local Letters of Credit, Trust Receipts, Import/Local Bills Receivable Purchase, Shipping Guarantees and Air Waybill Guarantees was revised by DBS Bank from S\$6,000,000 to S\$3,000,000.
- (3) Ong Bee Chip, Ong Chew Yong and Ong Bee Song have granted joint and several personal guarantees in favour of DBS Bank to guarantee all moneys owing or which remain unpaid by Golden Bridge to DBS Bank from time to time ("**Golden Bridge Personal Guarantees**"). As at the Latest Practicable Date, the Term Loan IV facility granted by DBS Bank to Golden Bridge has been fully repaid and is no longer subsisting. The Golden Bridge Personal Guarantees remain effective to secure the other bank facilities granted by DBS Bank to Golden Bridge, as set out in the table above.
- (4) On 23 March 2018, the limit of Term Loan V was revised by DBS Bank from S\$500,000 to S\$1,400,000.
- (5) On 23 March 2018, the limit of Foreign Exchange spot and forward facility was revised by DBS Bank from S\$6,000,000 to S\$3,000,000.

As no fee, commission, interest, compensation or benefit-in-kind was paid by our Group to each of Ong Bee Chip, Ong Chew Yong and Ong Bee Song for the provision of the personal guarantees, the personal guarantees were not provided on an arm's length basis and were not on normal commercial terms. However, as the personal guarantees were granted to secure the obligations of our Group at no cost, such provision of personal guarantees were not prejudicial to the interests of our Group and our minority Shareholders.

Following the admission of our Company to Catalist, we intend to request for a release and discharge of the above guarantees provided to DBS Bank and replace them with other securities to be provided by our Group which may be acceptable to DBS Bank, subject to its consent. Our Directors do not, to the best of their knowledge, expect any material change in the terms and conditions of the relevant bank facilities arising from the release and discharge of the above guarantees. In the event that DBS Bank does not agree to the release and discharge of the above guarantees, Ong Bee Chip, Ong Chew Yong and Ong Bee Song have agreed to continue the provision of the above guarantees to DBS Bank without charge, fee, commission, benefit-in-kind or other interest payable to them, and on the same terms and conditions of the relevant bank facilities as currently maintained, until such time as we are able to secure alternative facilities from other financial institutions.

### **GUIDELINES AND REVIEW PROCEDURES FOR ON-GOING AND FUTURE INTERESTED PERSON TRANSACTIONS OTHER THAN THOSE COVERED UNDER THE IPT GENERAL MANDATE**

#### Review Procedures

To ensure that all future interested person transactions are carried out on normal commercial terms which are generally no more favourable than those extended to unrelated third parties and on an arm's length basis, and will not be prejudicial to the interests of our Group and our minority Shareholders, the following procedures will be implemented by our Group:

- (a) in relation to any purchase of products or procurement of services from an Interested Person of value above S\$100,000 (either individually or aggregated with other transactions involving the same Interested Person during the same financial year), quotations from at least two (2) unrelated third parties in respect of the same or substantially similar type of transactions will be obtained for comparison to ensure that the interests of our Group and minority Shareholders are not disadvantaged. The purchase price or fee for services shall generally

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## INTERESTED PERSON TRANSACTIONS

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not be more favourable to the Interested Person as compared to at least two (2) comparative quotations obtained from the two (2) unrelated third parties, taking into account all pertinent factors, including but not limited to quantity, quality, delivery time, requirements, specifications, payment and credit terms, reliability, track record, and availability of preferential rates;

- (b) in relation to any sale of products or supply of services to an Interested Person of value above S\$100,000 (either individually or aggregated with other transactions involving the same Interested Person during the same financial year), the sale price or fee of at least two (2) other completed transactions of the same or substantially similar nature with unrelated third parties will be used as comparison to ensure that the interests of our Group and minority Shareholders are not disadvantaged. The sale price or fee for the sale of products or the supply of services shall generally not be more favourable to the Interested Person as compared to at least two (2) other recently completed transactions with unrelated third parties, taking into account all pertinent factors, including but not limited to customer requirements, creditworthiness, and usual prices, margins or discounts that may be extended to regular customers of our Group;
- (c) in the case of renting properties from or to an Interested Person, we shall take appropriate steps to ensure that the rent is commensurate with the prevailing market rates, including adopting measures such as making relevant inquiries with landlords of similar properties and/or obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where appropriate). The amount payable shall be based on the most competitive market rental rate of similar property in terms of size, tenure, suitability for purpose and location, based on the results of the relevant inquiries; and
- (d) there may be situations where competitive quotations or price comparisons may not be practicable or appropriate, such as where there are no unrelated third party vendors of similar products or services, considering factors such as quantity, specifications and delivery schedules. In the event that it is not practicable or appropriate to compare against the terms of other transactions or quotations with unrelated third parties or to obtain the price and terms of at least two (2) other transactions (as stipulated in paragraphs (a) and (b) above) or in situations where the products or services may be purchased only from an Interested Person, our Group Financial Controller (if he has no interest in the transaction), or failing which, an appropriate senior executive (who must have no interest, direct or indirect, in the transaction) to be appointed by our Audit Committee will determine whether the prices and terms offered to the Interested Person are fair and reasonable and in accordance with our Group's usual business practices and pricing policies or industry norms. In determining whether the price and terms are fair and reasonable and consistent with our Group's usual business practice, factors such as, but not limited to, quantity, quality, delivery time, requirements, specifications, payment and credit terms, reliability, track record, historical purchase price paid by us for such products or goods, and availability of preferential rates will be taken into account.

### Threshold Limits

In addition, we will monitor all interested person transactions entered into by our Group and categorise these transactions as follows:

- (i) all interested person transactions of values above S\$100,000 but below 3.0% of the latest audited NTA of our Group (either individually or as part of a series or aggregated with other transactions involving the same Interested Person during the same financial year) shall be approved by our Managing Director or Group Financial Controller prior to entry. Where our

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## INTERESTED PERSON TRANSACTIONS

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Managing Director or Group Financial Controller has an interest, directly or indirectly, in the transaction, or is not available to review and approve the transaction, the Executive Director or an appropriate senior executive (who must have no interest, direct or indirect, in the transaction) to be appointed by our Audit Committee, shall approve the transaction prior to entry; and

- (ii) for interested person transactions where the value amounts to 3.0% or more of the latest audited NTA of our Group (either individually or as part of a series or aggregated with other transactions involving the same Interested Person during the same financial year), we shall obtain the approval of our Audit Committee prior to entering into the transaction. Where an Audit Committee member has an interest, directly or indirectly, in the transaction, he shall abstain from participating in the review and approval of the transaction.

Any transactions to be made with an Interested Person shall not be approved unless:

- (i) the pricing is determined in accordance with our usual business practices and policies, consistent with the usual rate given or price received by us for the same or substantially similar type of transactions between us and unrelated parties, and the terms are no more favourable to the Interested Person than those extended to or received from unrelated parties; or
- (ii) where paragraph (d) under the “Review Procedures” section applies, the considerations in determining whether the price and terms offered are fair and reasonable as set out therein are properly considered and documented.

The above threshold limits are adopted by our Group after considering, among other things, the nature, volume, frequency and size of the transactions as well as our Group’s day-to-day operations, administration and businesses. The threshold limits are arrived at with a view to strike a balance between (i) maximising the operational efficiency of the day-to-day operations of our Group, and (ii) maintaining adequate internal controls and governance in relation to the interested person transactions. The threshold limits are intended to act as an additional safeguard to supplement the review procedures as set out above.

### Additional Procedures

- (a) Before any agreement or arrangement with an Interested Person that is not in the ordinary course of business of our Group is transacted, prior approval must be obtained from our Audit Committee. Any decision to proceed with such an agreement or arrangement would be recorded for review by our Audit Committee. In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from reviewing and/or approving that particular transaction.
- (b) We will prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all interested person transactions. We shall maintain a register to record all interested person transactions that are entered into by our Group, including any pertinent factor(s) considered and/or quotations obtained from unrelated third parties to support the price, fee, rental and/or terms of the interested person transaction, and the review and/or approval of our Audit Committee. The register will also record any interested person transaction that is below S\$100,000 in value, although such transaction is normally not required to be aggregated under Chapter 9 of the Catalist Rules. The register shall be maintained by our finance team and any exceptions or departures from the review procedures shall be reported and highlighted to our Audit Committee by our Group Financial Controller immediately. Our Group Financial Controller shall review the register on a quarterly basis.



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## **INTERESTED PERSON TRANSACTIONS**

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- (c) Our finance team will maintain a list of Interested Persons (which is to be updated immediately if there are any changes) to enable identification of Interested Persons. The list shall be reviewed on a quarterly basis by our Group Financial Controller and subject to such verifications or declarations as required by our Audit Committee for such period as determined by them. This list shall be disseminated to all relevant staff for identification of interested person transactions on a timely basis.
- (d) Our Audit Committee will review all interested person transactions, if any, on a semi-annual basis (or at such frequency as our Audit Committee may deem necessary) to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above, taking into account all relevant non-quantitative factors. In the event that a member of our Audit Committee is interested in any such transaction, he will abstain from participating in the review and approval process in relation to that particular transaction.
- (e) Our internal audit plan will also incorporate a review of all interested person transactions at least on an annual basis. The internal audit report will be reviewed by our Audit Committee to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with.
- (f) Our Audit Committee and our Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing laws, rules and regulations, the Catalist Rules (in particular, Chapter 9 thereof) and relevant accounting standards are complied with. Pursuant to the Catalist Rules, we will make the required disclosure in relation to our interested person transactions in our annual report during the relevant financial year under review.
- (g) In addition, such transactions will also be subject to Shareholders' approval if deemed necessary under the Catalist Rules. In accordance with Rule 919 of the Catalist Rules, the relevant Interested Persons and their associates shall abstain from voting, or acting as proxies unless given specific instructions as to voting by the Shareholder(s), on resolutions approving such interested person transactions.
- (h) Our Audit Committee shall also, from time to time, review such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that interested person transactions are conducted on normal commercial terms, on an arm's length basis and do not prejudice the interests of our Group and our minority Shareholders. If, during these periodic reviews by our Audit Committee, our Audit Committee is of the opinion that the guidelines and procedures as stated above are not sufficient to ensure that interested person transactions will be on normal commercial terms, on an arm's length basis and not prejudicial to the interests of our Group and our minority Shareholders, our Audit Committee will adopt such new guidelines and review procedures for future interested person transactions as may be appropriate. Our Audit Committee may request for an independent financial adviser's opinion on such guidelines and procedures as it deems necessary.

### **GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

We anticipate that we would, in the ordinary course of business, continue to supply food products, including but not limited to raw materials and halal ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised, to the Mandated Interested Person (as defined below). In view of the time-sensitive and recurrent nature of such commercial transactions, it would be advantageous for us to obtain a general mandate from our Shareholders pursuant to Chapter 9 of the Catalist Rules to enable any or all members of our Group, in the

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## INTERESTED PERSON TRANSACTIONS

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ordinary course of their business, to enter into the Mandated Transactions (as defined below) with the Mandated Interested Person which are necessary for our day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders (“**IPT General Mandate**”).

### **Chapter 9 of the Catalist Rules**

Pursuant to Rule 920(2) of the Catalist Rules, our Company may treat that the IPT General Mandate has been obtained for us to enter into the Mandated Transactions with the Mandated Interested Person, if the information required under Rule 920(1)(b) of the Catalist Rules is included in this Offer Document. In relation to our Company, the information required by Rule 920(1)(b) is as follows:

- (a) the names of the Interested Persons with whom the Entity at Risk (as defined below) will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the Entity at Risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser’s opinion on whether the methods or procedures in (d) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders;
- (f) an opinion from our Audit Committee if it takes a different view to the independent financial adviser;
- (g) a statement from us that we will obtain a fresh mandate from our Shareholders if the methods or procedures in (d) above become inappropriate; and
- (h) a statement that the Interested Person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

For the avoidance of doubt, the IPT General Mandate will cover any and all Mandated Transactions, including transactions which have a value below S\$100,000, notwithstanding that the threshold and aggregation requirements under Chapter 9 of the Catalist Rules as at the date of this Offer Document may not apply to such transactions. While transactions below S\$100,000 are not normally aggregated under Rule 906(2), the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

Transactions which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules and/or any applicable law. In particular, any transaction outside the scope of the IPT General Mandate of value equal to or exceeding 5.0% of our Group’s latest audited NTA will require independent Shareholders’ approval. Transactions conducted under the IPT General Mandate are not separately subject to Rules 905 and 906 of the Catalist Rules pertaining to threshold and aggregation requirements.

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## INTERESTED PERSON TRANSACTIONS

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By subscribing for and/or purchasing the Invitation Shares, new Shareholders are deemed to have approved the IPT General Mandate. The IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of our first annual general meeting following our admission to the Catalist, or the date by which such annual general meeting is required by law to be held; or (b) the first anniversary of the date of our admission to the Catalist. Thereafter, we will seek the approval of our Shareholders for a renewal of the IPT General Mandate at each subsequent annual general meeting, subject to satisfactory review by our Audit Committee of its continued application to the Mandated Transactions with the Mandated Interested Person.

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, Interested Persons who have an interest in the Mandated Transactions and their associates shall abstain from voting on the resolutions approving the renewal of the IPT General Mandate. Furthermore, such Interested Persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing Shareholder. As such, Ong Bee Chip, Ong Chew Yong, Ong Bee Song and BCS and their respective associates will abstain from voting on the resolutions approving the renewal of the IPT General Mandate.

For the purposes of the IPT General Mandate, an “Entity at Risk” means:

- (a) our Company;
- (b) a subsidiary of our Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); or
- (c) an associated company of our Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which our Group, or our Group and our Interested Person(s), has or have control,

(together, “**EAR Group**”).

### **Name of the Mandated Interested Person**

The IPT General Mandate will apply to the Mandated Transactions that are carried out between any Entity at Risk and Swee Heng (“**Mandated Interested Person**”). Swee Heng is principally engaged in the business of manufacturing bakery products and operating retail stores for such bakery products.

Swee Heng is an associate of our Directors, Ong Bee Chip and Ong Chew Yong, and our Controlling Shareholder, Ong Bee Song, being a company in which Ong Chu Eng (the sister of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 50.0% shareholding interest and Ng Chai Huat (the brother-in-law of Ong Bee Chip, Ong Bee Song and Ong Chew Yong) holds a 30.0% shareholding interest. Accordingly, Swee Heng is deemed as an Interested Person.

Transactions between the Mandated Interested Person and our Group which do not fall within the ambit of the proposed IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and such guidelines and review procedures as set out in the section “Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions other than those covered under the IPT General Mandate” of this Offer Document.

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## INTERESTED PERSON TRANSACTIONS

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### Categories of Mandated Transactions

During the Relevant Period, our Group has been selling food products, including but not limited to raw materials and ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised, to the Mandated Interested Person. Please refer to the section “Interested Person Transactions – Present and On-going Interested Person Transactions – Sale of food products to Swee Heng” of this Offer Document. Following the admission of our Company to the Catalist, we envisage that in the ordinary course of our business, our Group will continue to sell food products to the Mandated Interested Person from time to time (“**Mandated Transactions**”).

### Rationale for and benefits of the IPT General Mandate

During the Relevant Period, the sale of the food products to the Mandated Interested Person occurred almost on a daily basis. We envisage that the Mandated Transactions are likely to continue to occur frequently, in the ordinary course of our business. In view of the time-sensitive and recurrent nature of the Mandated Transactions, it would be advantageous for us to obtain the IPT General Mandate to enable the EAR Group to enter into the Mandated Transactions, provided that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders. In addition, transactions with the Mandated Interested Person also represent an additional source of revenue for the EAR Group.

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders’ prior approval as and when potential Mandated Transactions with the Mandated Interested Person arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate the Mandated Transactions in the normal course of business of the EAR Group from time to time with the Mandated Interested Person, provided that they are carried out at arm’s length and on normal commercial terms, and are not prejudicial to the interests of our Company and our minority Shareholders.

In accordance with the requirements of Chapter 9 of the Catalist Rules, we will (a) disclose in our Company’s annual report the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate for the financial periods that we are required to report on pursuant to Rule 705 of the Catalist Rules within the time required for the announcement of such report.

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## INTERESTED PERSON TRANSACTIONS

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### Guidelines and Review Procedures for Mandated Transactions with the Mandated Interested Person

To ensure that the Mandated Transactions are carried out on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of our Company and our minority Shareholders, our Group has put in place the following guidelines and review procedures for the review and approval of the Mandated Transactions under the IPT General Mandate:

- (a) The guiding principle is that all Mandated Transactions shall be conducted in accordance with our Group's usual business practices and pricing policies, consistent with the usual profit margins or prices extended by our Group to unrelated third parties for the sale of the same or substantially similar type of products, and the terms are not more favourable to the Mandated Interested Person compared to those extended to unrelated third parties and/or are in accordance with our prevailing Price List (as defined below), terms or applicable industry norms.
- (b) The prices for the sale of ready-to-eat and ready-to-cook meat products to the Mandated Interested Person ("**Price List**") shall be determined in advance with the Mandated Interested Person and approved by our Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by our Audit Committee. All the sale of ready-to-eat and ready-to-cook meat products to the Mandated Interested Person shall be conducted in accordance to the Price List. The price of the ready-to-eat and ready-to-cook meat products shall generally not be more favourable to the Mandated Interested Person as compared to at least two (2) other recently completed transactions with unrelated third parties, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records as well as preferential rates/discounts offered for bulk purchases.

When determining the Price List for the sale of customised ready-to-eat and ready-to-cook meat products to the Mandated Interested Person which generally do not have similar completed transactions with unrelated third parties as comparison, our Group Financial Controller shall calculate the cost of manufacturing of the customised ready-to-eat and ready-to-cook meat products to ensure that our Group will always generate a positive gross margin from such sale. The gross margin from the sale shall be comparable to the gross margins generated by our Group from at least two (2) recently completed transactions with unrelated third parties of similar nature, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records, availability of production capacity as well as preferential rates/ discounts offered for bulk purchases.

The Price List (and its supporting documents) shall be approved by our Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by our Audit Committee, and shall be reviewed and endorsed by our Audit Committee prior to its effective date. The Price List shall also be reviewed at least once every six (6) months or any other period deemed appropriate by our Audit Committee to ensure the prices in the Price List are updated taking into consideration changes to our Group's cost of sales.

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## INTERESTED PERSON TRANSACTIONS

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- (c) The prices for the sale of raw materials to the Mandated Interested Person shall be determined with reference to prices of at least two (2) other recently completed comparable transactions with unrelated third parties, the terms of which shall not be more favourable to the Mandated Interested Person as compared to unrelated third parties after taking into account all pertinent factors, including but not limited to the cost of such raw materials, the availability of such raw materials, delivery notice and schedule, credit terms and payment track records.
- (d) In the event that it is not practicable or possible to compare such sale against the unrelated third party transactions, our Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) to be appointed by our Audit Committee, will determine whether the prices and terms offered to the Mandated Interested Person are fair and reasonable and in accordance with our Group's usual business practices and pricing policies or industry norms, taking into account the historical prices charged by us for such products and gross margin to be generated by our Group from such sale.

### **Approval threshold for Mandated Transactions with the Mandated Interested Person**

Given the low value of each Mandated Transaction (the highest transactional value during the Relevant Period being less than S\$20,000) and the regular frequency of the Mandated Transactions, all Mandated Transactions will be tabled to our Audit Committee for review and endorsement as and when the cumulative value of the Mandated Transactions during the same financial year (excluding those which have already been reviewed and endorsed or approved by our Audit Committee) exceeds 3.0% of the latest audited NTA of our Group.

The above approval thresholds are adopted after taking into account, among other things, the nature, volume, frequency and size of the transactions as well as our Group's day-to-day operations, administration and businesses. The approval thresholds act as an additional safeguard to supplement the guidelines and review procedures to be implemented for the Mandated Transactions.

Our Audit Committee may, as it deems fit, request for additional information pertaining to the transaction from independent sources or advisers. If a member of our Audit Committee has an interest, whether direct or indirect, in relation to that particular Mandated Transaction, he will, and will undertake to ensure that his associates will, abstain from any decision making in respect of that particular Mandated Transaction.

### **Additional review procedures for Mandated Transactions with the Mandated Interested Person**

We will also implement the following procedures for the record keeping of all Mandated Transactions with the Mandated Interested Person:

- (a) We will maintain a register of the Mandated Transactions ("**IPT Mandate Register**"). All documents related to the Mandated Transactions will be filed in a separate file ("**IPT Mandate File**") for ease of tracking and monitoring. The IPT Mandate File will contain all forms and checklists in relation to the Mandated Transactions (including the bases on which the Mandated Transactions are entered into). The IPT Mandate File will also contain invoices and payment vouchers in relation to the Mandated Transactions. Our Group Financial Controller will review the IPT Mandate File on a monthly basis.



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## INTERESTED PERSON TRANSACTIONS

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- (b) Our Audit Committee shall review the IPT Mandate Register and the IPT Mandate File on a semi-annual basis (or at such frequency as our Audit Committee may deem necessary) to ascertain that the established review procedures to monitor the Mandated Transactions have been complied with, and carried out on normal commercial terms. Such reviews include the review of the transactions and their supporting documents or such other data deemed necessary by our Audit Committee. Our Audit Committee may request for additional information pertaining to the transactions under review from independent sources, advisers or valuers as it deems fit.
- (c) Our internal auditors will, on an annual basis, review the IPT Mandate File to ascertain that the guidelines and review procedures established for the Mandated Transactions have been adhered to. Any discrepancies or significant variances from our Group's usual business practices and pricing policies will be highlighted to our Audit Committee.
- (d) If pursuant to the relevant reviews, our Audit Committee is of the view that the established guidelines and review procedures as stated above have become inappropriate or insufficient to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders, in view of changes to the nature of, or the manner in which, the business activities of our Group are conducted, it will take such actions as it deems appropriate and/or modify or implement additional methods and procedures as necessary, and where relevant, seek a fresh Shareholders' general mandate based on new guidelines and review procedures for the Mandated Transactions. The Interested Persons who have an interest in the Mandated Transactions and their associates will abstain from voting on such resolutions. The Interested Persons and their associates shall also not act as proxies in relation to such resolutions unless specific instructions as to voting have been given by the Shareholders. During the period prior to obtaining a fresh general mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by our Audit Committee.
- (e) Our Audit Committee and our Board will also ensure that all disclosure, approval and other requirements on the Mandated Transactions, including those required by prevailing laws, rules and regulations, the Catalist Rules (in particular, Chapter 9 thereof) and relevant accounting standards are complied with. Pursuant to the Catalist Rules, we will make the required disclosure in relation to the Mandated Transactions in our annual report during the relevant financial year under review.

### **Opinion of the Independent Financial Adviser**

Xandar Capital has been appointed as the independent financial adviser to our Independent Directors pursuant to Rule 920(1)(b)(v) of the Catalist Rules, to opine whether the methods or procedures for determining the transaction prices of the Mandated Transactions, as set out above, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Having considered, among other things, (i) the guidelines and review procedures set up by our Company including the determination of pricing and approval thresholds; (ii) the frequency of review by our Group Financial Controller, our Audit Committee and the internal auditors; (iii) the role of our Audit Committee in relation to the IPT General Mandate; and (iv) the rationale for and benefits of the IPT General Mandate, Xandar Capital is of the opinion that the guidelines and review procedures for determining the prices of the Mandated Transactions, if adhered to strictly, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial



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## INTERESTED PERSON TRANSACTIONS

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terms, and will not be prejudicial to the interests of our Company and our minority Shareholders of our Company. Please refer to the letter from Xandar Capital set out in “Appendix H – Opinion of the Independent Financial Adviser” of this Offer Document for more information.

### **Audit Committee’s statement**

Having considered, among others, the rationale for and benefits of the IPT General Mandate, the guidelines and review procedures for determining transaction prices of the Mandated Transactions, together with the opinion of Xandar Capital, our Audit Committee is of the opinion that the guidelines and review procedures for determining the transaction prices of the Mandated Transactions, if adhered to strictly, are sufficient to ensure that the Mandated Transactions with the Mandated Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

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## POTENTIAL CONFLICTS OF INTERESTS

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### INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS OR THEIR ASSOCIATES

All our Directors have a duty to disclose their interests in respect of any transaction in which they have any personal material interest or any actual or potential conflict of interests (including a conflict that arises from their directorship or employment or personal investment in any corporation). Upon such disclosure, such Directors will not participate in any proceedings of the Board and shall abstain from voting in respect of any such transaction where the conflict arises.

Save as disclosed below, and in the sections “Interested Person Transactions” and “Corporate Governance – Nominating Committee – Our Nominating Committee’s view on Tan Poh Hong” of this Offer Document, none of our Directors, Controlling Shareholders or any of their respective associates has any interest, direct or indirect:

- (a) in any material transactions to which our Company or any of our subsidiaries was or is a party;
- (b) in any entity carrying on the same business or dealing in similar products or services as our Group; or
- (c) in any enterprise or company that is our Group’s customer or supplier of goods and services.

#### **Swee Heng**

As at the Latest Practicable Date, Ong Chu Eng, Ng Chai Huat, and Ng Poh Choo (the daughter of Ong Chu Eng and Ng Chai Huat) own 50.0%, 30.0% and 20.0%, respectively of the total issued and paid-up capital of Swee Heng (please refer to the section “Interested Person Transactions – Interested Persons” of this Offer Document for more information). Ng Chai Huat, Ong Chu Eng and Ng Poh Choo are also directors of Swee Heng. Swee Heng is principally engaged in the business of manufacturing bakery products and operating retail stores for the sale of such bakery products.

Our Group supplies various food products to Swee Heng, including but not limited to raw materials and halal ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised to the specifications of Swee Heng. During the Relevant Period, the purchases by Swee Heng amounted to approximately S\$0.88 million, S\$1.14 million, S\$1.21 million and S\$0.64 million for FY2018, FY2019, FY2020 and HY2021 respectively.

Our Directors are of the view that there is no potential conflict of interests arising from Ong Chu Eng, Ng Chai Huat and Ng Poh Choo being shareholders and directors of Swee Heng for the following reasons:

- (a) our Group and Swee Heng do not carry on the same business or deal in similar products. The core business, products and customer base of Swee Heng and our Group are fundamentally different. Swee Heng manufactures bakery products and operates retail outlets for the sale of such bakery products to walk-in customers. On the other hand, our Group manufactures ready-to-eat and ready-to-cook meat products and distributes them mainly to supermarkets, wholesalers, convenience stores, and restaurants. Direct sales to retail customers contribute only a small portion of our Group’s revenue, amounting to less than 3.2% of our Group’s revenue for each of the financial years during the Period Under Review;

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## POTENTIAL CONFLICTS OF INTERESTS

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- (b) our Group and Swee Heng have separate shareholders and management teams. Ong Chu Eng, Ng Chai Huat and Ng Poh Choo do not have any shareholding interest or control over the business and operations of our Group, and Ong Bee Chip, Ong Chew Yong and Ong Bee Song do not have any shareholding interest or control over the business and operations of Swee Heng;
- (c) during the Period Under Review, sales to Swee Heng accounted for less than 5% of our revenue. In addition, the sales of food products to Swee Heng are on substantially the same terms and/or in line with our pricing principles (including according appropriate bulk discount given) for similar products sold to unrelated third parties, and our Directors are of the view that the transactions were carried out on an arm's length basis, were on normal commercial terms and were not prejudicial to the interests of our Group and our minority Shareholders; and
- (d) subsequent to the Listing, all transactions entered into between our Group and Swee Heng will be subject to the review procedures set out in the IPT General Mandate (further details are disclosed in the section "Interested Person Transactions – General Mandate for Interested Person Transactions" of this Offer Document). Under the IPT General Mandate, Ong Bee Chip, Ong Chew Yong and Ong Bee Song, and their respective associates, will not be involved in the decision-making process relating to the transactions entered into between our Group and Swee Heng.

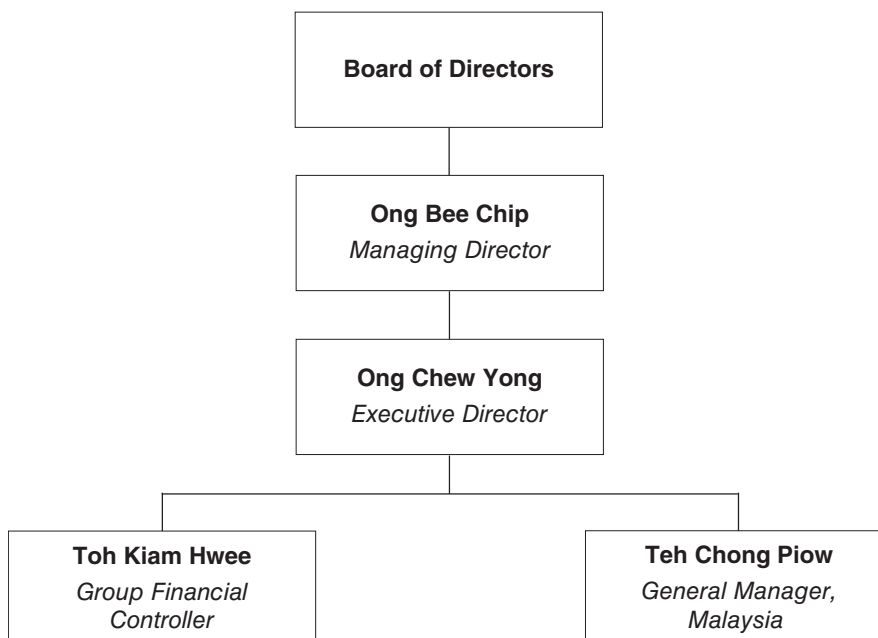
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## DIRECTORS AND MANAGEMENT

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### MANAGEMENT REPORTING STRUCTURE

Our management reporting structure as at the Latest Practicable Date is set out below:



### DIRECTORS

The Board of Directors is entrusted with the responsibility for the overall management of our Group. The particulars of our Directors are set out below:

Name	Age	Address	Position
Yu Lai Boon	57	c/o 30 Senoko South Road Singapore 758088	Non-Executive Chairman and Independent Director
Ong Bee Chip	57	c/o 30 Senoko South Road Singapore 758088	Managing Director
Ong Chew Yong	61	c/o 30 Senoko South Road Singapore 758088	Executive Director
Chan Hiang Tiak	61	c/o 30 Senoko South Road Singapore 758088	Independent Director
Tan Poh Hong	62	c/o 30 Senoko South Road Singapore 758088	Independent Director

Information on the working and business experience of our Directors is set out below:

**Yu Lai Boon** is our Non-Executive Chairman and Independent Director, and was appointed to our Board on 19 May 2021.

Yu Lai Boon has over 25 years of experience in sovereign wealth fund management, private equity investment, fund management, real estate development and real estate-related consultancy work. He has also been involved in the food and beverage industry since 2018.

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## DIRECTORS AND MANAGEMENT

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Yu Lai Boon joined the Department of Real Estate, School of Design and Environment at National University of Singapore as a Post-Graduate Researcher, Research Assistant and Teaching Assistant between March 1988 and September 1997. He subsequently joined Jones Lang Wootton as an Associate Director for the period from October 1997 to March 1999. He was appointed as the National and Regional Director and Asia Pacific Head of Consultancy and Research in Jones Lang LaSalle Property Consultants Pte Ltd and was subsequently appointed as the Managing Director and Country Head during the period from March 1999 to March 2006. Between August 2000 and December 2000, he was appointed as a focus group member for the Ministry of National Development and was involved in the provision of expert advice on urban land economics in the formulation of the Concept Plan of the Urban Redevelopment Authority for the development of Singapore.

From June 2003 to December 2005, he was appointed as the Honorary Real Estate Consultancy Advisor of the Real Estate Developers' Association of Singapore. He was employed as the Chief Financial Officer and Chief Investment Officer of Nakheel PJSC in Dubai, the developers of the Palm Islands and the World Islands, from April 2006 to July 2006, and was subsequently employed as the Group Chief Investment Officer of Dubai World from July 2006 to April 2010.

He acted as a Member of the Advisory Panel within the Singapore Land Authority from July 2014 to July 2016. He was also an Adjunct Associate Professor of the Department of Real Estate, School of Design and Environment at the National University of Singapore between March 2014 and December 2015.

Yu Lai Boon graduated from the National University of Singapore with a Bachelor of Science (Estate Management) (Honours) in 1988 and a Master of Science (Estate Management) in 1991. He went on to obtain a Doctor of Philosophy from the University of Aberdeen in Scotland, United Kingdom in 1997.

Yu Lai Boon has also been a member of the Singapore Institute of Surveyors and Valuers since April 2001.

**Ong Bee Chip** was appointed to our Board on 3 March 2015 and is our Managing Director.

Ong Bee Chip is responsible for overseeing our Group's business and strategic planning, and overall management of our Group's facilities and maintenance. He is also responsible for our Group's overseas operations and executing expansion plans for growth and development, including sourcing for investment opportunities to promote the growth of our Group's business.

Ong Bee Chip joined our Group as managing director of Golden Bridge in May 2006, and has more than 14 years of experience in the ready-to-eat and ready-to-cook meat manufacturing business. Ong Bee Chip has also been the managing director of Ellaziq Singapore since August 2018.

Prior to joining our Group, Ong Bee Chip was a sales manager at Chen Hock Heng Textile Printing Pte Ltd from January 1983 to April 2006, where he was responsible for overseeing the sales and marketing department and facilities management.

Ong Bee Chip obtained his Singapore-Cambridge General Certificate of Education Ordinary Level in December 1980. He was appointed by the Ministry of Education to serve on the Qihua Primary School Advisory Committee for a period of two (2) years from May 2020 to May 2022.

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## DIRECTORS AND MANAGEMENT

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**Ong Chew Yong** was appointed to our Board on 3 March 2015 and is our Executive Director.

Ong Chew Yong is responsible for overseeing our Group's general operations including human resources, procurement, general management and administration. She also plays a vital role in the overall implementation of information technology initiatives within our Group to improve our production and efficiency.

Ong Chew Yong joined our Group as the operations director of Golden Bridge in May 2005, and has more than 15 years of experience in the ready-to-eat and ready-to-cook meat manufacturing business. Ong Chew Yong has also been the operations director of Ellaziq Singapore since August 2018.

Prior to joining our Group, Ong Chew Yong was an operations senior manager at Chen Hock Heng Textile Printing Pte Ltd from January 1976 to April 2005, where she was responsible for overseeing the operations of the company.

Ong Chew Yong received formal education up to Secondary 2 level in 1975 and successfully completed the Advanced Professional Qualification in Global Business Leadership and International Relations certified by McDonough School of Business, Georgetown University, United States in 2015.

**Chan Hiang Tiak** is our Independent Director, and was appointed to our Board on 19 May 2021.

Chan Hiang Tiak started his career in DBS Bank Ltd as an assistant treasurer for the period from May 1984 to December 1988, where he was responsible for, among other things, planning and conducting information technology audits on the bank's computer systems. He joined Standard Chartered Bank (Singapore) Limited as a senior inspector from January 1989 to December 1989. He subsequently joined PricewaterhouseCoopers LLP in January 1990 and was admitted to partnership with the title of director in July 1998 and was redesignated as a partner in January 2009. Whilst in PricewaterhouseCoopers LLP, he was responsible for providing information technology audit, internal audit, consulting and control assurance services. Chan Hiang Tiak left PricewaterhouseCoopers LLP in June 2020.

Chan Hiang Tiak is currently an executive director and owner of Philia Means Love Pte. Ltd., a company which develops and markets skincare products, and he is responsible for the entire business and operations of the company. He is also engaged as a senior advisor to provide quality management review services to PricewaterhouseCoopers LLP on a part-time basis for the period from April 2021 to September 2021.

Chan Hiang Tiak graduated from the National University of Singapore with a Bachelor of Science in 1984. He went on to obtain a Master of Business (Information Technology) from the Royal Melbourne Institute of Technology, Australia in 1991, and a Master of Business Administration (Accountancy) from the Nanyang Technological University in 1997.

Chan Hiang Tiak was co-opted to the 2020/2021 Executive Committee of the Singapore Children's Society in August 2020, and was appointed a director of The Children's Charities Association of Singapore in September 2020.

Chan Hiang Tiak has completed the Executive Certificate in Directorship programme, which is a joint programme by the Singapore Management University and the Singapore Institute of Directors, in 2017.

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## DIRECTORS AND MANAGEMENT

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**Tan Poh Hong** is our Independent Director, and was appointed to our Board on 19 May 2021.

Tan Poh Hong was the chief executive officer of AVA from March 2009 to September 2017 and was responsible for ensuring that AVA achieves its mission and vision, which includes, among others, ensuring food safety and security for Singapore. Prior to her appointment with AVA, Tan Poh Hong was the deputy chief executive officer of the Housing and Development Board (“HDB”) from September 2004 to March 2009 where she was responsible for, among others, overseeing the operations, sales, policy research and development and corporate development of HDB. Prior to Tan Poh Hong’s promotion to her role as deputy chief executive officer of HDB, Tan Poh Hong held various leadership positions in HDB for the period from April 1981 to December 1986 and from July 1988 to August 2004, including director of corporate development and head of policy development, allocations, and public affairs.

Tan Poh Hong obtained a Bachelor of Science (Honours) in Estate Management from the National University of Singapore in 1981, and a Master of Business Administration (with Distinction) from New York University, United States of America in 1988.

For the purpose of Rule 406(3)(a) of the Catalist Rules, all of our Directors possess the relevant experience and expertise to act as Directors, as evidenced by their business and working experience as set out above. Save for Tan Poh Hong and Yu Lai Boon, our Directors do not have prior experience as directors of an issuer listed on the SGX-ST. Ong Bee Chip, Ong Chew Yong and Chan Hiang Tiak have been briefed by the Solicitors to the Invitation and Legal Advisers to our Company on Singapore Law on their roles and responsibilities of a director of a public listed company in Singapore and have undertaken to attend the relevant courses organised by the Singapore Institute of Directors as prescribed by the SGX-ST within one (1) year from the Listing Date.

There is no arrangement or understanding between any of our Directors and any of our Substantial Shareholders, customers or suppliers or any other person, pursuant to which any of our Directors was selected as a Director.

Save as disclosed below, none of our Directors has any family relationships with one another, our Executive Officers or our Substantial Shareholders.

### **Related Employees**

Our Managing Director, Ong Bee Chip, our Executive Director, Ong Chew Yong, and our Controlling Shareholder, Ong Bee Song, are siblings.

During FY2019 and FY2020 and up to the Latest Practicable Date, neither our Company nor any of our subsidiaries had any employee (other than our Executive Directors) who is an immediate family member of a Director and whose remuneration exceeds S\$50,000 per year, save for the following employees:

- (a) Ong Bee Song, a sales director of Golden Bridge and Ellaziq Singapore and our Controlling Shareholder, is the brother of our Executive Directors, Ong Bee Chip and Ong Chew Yong;
- (b) Ong Shiya, an assistant manager in the marketing department of Golden Bridge, is the daughter of our Managing Director, Ong Bee Chip;
- (c) Ong Yekai, an assistant manager in the business development department of Golden Bridge, is the son of our Managing Director, Ong Bee Chip;



## DIRECTORS AND MANAGEMENT

- (d) Li Huanmin, an assistant manager in the operations department of Golden Bridge, is the daughter of our Executive Director, Ong Chew Yong; and
- (e) Lee Tee Chin, an executive (recipe compounding) in the research and development department of Golden Bridge, is the husband of our Executive Director, Ong Chew Yong.

The compensation paid and to be paid to each of the above employees are as follows:

Names	FY2019	FY2020
Ong Bee Song	Band D	Band D
Ong Shiya	Band A <sup>(2)</sup>	Band B
Ong Yekai	Band B	Band B
Li Huanmin	Band B	Band B
Lee Tee Chin	Band B	Band B

**Notes:**

- (1) Remuneration bands:  
 “Band A” means from S\$0 to S\$50,000 per annum  
 “Band B” means from S\$50,001 to S\$100,000 per annum  
 “Band C” means from S\$100,001 to S\$150,000 per annum  
 “Band D” means from S\$150,001 to S\$200,000 per annum
- (2) Ong Shiya commenced her employment with our Group in May 2019.

The remuneration of employees who are related to our Directors or Substantial Shareholders will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In addition, any new employment of employees who are related to our Directors or Substantial Shareholders and the proposed terms of their employment will be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from the review.

Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our Directors or Substantial Shareholders.

As at the Latest Practicable Date, none of our Independent Directors sits on the board of any of our principal subsidiaries that are based in jurisdictions other than Singapore.

The list of present and past directorships of each Director over the last five (5) years, other than in our Company, is set out below:

Name	Present Directorships	Past Directorships
Yu Lai Boon	<b>Group Companies</b>	<b>Group Companies</b>
	Nil	Nil
	<b>Other Companies</b>	<b>Other Companies</b>
	Koufu Group Limited TSH Corporation Limited Storck Bicycle (Asia Pacific) Pte. Ltd.	Nil

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## DIRECTORS AND MANAGEMENT

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Name	Present Directorships	Past Directorships
Ong Bee Chip	<b>Group Companies</b>	<b>Group Companies</b>
	Golden Bridge	Nil
	Ellaziq Singapore	
	Ellaziq Malaysia	
	GB Malaysia	
	Delta Bridge Singapore	
	<b>Other Companies</b>	<b>Other Companies</b>
	Ong Tuan Seng Development Pte. Ltd.	Nil
	BCS	
Ong Chew Yong	<b>Group Companies</b>	<b>Group Companies</b>
	Golden Bridge	Nil
	Ellaziq Singapore	
	Ellaziq Malaysia	
	GB Malaysia	
	Delta Bridge Singapore (Alternate)	
	<b>Other Companies</b>	<b>Other Companies</b>
	Ong Tuan Seng Development Pte. Ltd.	Nil
	BCS	
Chan Hiang Tiak	<b>Group Companies</b>	<b>Group Companies</b>
	Nil	Nil
	<b>Other Companies</b>	<b>Other Companies</b>
	Philia Means Love Pte. Ltd.	Nil
Tan Poh Hong	<b>Group Companies</b>	<b>Group Companies</b>
	Nil	Nil
	<b>Other Companies</b>	<b>Other Companies</b>
	APAC Realty Limited	Agrifood Technologies Pte Ltd
	VICOM Ltd	Barramundi Group Pte. Ltd.
	Annaik Limited	
	Centurion Corporation Limited	
	Sheng Siong Group Ltd.	
	Jilin Food Zone Pte. Ltd.	

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## DIRECTORS AND MANAGEMENT

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### EXECUTIVE OFFICERS

Our day-to-day operations are entrusted to our Executive Directors who are assisted by a team of Executive Officers. The particulars of our Executive Officers are set out below:

Name	Age	Address	Position
Toh Kiam Hwee	45	c/o 30 Senoko South Road Singapore 758088	Group Financial Controller
Teh Chong Piow	39	c/o 30 Senoko South Road Singapore 758088	General Manager, Malaysia

Information on the working and business experience and areas of responsibility of our Executive Officers is set out below:

**Toh Kiam Hwee** is our Group Financial Controller and is responsible for the overall finance, accounting and taxation functions across our Group's businesses. He heads the finance team and also supports the senior management team on investments made by our Group.

Prior to joining our Group in December 2019 as a Group Financial Controller, Toh Kiam Hwee took on various finance and accounting roles before he started his career as an accounts executive in CityAxis Interior Pte. Ltd. in October 2000, and he was subsequently promoted to the position of accounts manager in April 2002. He took on the position of group accounts manager of ISG Asia Limited in February 2005, where he was responsible for, among other things, the consolidation of the management reports and statutory accounts of the group. In September 2006, Toh Kiam Hwee joined Hisaka (S) Pte Ltd as group accounts manager. In March 2007, he joined Fu Yu Corporation Limited as group accountant, and was subsequently promoted to the role of group financial controller (China) where he was responsible for managing the finance function of the group's China division. Toh Kiam Hwee joined BreadTalk Group Limited as a finance manager (regional) in May 2009 and was promoted to the position of senior finance manager (regional) in January 2010. For the period from August 2010 to January 2011, he was a senior finance manager of Food Republic Pte Ltd. Toh Kiam Hwee was also the finance manager of Kanji Group LLP for the period from March 2011 to October 2011. For the period from November 2011 to July 2015, Toh Kiam Hwee was a group financial controller of Gardien (SEA) Pte Ltd, a provider of independent testing and quality assurance solutions to the printed circuit boards industry, where he was responsible for managing the group's finance function to achieve its financial budget. For the period from November 2015 to November 2019, Toh Kiam Hwee took on various finance roles in companies in the food industry. In particular, he was employed by various entities within the Neo Group Limited group as senior finance manager from November 2015 to March 2016, by AT Fresh Pte Ltd as finance manager from November 2016 to February 2018, and by Iron Chef F&B Pte Ltd as financial controller from January 2019 to November 2019.

Toh Kiam Hwee graduated from the University of Portsmouth, United Kingdom, with an Honours Degree of Bachelor of Arts in Accountancy Studies in 2004.

**Teh Chong Piow** is our General Manager, Malaysia and is responsible for managing the overall operations of our Group's business in Malaysia.

Teh Chong Piow first joined our Group in September 2018 as the country manager of GB Malaysia, and was subsequently promoted to the position of General Manager of GB Malaysia in July 2020.

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## DIRECTORS AND MANAGEMENT

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Prior to joining our Group, Teh Chong Piow was employed as a sales director of Torto Marketing Sdn Bhd for the period from January 2017 to July 2018, and was also employed as a director of CP Smart Global Trading for the period from May 2018 to July 2018. He was employed as a sales director of Dr. Oetker Nona Malaysia Sdn Bhd for the period from December 2013 to January 2017, where he was responsible for managing the overall sales and marketing functions of the company. He held various positions in DKSH Malaysia Sdn Bhd for the period from July 2007 to November 2013, his last held position being national sales manager where he was responsible for managing the overall division sales and product management with brand principals. Prior to joining DKSH Malaysia Sdn Bhd, he was employed as a trainee in Sharp Roxy Malaysia Sdn Bhd for the period from September 2006 to July 2007.

Teh Chong Piow graduated from Universiti Putra Malaysia with a Diploma in Human Development in 2002, and subsequently graduated from Universiti Utara Malaysia with a Bachelor in Business Administration in 2006.

In relation to the appointment of Toh Kiam Hwee as our Group Financial Controller, our Audit Committee is of the view that Toh Kiam Hwee is suitable for the position of Group Financial Controller, after having conducted a discussion with him and considered:

- (a) the qualifications and past working experiences of Toh Kiam Hwee (including but not limited to his reasons for the short duration of some of his previous employments as described above) which are compatible with his position as Group Financial Controller;
- (b) his abilities, familiarity, diligence and competency in financial information and matters of our Group in connection with the preparation for the listing of our Company;
- (c) the absence of any negative feedback from the Independent Auditor and Reporting Accountant; and
- (d) the absence of internal control weaknesses attributable to him identified during the internal control review conducted.

Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee members to cause them to believe that Toh Kiam Hwee does not have the competence, character and integrity expected of a group financial controller of a listed issuer.

In addition, our Group Financial Controller will be subject to performance appraisal by our Audit Committee on an annual basis to ensure satisfactory performance.

There is no arrangement or understanding between any of our Executive Officers and any of our Substantial Shareholders, customers or suppliers or any other person, pursuant to which any of our Executive Officers was selected as an Executive Officer.

None of our Executive Officers has any family relationships with one another, or any of our Directors or our Substantial Shareholders.

## DIRECTORS AND MANAGEMENT

The list of present and past directorships of each Executive Officer over the last five (5) years is set out below:

Name	Present Directorships	Past Directorships
Toh Kiam Hwee	<b>Group Companies</b>	<b>Group Companies</b>
	Nil	Nil
	<b>Other Companies</b>	<b>Other Companies</b>
	Nil	Nil
Teh Chong Piow	<b>Group Companies</b>	<b>Group Companies</b>
	Ellaziq Malaysia GB Malaysia	Nil
	<b>Other Companies</b>	<b>Other Companies</b>
	Nil	Dr. Oetker Nona Malaysia Sdn. Bhd. Torto Marketing Sdn. Bhd.

### REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

The compensation paid to our Directors and Executive Officers for FY2019 and FY2020, and the estimated compensation paid and to be paid to our Directors and Executive Officers for FY2021, in remuneration bands, for services rendered by them in all capacities to our Group are as follows:

	FY2019 <sup>(1)(2)</sup>	FY2020 <sup>(1)(2)</sup>	FY2021 <sup>(1)(2)</sup> (Estimated)
<b>Directors</b>			
Yu Lai Boon	–	–	Band A
Ong Bee Chip	Band A	Band A	Band A
Ong Chew Yong	Band A	Band A	Band A
Chan Hiang Tiak	–	–	Band A
Tan Poh Hong	–	–	Band A
<b>Executive Officers</b>			
Toh Kiam Hwee	Band A	Band A	Band A
Teh Chong Piow	Band A	Band A	Band A

**Notes:**

- (1) Compensation includes any bonus (discretionary or under any profit-sharing plan or any other profit-linked arrangement), provident fund contribution, benefit-in-kind and deferred compensation accrued for the relevant financial year and payable at a later date. The estimated compensation in respect of FY2021 excludes any amount that is discretionary or payable under any profit-sharing plan or any other profit-linked arrangements which has not yet been paid.
- (2) Remuneration bands:  
“Band A” refers to remuneration of up to S\$250,000 per annum.

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## DIRECTORS AND MANAGEMENT

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### **Incentive Bonus for our Executive Officer, Teh Chong Piow**

Our General Manager, Malaysia, Teh Chong Piow, is entitled to an annual incentive bonus (“**Annual Incentive Bonus**”) which will be allocated from an incentive sum equivalent to 10% of the aggregate of (a) the profit before tax for the relevant financial year of GB Malaysia, and (b) the profit before tax for the relevant financial year of Ellaziq Malaysia (“**Incentive Sum**”). Teh Chong Piow has the discretion to allocate the Incentive Sum among himself and the other employees of GB Malaysia and Ellaziq Malaysia, taking into account, among other things, their performance and contribution, so as to enable him to motivate, incentivise and reward such employees. The Incentive Sum and Teh Chong Piow’s discretion to allocate the Incentive Sum among himself and the employees are subject to annual review by the board of directors of GB Malaysia, and may be adjusted, varied or withdrawn at the discretion of the board of directors of GB Malaysia.

The aggregate profit before tax of GB Malaysia and Ellaziq Malaysia referred to above (“**Aggregate PBT**”) will be computed based on the unaudited consolidated financial statements of GB Malaysia and Ellaziq Malaysia for the relevant financial year, before deducting the Incentive Sum but after deduction of certain specified items (such as the fair value gain or loss to the relevant company’s properties and securities, any profit or loss attributable to non-controlling interests or minority interest and any non-recurring exceptional items). No Annual Incentive Bonus will be payable if the Aggregate PBT for the relevant financial year is a negative number.

No compensation was paid or is to be paid in the form of share options to any of our Directors, Executive Officers or employees. However, an aggregate of 1,000,000 Employee Shares have been transferred to a total of 35 employees as described in the section “Extended Group Structure – BCS Restructuring and Transfers of Employee Shares” of this Offer Document.

There is no arrangement which involves the employees of our Group, or the directors or employees of our subsidiary, subsidiary entity, associated company or associated entity in the capital of our Company, including any arrangement that involves the issue or grant of options or shares or any other securities or securities-based derivatives contracts of our Company, except in relation to the Employee Shares mentioned above.

As at the Latest Practicable Date, except for the amounts set aside or accrued in respect of mandatory employee funds (including CPF contributions in Singapore), we have not set aside or accrued any amounts to provide pension, retirement or similar benefits to our Directors, Executive Officers or other employees.

### **SERVICE AGREEMENTS**

Our Company has entered into the Service Agreements with our Managing Director, Ong Bee Chip, and our Executive Director, Ong Chew Yong.

The Service Agreements are for an initial period of three (3) years commencing with effect from the Listing Date, and shall be automatically renewed on a yearly basis thereafter unless otherwise agreed in writing between the parties to the respective Service Agreements or terminated in accordance with the respective Service Agreements. Either party may terminate the relevant Service Agreements by giving not less than six (6) months’ notice in writing to the other party. We may also terminate the Service Agreements by notice upon the occurrence of certain events, such as material or persistent breach of the relevant Service Agreement, grave or wilful misconduct, bankruptcy or if the Executive Director concerned ceases to hold the office of Director pursuant to the Constitution, or is prohibited or disqualified from holding office of, or acting as, a Director under any applicable law. Upon termination, the Executive Director concerned shall, among other

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## DIRECTORS AND MANAGEMENT

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things, immediately resign from all offices held in our Company or any other Group Company, and shall deliver to our Company all documents relating to our business or affairs which may then be in his or her possession or under his or her control.

Pursuant to the terms of the respective Service Agreements, each of our Executive Directors will receive a monthly remuneration of S\$18,000. The Executive Directors are also entitled to an annual fixed bonus of one (1) month's salary in respect of each complete year of service (as may be pro-rated for any period less than a year). All travelling, accommodation, meals, entertainment expenses, mobile phone and other out-of-pocket expenses reasonably incurred by our Executive Directors in the proper performance of his or her duties will be borne by our Company.

In addition, both Ong Bee Chip and Ong Chew Yong are entitled to an annual performance bonus in respect of each financial year ("**Performance Bonus**"), provided that the relevant Executive Director is under the employment of our Group on the last day of the relevant financial year. The Performance Bonus is calculated based on the audited consolidated profit before tax (excluding the fair value gain or loss to our Group's properties and securities, any profit or loss attributable to non-controlling interests or minority interest, and any non-recurring exceptional items) of our Group based on the audited financial statements for the relevant financial year, but before accruing for the Performance Bonus ("**PBT**").

The Performance Bonus that each of Ong Bee Chip and Ong Chew Yong will receive for each financial year will be determined as follows:

<b>PBT</b>	<b>Amount of Performance Bonus</b>
Where the PBT does not exceed S\$4.0 million	Nil
Where the PBT exceeds S\$4.0 million, but does not exceed S\$6.0 million	2.0% of PBT
Where the PBT exceeds S\$6.0 million, but does not exceed S\$8.0 million	2.0% of S\$6.0 million, plus 3.0% of the PBT in excess of S\$6.0 million
Where the PBT exceeds S\$8.0 million	2.0% of S\$6.0 million, plus 3.0% of S\$2.0 million, plus 4.0% of the PBT in excess of S\$8.0 million

The remuneration of our Executive Directors is subject to annual review by our Remuneration Committee. Any proposed increase to their remuneration package is subject to the approval of our Remuneration Committee and our Board. The relevant Executive Director will abstain from voting, if applicable, in respect of any resolution or decision to be made by our Board in relation to the terms and renewal of such Executive Director's Service Agreement.



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## DIRECTORS AND MANAGEMENT

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Under the terms of the Service Agreements, our Executive Directors shall devote substantially the whole of his or her time and attention to the business of our Group, and have undertaken that they will not, during the term of his or her employment and until 12 months after the termination of his or her employment, among other things:

- (a) carry on or be engaged, concerned or interested in any business, trade or activity, in any territories where the Extended Group has carried on or conducted or engaged in business at any time during the 12 months preceding such termination, which competes directly or indirectly with the business of our Extended Group carried on prior to the date of the termination of the relevant Service Agreement;
- (b) solicit or entice away from our Extended Group the business or custom of any person who is at the time of termination of the relevant Service Agreement, or was at any time during the 12 months immediately preceding such termination, a customer, supplier, distributor, principal, manufacturer, sub-contractor or agent or otherwise in the habit of dealing with our Extended Group, or persuade, induce or encourage any such person to terminate any arrangement, relationship or dealings, or reduce the level of dealings, with our Extended Group, or otherwise interfere with any arrangement or relationship between any such person and our Extended Group, or attempt to do any of the foregoing; or
- (c) persuade, solicit or induce, or attempt to persuade, solicit or induce, any employee, manager or consultant of our Company or any other Extended Group Company at the time of such termination or during the 12 months immediately preceding such termination to leave the employment of our Extended Group or enter into any alternative employment (whether or not this will result in such person committing a breach of his or her contract with the relevant Extended Group Company).

Each of our Executive Directors is also prohibited, during the term of their Service Agreements and their termination thereafter, to disclose any information, which they know or ought reasonably to have known to be confidential concerning the business of our Extended Group, so far as our Executive Directors had access to or came into possession of such information during their appointment with our Company.

Had the Service Agreements for our Executive Directors been effective on 1 July 2019, the total remuneration payable to our Executive Directors for FY2020 would have been about S\$0.66 million instead of about S\$0.33 million and the profit before tax of our Group would have been about S\$4.05 million instead of about S\$4.39 million.

Save as disclosed above, there is no other existing or proposed service agreement between our Company or our subsidiaries and any of our Directors.

There is no existing or proposed service agreement entered into or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

Save as disclosed above and in the section “Directors and Management – Remuneration of Directors and Executive Officers” of this Offer Document, there is no bonus or profit-sharing plan or any other profit-linked agreement or arrangement between our Company and any of our Directors or Executive Officers.

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## CORPORATE GOVERNANCE

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Our Directors recognise the importance of corporate governance and the maintenance of high standards of accountability to our Shareholders. Pursuant to the Catalist Rules, we are required to comply with the principles in the Code of Corporate Governance. If our practices vary from any provisions of the Code of Corporate Governance, we will set out in our annual report such variation and the reason for the same, as well as explain how our practices are nevertheless consistent with the intent of the relevant principle. In accordance with the Code of Corporate Governance, our Board has established three (3) committees, namely, our Audit Committee, our Remuneration Committee and our Nominating Committee, as elaborated on further below.

### **Term of Office**

Our Directors are appointed by our Shareholders at a general meeting, and an election of Directors takes place annually. One third (or the number nearest one third) of our Directors are required to retire from office at each annual general meeting. Further, all our Directors are required to retire from office at least once in every three (3) years. However, a retiring Director is eligible for re-election at the meeting at which he retires. Details on the appointment and retirement of Directors can be found in “Appendix D – Summary of our Constitution” of this Offer Document.

### **Independent Directors**

We have five (5) Directors on our Board, of whom three (3) are Independent Directors. Our Independent Directors do not have any existing business or professional relationship of a material nature with our Group, our other Directors and/or our Substantial Shareholders. Our Independent Directors are also not related to our other Directors and/or our Substantial Shareholders.

### **Audit Committee**

Our Audit Committee comprises Yu Lai Boon, Chan Hiang Tiak and Tan Poh Hong. The chairman of our Audit Committee is Yu Lai Boon.

Our Audit Committee will assist our Board in discharging its responsibility to safeguard our assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that our management creates and maintains an effective control environment in our Group. Our Audit Committee will provide a channel of communication between our Directors, the management and the external auditors on matters relating to audit.

Our Audit Committee will meet periodically and will, among others, carry out the following functions:

- (a) assist our Board in the discharge of its responsibilities on financial and reporting matters;
- (b) review the relevance and consistency of accounting standards, the significant reporting issues, recommendations and judgments made by external auditors so as to ensure the integrity of the financial statements of our Group;
- (c) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and our management’s response, and results of our audits compiled by our internal and external auditors, and will review at regular intervals with the management on the implementation by our Group of the internal control recommendations made by the internal and external auditors;

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## CORPORATE GOVERNANCE

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- (d) review the periodic financial statements and results announcements before submission to our Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, significant financial reporting issues and judgements, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements, concerns and issues arising from their audits, including any matters which the auditors may wish to discuss in the absence of the management, where necessary, before submission to our Board for approval;
- (e) review the assurance from our Managing Director and our Group Financial Controller on the financial records and financial statements of our Group;
- (f) review the adequacy, effectiveness and independence of the external audit and internal audit function of our Group;
- (g) review and report to the Board, at least annually, the effectiveness and adequacy of our internal control and procedures (addressing financial, operational, information technology, compliance risks) and risk management systems (such review to be carried out internally or with the assistance of any competent third parties) and discuss issues and concerns, if any, prior to the incorporation of our Directors' comments in our annual report;
- (h) make recommendations to our Directors on establishing an adequate, effective and independent internal audit function (which can be in-house or outsourced to a reputable accounting/auditing firm or corporation), and ensure that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and that the internal auditors comply with the standards set by nationally or internationally recognised professional bodies;
- (i) recommend to our Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors;
- (j) consider the independence of the external auditor, taking into account the non-audit services provided by the external auditor and the fees paid for such non-audit services, if any;
- (k) consider the appointment or re-appointment of the internal auditors, the level of their remuneration and matters relating to resignation or dismissal of the internal auditors;
- (l) meeting with the external auditors, and the internal auditors, and in each case without the presence of management, at least annually and review the cooperation given by our management to our internal and external auditors;
- (m) where applicable, ensuring that the internal audit function has unfettered access to all our Group's documents, records, properties and personnel, including our Audit Committee, and has appropriate standing within our Group;
- (n) review and discuss with the internal and 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 our Group's operating results or financial position, and our management's response, and at appropriate times, report the matter to our Board and to the Sponsor;

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## CORPORATE GOVERNANCE

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- (o) review our financial risk areas, with a view to providing an independent oversight of our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;
- (p) review the risk profile of our Group and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by our Board;
- (q) review policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, ensure that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and ensure that our Group publicly discloses, and clearly communicates, to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;
- (r) review and establish procedures for receipt, retention and treatment of complaints received by our Group, among others, criminal offences involving our Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on our Group, and ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
- (s) review and approve transactions falling within the scope of Chapter 9 of the Catalist Rules, including the review of any interested person transactions under the sections "Interested Person Transactions – Guidelines and Review Procedures for On-going and Future Interested Person Transactions Other than those covered under the IPT General Mandate" and "Interested Person Transactions – General Mandate for Interested Person Transactions";
- (t) review any actual or potential conflicts of interest and set out a framework to resolve or mitigate any potential conflict of interest, and monitor compliance with such framework;
- (u) review and approve transactions falling within the scope of Chapter 10 of the Catalist Rules (if any);
- (v) review and approve all hedging policies and instruments (if any) to be implemented by our Group, and conduct periodic reviews of the hedging policies together with the transactions and hedging activities undertaken by our Group;
- (w) generally to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time; and
- (x) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising therefrom and which require the attention of our Audit Committee.

In addition to the duties listed above, our Audit Committee shall also commission an annual internal controls audit until such time that it is satisfied that the internal controls of our Group are sufficiently robust and effective in mitigating any key internal control weaknesses our Group may have. Prior to decommissioning such annual internal controls audit, our Board shall report to the Sponsor and the SGX-ST the basis for deciding to decommission the annual internal controls audit, as well as the measures taken to rectify our key weaknesses in and/or strengthen the internal controls of our Group. Thereafter, our Audit Committee shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of our Group have remained robust and effective. Upon the completion of an internal control audit, our Board shall make the appropriate disclosures via SGXNET of any weaknesses in our Group's internal controls which may be material or of a price-sensitive nature, as well as any follow-up actions to be taken by our Board.

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## CORPORATE GOVERNANCE

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Our Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on our Group's operating results and/or financial position. In the event that any member of our Audit Committee has an interest in the matter being considered by our Audit Committee, such member will abstain from participating in the review and approval process in respect of such matter.

Prior to the Invitation, our Company had engaged an internal auditor, Yang Lee & Associates, to perform the review and test of controls of our Group's processes. Our Audit Committee has held discussions with Toh Kiam Hwee, our Group Financial Controller, the internal auditor, as well as our Independent Auditor and Reporting Accountant, in relation to our Group's internal controls. Our Board has noted that no material internal control weakness had been raised by our Independent Auditor and Reporting Accountant, RSM Chio Lim LLP, in the course of their audit of our Group's financial statements for FY2018, FY2019 and FY2020. Our Board also noted that the internal auditor has confirmed that they are satisfied that the management of our Group has adequately addressed all points raised in relation to our Group's internal control weaknesses.

Based on the foregoing, the internal controls and risk management framework established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by our management, our Board, with the concurrence of our Audit Committee, is of the opinion that our internal controls, including financial, operational, compliance and information technology controls, and our risk management systems are adequate and effective to address the financial, operational, compliance and information technology risks which are relevant and material to our operations.

Our Board notes that the system of internal controls and risk management systems provides reasonable, but not absolute, assurance that our Group will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives. In this regard, our Board also notes that no system of internal controls and risk management systems can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Our Audit Committee shall establish and maintain on an ongoing basis, an effective internal audit function that is adequately resourced and independent, to ensure that our Group's internal controls remain adequate and effective. Upon completion of the internal control audit, appropriate disclosure will be made via SGXNET of any material, price-sensitive internal control weaknesses and any follow-up actions to be taken by our Board.

### **Nominating Committee**

Our Nominating Committee comprises Tan Poh Hong, Yu Lai Boon and Chan Hiang Tiak. The chairman of our Nominating Committee is Tan Poh Hong.

Our Nominating Committee will be responsible for the following functions:

- (a) develop and maintain a formal and transparent process for the selection, appointment and re-appointment of Directors (including alternate Directors, if any), taking into account the need for progressive renewal of the board of Directors and make recommendations to the board of Directors on the appointment and re-appointment of Directors, taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his performance as an Independent Director, as well as appraising the qualifications and experience of any proposed new appointments to our Board and recommending to our Board whether the nomination should be supported;

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## CORPORATE GOVERNANCE

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- (b) ensure that our Directors submit themselves for re-nomination and re-election at least once every three (3) years;
- (c) review and approve any new employment of persons related to our Directors and/or Substantial Shareholders and proposed terms of their employment;
- (d) determine on an annual basis, and as and when circumstances require, whether or not a Director is independent, taking into account the circumstances set forth in the Code of Corporate Governance, the Practice Guidance to the Code of Corporate Governance, the Catalist Rules and any other salient factors;
- (e) review and decide whether or not a Director is able to and has been adequately carrying out his duties as Director;
- (f) in respect of a Director who has multiple board representations on various companies, if any, review and decide, on an annual basis (or more frequently as the Nominating Committee deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments, and establish guidelines on what a reasonable and maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- (g) review the training and professional development programs for our Board, in particular, ensuring that new Directors are aware of their duties and obligations;
- (h) review succession plans for Directors and Executive Officers;
- (i) review the composition of our Board annually to ensure that our Board and our Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate, and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-base experience or knowledge; and
- (j) develop a process and criteria for evaluation of the performance of our Board as a whole and its committees, and assess the contribution of each Director to the effectiveness of the Board.

In addition, our Nominating Committee will undertake a formal annual assessment of our Board's effectiveness as a whole and that of each of our Board committees and individual Directors and recommend for our Board's approval the objective performance criteria and process for the evaluation of the effectiveness of our Board as a whole, and of each of our Board committee separately, as well as the contribution of each individual Director to our Board. The assessment should consider the composition of the board of Directors (balance of skills, gender, experience, independence, knowledge of our Group, and diversity), board practices and conduct, and how the board of Directors as a whole adds value to our Group. Our Nominating Committee shall consider the use of peer comparisons and other objective third party benchmarks. These performance criteria shall not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the onus shall be on the board of Directors to justify its decision. The evaluation of individual Director's performance shall aim to assess whether each Director is willing and able to constructively challenge and contribute effectively to the board of Directors, and demonstrate commitment to his roles on the board of Directors (including the roles of the Chairman of the board of Directors and chairman of a board committee). The chairman of the board of Directors shall act on the results of the performance evaluation and, in consultation with our Nominating Committee, propose, where appropriate, new members to be appointed to the board of Directors or seek the resignation of Directors.



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## CORPORATE GOVERNANCE

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Each member of our Nominating Committee shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director. In the event that any member of our Nominating Committee has an interest in a matter being deliberated upon by our Nominating Committee, such member will abstain from participating in the review and approval process relating to that matter.

### Our Nominating Committee's view on Tan Poh Hong

Under the Code of Corporate Governance, directors are required to attend and actively participate in board and board committee meetings and diligently discharge their duties, and directors with multiple directorships and principal commitments must ensure that sufficient time and attention are given to the affairs of the company.

In addition, the Code of Corporate Governance also states, among others that an independent director is one who 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 judgement in the best interests of the company.

As at the Latest Practicable Date, in addition to her proposed appointment as an Independent Director of our Company, Tan Poh Hong sits as an independent director on the board of five (5) SGX-ST listed companies. Notwithstanding her multiple directorships, Tan Poh Hong has confirmed that she is able to devote sufficient time and attention to the affairs of our Group. In this regard, our Nominating Committee and our Board (in each case excluding Tan Poh Hong) are of the view that Tan Poh Hong will be able to diligently discharge her duties as an independent director of our Company, having considered various factors, including among others that (a) she does not hold any full-time executive positions or commitments in any company or organisation, thereby granting flexibility in the planning of her work schedule, and this is demonstrated by her full attendance at all board and committee meetings for her five (5) directorships in the last three (3) years, and (b) she has more than three (3) years of experience as an independent director of listed companies and is familiar with the SGX-ST listing rules, the Companies Act, the SFA, and her roles and responsibilities as an independent director, translating into time efficiency when dealing with matters relating thereto.

Tan Poh Hong has been an independent director of Sheng Siong since 5 January 2018. Sheng Siong purchases food products from our Group, and was a major customer of our Group during the Relevant Period. Please refer to the section "General Information on our Group – Major Customers" of this Offer Document for further information. Our Group expects that we will continue to transact with Sheng Siong after the Listing.

Our Board and Nominating Committee (in each case excluding Tan Poh Hong) have reviewed the independence of Tan Poh Hong under the Code and are satisfied that the relationship described above will not interfere, or be reasonably perceived to interfere, with the exercise of Tan Poh Hong's independent business judgement in the best interests of our Group, taking into account, among others, that (a) her role as an independent director of Sheng Siong is of a non-executive nature, she is not involved in the management of the day-to-day operations of Sheng Siong, and would not ordinarily be involved in any decision relating to the choice of, or terms of transactions with, suppliers of Sheng Siong; and (b) she does not personally receive any direct fees or payment or derive any other benefit arising from the transactions between Sheng Siong and our Group in the ordinary course of business. Tan Poh Hong will abstain from participating in the review and approval process at our Board, and also at the board of directors of Sheng Siong, relating to any matters or transactions to be entered into between our Group and Sheng Siong and its subsidiaries. Our Nominating Committee (excluding Tan Poh Hong) is of the view that our Company has complied with Provision 2.1 of the Code of Corporate Governance and Practice Guidance 2 of the Practice Guidance to the Code of Corporate Governance (that is effective from 7 February 2020), taking into account the reasons set out above.



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## CORPORATE GOVERNANCE

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### Our Nominating Committee's view of our Independent Directors

Our Nominating Committee, after having considered the following:

- (a) the principal occupation and commitments of our Independent Directors;
- (b) the attendance to-date at board meetings of listed companies that each of our Independent Directors serves as independent directors (if any);
- (c) the confirmations by our Independent Directors that they are able to devote sufficient time and attention to the affairs of our Group;
- (d) none of our Independent Directors is or was in the past three (3) financial years employed by our Extended Group;
- (e) none of the immediate family members of our Independent Directors is or was in the past three (3) financial years employed by our Extended Group;
- (f) our Independent Directors' working experience and expertise in different areas of specialisation; and
- (g) the composition of the board of Directors,

is of the view that (i) our Independent Directors are individually and collectively able to commit sufficient time and resources to discharge their respective duties, and are suitable and possess the relevant experience to be appointed as Independent Directors of our Group; and (ii) our Independent Directors, as a whole, represent a strong and independent element on the board of Directors which is able to exercise objective judgment on corporate affairs independently. Each member of our Nominating Committee has abstained from participating in the assessment of his own suitability as an Independent Director.

### **Remuneration Committee**

Our Remuneration Committee comprises Chan Hiang Tiak, Yu Lai Boon and Tan Poh Hong. The chairman of our Remuneration Committee is Chan Hiang Tiak.

Our Remuneration Committee will meet periodically and will, among others, carry out the following functions:

- (a) review and recommend to our Board for approval a framework of remuneration for our Directors and Executive Officers, as well as specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments shall be covered, with the aim to be fair and avoid rewarding poor performance;
- (b) review annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to our Directors or Substantial Shareholders to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities, and perform an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate our Directors and our Executive Officers, and to align the interests of our Directors and our Executive Officers with the interests of our Shareholders and other stakeholders and promote the long-term success of our Group;

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## CORPORATE GOVERNANCE

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- (c) review and approve any new employment of related employees and the proposed terms of their employment, and reviewing and recommending to the board of Directors, for endorsement, the specific remuneration packages for each of our Directors and our Executive Officers;
- (d) proposing, for adoption by our Board, measurable, appropriate and meaningful performance targets for assessing the performance of our key management personnel, individual Directors and of our Board as a whole;
- (e) ensuring the remuneration policies and systems of our Group, as approved by our Board, support our Group's objectives and strategies, and are consistently being administered and being adhered to within our Group;
- (f) review our Group's obligations arising in the event of termination of service contracts entered into between our Group and our Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous; and
- (g) if necessary, seek expert advice within and/or outside our Group on remuneration matters, ensuring that existing relationships, if any, between our Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Each member of our Remuneration Committee will abstain from participating in the review and approval process in respect of such member's remuneration package. In the event that any member of our Remuneration Committee has an interest in a matter being deliberated upon by our Remuneration Committee, such member will abstain from participating in the review and approval process relating to that matter.

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## DESCRIPTION OF OUR SHARES

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*The following statements are brief summaries of the more important rights and privileges of our Shareholders. These statements are qualified in entirety by reference to our Constitution and the laws of Singapore. Please also refer to "Appendix D – Summary of our Constitution" to this Offer Document for details. A copy of our Constitution is available for inspection at our registered office during normal business hours for a period of six (6) months from the date of the registration of this Offer Document with the SGX-ST.*

### SHARES

Our Constitution provides that we may issue shares of a different class with preferential, deferred, qualified or special rights, privileges, conditions or restrictions, as our Directors may think fit and may issue preference shares which are, or at our option are, redeemable, subject to certain limitations. Our Shares do not have a par value.

As at the date of this Offer Document, our issued share capital is S\$14,771,188 comprising 178,652,173 Shares. As at the Latest Practicable Date, there is only one class of shares, being ordinary shares, in the capital of our Company. All of our issued Shares have been fully paid. All of our Shares are in registered form. We may, subject to the provisions of the Companies Act and the Catalist Rules, purchase our own Shares. However, we may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

### SHAREHOLDERS

Only persons who are registered on our register of members and, in cases where the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for our Shares, are recognised as our Shareholders. We will not, except as required by law, recognise any equitable, contingent, future or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share or of the person whose name is entered in the Depository Register for that Share.

We may close our register of members for any time or times if we give at least five (5) clear Market Days' notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We would typically close the register of members to determine our Shareholders' entitlement to receive dividends and other distributions.

### TRANSFER OF SHARES

There is no restriction on the transfer of fully-paid Shares except where required by law, the Catalist Rules or the bye-laws of the SGX-ST. Our Directors may, in their discretion, decline to register any transfer of Shares which are not fully paid or Shares on which we have a lien. Our Directors may also decline to register any instrument of transfer unless, among others, it has been duly stamped and is presented for registration together with the Share certificate and such other evidence of title as they may require. Shares may be transferred by a duly signed instrument of transfer in a form approved by our Directors and SGX-ST. A Shareholder may transfer any Shares held through SGX-ST's book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

We will replace lost or destroyed certificates for Shares if we are properly notified and the applicant pays a fee which will not exceed S\$2.00 and furnishes any evidence and indemnity that our Board may require.

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## DESCRIPTION OF OUR SHARES

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### GENERAL MEETINGS OF SHAREHOLDERS

We are required to hold an annual general meeting within four (4) months after the end of each financial year.

Our Board may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than 10.0% of the total number of our paid-up shares that carry the right of voting at general meetings request in writing that such a meeting be held. In addition, two (2) or more of our Shareholders holding not less than 10.0% of the total number of our issued shares (excluding treasury shares) may call a meeting.

Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, such as voluntary winding up of our Company, amendments to our Constitution, a change of our corporate name and a reduction in our share capital.

We must give at least 21 clear days' notice (calendar days exclusive of the date of the notice and the date of the general meeting) in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least 14 clear days' notice (calendar days exclusive of the date of the notice and the date of the general meeting) in writing. For as long as we are listed on the SGX-ST, at least 14 days' notice of all general meetings must be given by advertisement in the daily press and in writing to the SGX-ST. The notice must be given to every Shareholder holding Shares conferring the right to attend and vote at the meeting and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business. All general meetings must be held in Singapore.

### VOTING RIGHTS

A Shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy does not need to be a Shareholder. A person who holds Shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a Shareholder if his name appears on the Depository Register as at 72 hours before the general meeting. For the purpose of determining the number of votes which a Shareholder, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to Shares held or represented shall, in relation to Shares of that Depositor, be the number of Shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting, as certified by the Depository to us.

Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution:

- on a show of hands, every Shareholder present in person and by proxy or attorney shall have one (1) vote (provided that in the case of a Shareholder who is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Shareholder or, failing such determination, by the chairman of the meeting (or by a person authorised by the chairman of the meeting) in his sole discretion), shall be entitled to vote on a show of hands; and
- on a poll, every Shareholder present in person or by proxy or attorney shall have one (1) vote for each Share which he holds or represents.

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## DESCRIPTION OF OUR SHARES

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The following types of members (“**relevant intermediaries**” and each, a “**relevant intermediary**”) are allowed to appoint more than two (2) proxies:

- a licensed bank or its wholly-owned subsidiary which provides nominee services and holds Shares in that capacity;
- a capital market services licence holder which provides custodial services for securities and holds Shares in that capacity; and
- the CPF Board, in respect of Shares purchased on behalf of CPF members.

However, each proxy must be appointed to exercise the rights attached to a different Share or Shares held by the appointing member, specifying which number and class of Shares.

The Catalist Rules require all resolutions at general meetings to be voted by poll. In the case of a tie vote, the chairman of the meeting shall be entitled to a casting vote.

### **DIVIDENDS**

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. Our Board of Directors may also declare an interim dividend without the approval of our Shareholders.

We must pay all dividends out of our profits. We may satisfy dividends by the issue of Shares to our Shareholders. Please see the section “Description of Our Shares – Bonus and Rights Issue” of this Offer Document for details. All dividends are paid pro-rata among our Shareholders in proportion to the amount paid up on each Shareholder’s Shares, unless the rights attaching to an issue of any Share provide otherwise.

Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a Shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that Shareholder in respect of that payment.

### **BONUS AND RIGHTS ISSUE**

Our Board may, with the approval of our Shareholders at a general meeting, capitalise any reserves or profits (including profits or monies carried and standing to any reserve) and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Our Board may also issue bonus Shares to participants of any share incentive or option scheme or plan adopted by our Company and approved by our Shareholders in such manner and on such terms as our Board shall think fit.

Our Board may also issue rights to take up additional Shares to our Shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which our Shares are listed.

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## DESCRIPTION OF OUR SHARES

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### SUBSTANTIAL SHAREHOLDERS

Under the SFA, a person has a substantial shareholding in our Company if he has an interest (or interests) in one (1) or more voting shares (excluding treasury shares) in our Company and the total votes attached to that share or those shares, is not less than 5.0% of the aggregate of the total votes attached to all voting shares (excluding treasury shares) in our Company.

The SFA requires our Substantial Shareholders, or if they cease to be our Substantial Shareholders, to give notice in writing to us of particulars of the voting shares in our Company in which they have or had an interest (or interests) and the nature and extent of that interest or those interests, and of any change in the percentage level of their interest.

In addition, the deadline for a Substantial Shareholder to make disclosure to our Company under the SFA is two (2) business days after he becomes aware:

- that he is or (if he had ceased to be one) had been a Substantial Shareholder;
- of any change in the percentage level in his interest; or
- that he had ceased to be a Substantial Shareholder,

there being a conclusive presumption of a person being “aware” of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Following the above, we will announce or disseminate the information stated in the notice to the SGX-ST as soon as practicable and, in any case, no later than the end of the Singapore business day following the day on which we received the notice.

Under the SFA, the term “**percentage level**”, in relation to a Substantial Shareholder in our Company, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in our Company in which the Substantial Shareholder has an interest (or interests) immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares (excluding treasury shares) in our Company, and, if it is not a whole number, rounding that figure down to the next whole number.

The SFA provides, among other things, that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares.

### TAKE-OVERS

The Companies Act, the SFA and the Take-overs Code regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent a future takeover or change in control of our Company. Under the Take-overs Code issued by the Authority pursuant to section 321 of the SFA, any person acquiring an interest, either on his own or together with parties acting or presumed to be acting in concert with him, in 30.0% or more of our voting Shares must extend a take-over offer for the remaining voting Shares in accordance with the provisions of the Take-overs Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting or presumed to be acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting Shares acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period.

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## DESCRIPTION OF OUR SHARES

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“Parties acting in concert” comprise individuals or companies who, pursuant to an arrangement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

- a company and its related companies (including its parent company, subsidiaries, or fellow subsidiaries), the associated companies of any of the company and its related companies and companies whose associated companies include any of these companies;
- any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the entities set out immediately above for the purchase of voting rights;
- a company and any of its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person and any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- a financial or other professional adviser including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners;
- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions; and
- any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the persons set out immediately above for the purchase of voting rights.

Subject to certain exceptions, a mandatory offer for consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six (6) months preceding the acquisition of shares that triggered the mandatory offer obligation.

Under the Take-overs Code, where effective control of a public company incorporated in Singapore is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.



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## DESCRIPTION OF OUR SHARES

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### LIQUIDATION OR OTHER RETURN OF CAPITAL

If we are liquidated or in the event of any other return of capital, holders of our Shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

### INDEMNITY

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Board and officers shall be entitled to be indemnified by us against all claims, proceedings, demands, causes of action, liabilities, damages, losses, costs, charges, and expenses and brought against or suffered or incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto. Subject to certain exceptions, we may not indemnify our Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us.

Such exceptions are:

- (a) the purchase and maintenance for our Directors and officers of insurance against any such liability; and
- (b) circumstances where the provision for indemnity is against liability incurred by our Directors and officers to a person other than our Company, except when the indemnity is against:
  - (i) any liability of our Director or officer to pay a fine in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
  - (ii) any liability incurred by our Director or officer:
    - (A) in defending criminal proceedings in which he is convicted;
    - (B) in defending civil proceedings brought by our Company or a related company in which judgment is given against him; or
    - (C) in connection with an application for relief under section 76A(13) or section 391 of the Companies Act in which the court refuses to grant him relief.

### LIMITATIONS ON RIGHTS TO HOLD OR VOTE SHARES

There are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident or foreign Shareholders to hold or exercise voting rights attached to our Shares.

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## DESCRIPTION OF OUR SHARES

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### MINORITY RIGHTS

The rights of minority shareholders of Singapore-incorporated companies are protected under section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any of our Shareholders, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Board are being exercised in a manner oppressive to, or in disregard of the interests of, one (1) or more of our Shareholders, including the applicant; or
- (b) we take an action, or threaten to take an action, or our Shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one (1) or more of our Shareholders, including the applicant.

Singapore courts have a wide discretion as to the relief they may grant and such relief is in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, the Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name, or on our behalf, by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority Shareholder's Shares by our other Shareholders or by us and, in the case of a purchase of Shares by us, a corresponding reduction of our share capital;
- (e) in the case of a purchase of Shares by our Company, provide for a reduction accordingly of our Company's capital; or
- (f) provide that we be wound up.

In addition, section 216A of the Companies Act allows a complainant (including a minority Shareholder) to apply to court for leave to bring an action in a court proceeding or to commence an arbitration proceeding in the name and on behalf of our Company.

### TREASURY SHARES

Our Constitution expressly permits our Company to purchase or acquire Shares or stocks of our Company and to hold such Shares or stocks (or any of them) as treasury Shares in accordance with requirements of the Companies Act. Our Company may make a purchase or acquisition of our own Shares (a) on a securities exchange if the purchase or acquisition has been authorised in advance by our Company in general meeting; or (b) otherwise than on a securities exchange if the purchase or acquisition is made in accordance with an equal access scheme authorised in advance by our Company in general meeting. The aggregate number of Shares held as treasury Shares shall not at any time exceed 10.0% of the total number of Shares of our Company at that time. Any excess Shares shall be disposed or cancelled before the end of a period of six (6) months beginning with the day on which that contravention of limit occurs, or such further period as the Registrar of Companies may allow. Where Shares or stocks are held as treasury Shares by our Company through purchase or acquisition by our Company, our Company shall be entered in the register as the Shareholder holding those Shares or stocks.

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## DESCRIPTION OF OUR SHARES

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Our Company shall not exercise any right in respect of the treasury Shares and any purported exercise of such a right is void. Such rights include any right to attend or vote at meetings and our Company shall be treated as having no right to vote and the treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of our Company's assets (including any distribution of assets to Shareholders on a winding up) may be made to our Company in respect of the treasury Shares. However, this would not prevent an allotment of Shares as fully-paid bonus Shares in respect of the treasury Shares or the subdivision or consolidation of any treasury Share into treasury Share of a greater or smaller number, if the total value of the treasury Shares after the subdivision or consolidation is the same as the total value of the treasury Shares before the subdivision or consolidation, as the case may be.

Where Shares are held as treasury Shares, our Company may at any time (a) sell the Shares (or any of them) for cash; (b) transfer the Shares (or any of them) for the purposes of or pursuant to any share scheme; (c) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person; (d) cancel the Shares (or any of them); or (e) sell, transfer or otherwise use the treasury Shares for such other purposes as the Minister of Finance may by order prescribe.

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## EXCHANGE CONTROLS

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### SINGAPORE

As at the Latest Practicable Date, are no exchange control restrictions in effect in Singapore.

### MALAYSIA

The exchange control restrictions in Malaysia are governed by the Foreign Exchange Administration (“**FEA**”) rules which are issued by Bank Negara, the Central Bank of Malaysia. In upholding the FEA rules, Bank Negara has issued guidelines in the form of notices (“**FEA Notices**”) pursuant to section 214 of FSA and section 225 of IFSA (both of which came into operation on 30 June 2013) which generally set out transactions that are allowed by Bank Negara and are otherwise prohibited under section 214 (read together with schedule 14) of the FSA and section 225 (read together with schedule 14) of the IFSA. Accordingly, a person must obtain the approval of Bank Negara to undertake or engage in any transactions that are not provided or allowed by Bank Negara under any of the FEA Notices. The FEA Notices may be amended or revoked by Bank Negara through the issuance of subsequent FEA Notices. Any non-compliance with any requirement, restriction or condition imposed in the granting of the approval by Bank Negara in relation to any transaction set out under the FEA Notices is an offence under subsection 214(9) of the FSA and subsection 225(9) of the ISFA with a penalty of imprisonment not exceeding 10 years or a fine not exceeding RM50 million or both.

#### *Rules applicable to non-residents*

A non-resident is free to invest in any form of RM assets either as direct or portfolio investments in Malaysia. The investment can be funded through (i) the conversion of foreign currency to RM with licensed onshore banks (excluding licensed international Islamic banks) or through an appointed overseas office of the licensed onshore bank’s banking group; (ii) foreign currency borrowings from licensed onshore banks; or (iii) RM borrowing from licensed onshore banks (excluding licensed international Islamic banks) for real sector activities and for the purchase of residential and commercial properties in Malaysia except for the purchase of land only.

Non-residents are free to remit out divestment proceeds, profits, dividends or any income arising from investments in Malaysia and all such payments or remittance made to non-residents will not be subject to income, withholding or other taxes under the laws and regulations of Malaysia. Repatriation, however, must be made in foreign currency.

#### *Rules applicable to residents*

##### (a) Payments and receipts in RM between residents and non-residents

Residents are allowed to pay or receive in RM to or from a non-resident for the following:

- (i) settlement of a RM asset including any income and profit due from the RM asset;
- (ii) settlement of trade in goods, excluding payment between non-residents for settlement of trade in goods or services outside Malaysia;
- (iii) settlement of court judgement where the transaction under litigation is undertaken in compliance with the FEA Notices;

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## EXCHANGE CONTROLS

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- (iv) income earned or expenses incurred in Malaysia;
  - (v) settlement for a commodity murabahah transaction between a resident and non-resident participant undertaken through resident commodity trading service provider;
  - (vi) settlement of reinsurance for domestic insurance business or retakaful for domestic takaful business between a resident and a person licenced to undertake Labuan insurance or takaful business; or
  - (vii) for any purpose between immediate family member.
- (b) Payments and receipts in foreign currency between residents and non-residents

Residents are allowed to pay or receive in foreign currency to or from a non-resident for any purpose other than for the following:

- (i) a derivative denominated in foreign currency offered by the resident save where it has been approved by Bank Negara or allowed under Part B of Notice 5 of the FEA Notices;
- (ii) an exchange rate derivative offered by the non-resident save where it has been approved by Bank Negara or allowed under Notice 1 of the FEA Notices; or
- (iii) a derivative denominated in or referenced to RM save where it has been approved by Bank Negara or allowed under Part B of Notice 5 of the FEA Notices.

### INDONESIA

Indonesia does not generally have foreign exchange controls, except for the following. Law No. 24 of 1999, dated 17 May 1999, on the Flow of the Foreign Exchange System and Exchange Rate System provides that a person may hold and use foreign currency freely in the Republic of Indonesia. However, to maintain the stability of the Rupiah, and to prevent the utilisation of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah with foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all persons and legal entities that are domiciled, or who plan to be domiciled in Indonesia for at least one year. If requested by Bank Indonesia, we must also provide Bank Indonesia with information and documents relating to the reporting of foreign exchange activities.

On 29 December 2014, Bank Indonesia enacted Bank Indonesia Regulation No. 16/21/PBI/2014, as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 dated 21 April 2016 on the Application of Prudential Principles in Management of Offshore Loan of Non-Bank Corporations (“**PBI 16/21/2014**”). PBI 16/21/2014 requires non-bank corporations that obtain offshore borrowings in foreign currency (other than for trade credit) to maintain the following (“**Prudential Principles**”):

- (a) foreign currency exchange rate exposure must be hedged with a minimum hedging ratio equal to 25.0% of the difference between foreign currency assets and foreign currency liabilities;

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## EXCHANGE CONTROLS

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- (b) the ratio of foreign exchange assets to foreign exchange liabilities must be at least 70.0% and at the end of each quarter, such non-bank corporation must have sufficient foreign currency assets to cover the foreign currency liabilities that will be due in the subsequent three (3) months; and
- (c) the non-bank corporation must have a credit rating of BB- or higher from a credit rating institution recognised by Bank Indonesia.

PBI 16/21/2014 also requires that such hedging transactions be conducted only with banks in Indonesia with effect from January 2017.

Under PBI 16/21/2014, non-bank corporations are required to report to Bank Indonesia with respect to their implementation of the Prudential Principles. Further, failure to comply with the Prudential Principles will result in administrative sanctions in the form of a warning letter of which the relevant creditor(s) and certain government institutions will be notified. PBI 16/21/2014 came into effect on 1 January 2015.

### **Purchasing of Foreign Currencies against Rupiah through Banks**

#### ***Foreign Exchange Transaction against Rupiah between Banks and Domestic Parties***

Bank Indonesia Regulation No. 18/18/PBI/2016 dated 7 September 2016 on Foreign Exchange Transaction Against Rupiah between Banks and Domestic Parties, as implemented by the Board of Governance Member Regulation No. 20/16/PADG/2018 dated 15 August 2018 on Foreign Exchange and Transactions Against Rupiah between Banks and Domestic Parties (“**Regulation 18/18**”) provides that any conversion of Rupiah into foreign currency for spot and standard derivative (plain vanilla) transactions that exceed certain thresholds described below must be based on an underlying transaction and supported by underlying transaction documents. The thresholds are as follows: (i) the purchase of foreign currency through a spot transaction in an amount exceeding US\$25,000 (or its equivalent) per month per customer, (ii) the purchase of foreign currency through a derivative transaction in an amount exceeding US\$100,000 per month (or its equivalent) per customer, (iii) the sale of foreign currencies against Rupiah through forward or option transactions in an amount exceeding US\$5,000,000 and US\$1,000,000 (or its equivalent) per transaction per customer, respectively, or (iv) for the purchase of foreign currency in the form of a call spread option in any amount, there must be an underlying transaction. Further, the maximum amount of a foreign exchange conversion cannot exceed the value of the underlying transaction.

Under Regulation 18/18, an “underlying transaction” can be: (i) the trade of goods and services (including income and expense estimation), (ii) an investment in the form of direct investment, portfolio investment, loans, capital, and other investments, both domestic and overseas, and/or (iii) a grant of a facility or credit from a bank in foreign currency and/or in Rupiah for trading and investment activities. The following are each not an “underlying transaction”: (i) the placement of funds in commercial banks in Indonesia (among others, savings, demand deposits, time deposits, and negotiable certificates deposit), (ii) money transfers by a funds transfer/remittance company, (iii) undrawn credit facilities (including standby loans and undisbursed loans), and (iv) the use of the negotiable instrument of Bank Indonesia in foreign currencies.

Any Indonesian customer entering into: (i) a foreign exchange spot transaction against Rupiah in an amount exceeding US\$25,000 or its equivalent per month per customer for a spot transaction or US\$100,000 or its equivalent per month per customer for a standard derivative (plain vanilla) transaction, or (ii) a call spread option against Rupiah in any amount, will be required to submit

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## EXCHANGE CONTROLS

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supporting documents to the transacting bank. These documents include a duly stamped or authenticated written statement confirming that: (i) the underlying transaction document is valid and correct, (ii) the amount of foreign currency purchased is or will not exceed the amount stated in the underlying transaction document, and (iii) in case the underlying transaction document is only an estimation, the total needs, purpose of utilisation, and date of foreign currencies utilisation. For the purchase of foreign currencies not exceeding such thresholds, the Indonesian parties must declare in a duly stamped letter or authenticated written statement that its aggregate foreign currency purchases do not exceed each threshold (as applicable) per month in the Indonesian banking system.

### ***Foreign Exchange Transaction against Rupiah Between Banks and Foreign Parties***

Bank Indonesia Regulation No. 18/19/PBI/2016 dated 7 September 2016 on Foreign Exchange Transaction against Rupiah between Banks and Foreign Parties, as implemented by the Board of Governance Member Regulation No. 20/17/PADG/2018 dated 15 August 2018 on Foreign Exchange Transaction against Rupiah Transactions between Banks and Foreign Parties (“**Regulation 18/19**”) adopts thresholds and documentation requirements for foreign exchange transactions between banks and foreign parties that are similar to the thresholds and requirements of Regulation 18/18 described in “– *Foreign exchange transaction against Rupiah between banks and domestic parties*” above. Under Regulation 18/19, any conversion of Rupiah into foreign currency for spot and standard derivative (plain vanilla) transactions that exceed certain thresholds described below must be based on an underlying transaction and supported by underlying transaction documents. An “underlying transaction” under Regulation 18/19 may be: (i) a domestic and international trade of goods and services; and/or (ii) an investment in the form of direct investment, portfolio investment, loans, capital and other investment, both domestic and overseas.

Any foreign party entering into: (i) a foreign exchange spot transaction against Rupiah in an amount exceeding US\$25,000 (or its equivalent) per month per foreign party for a spot transaction and US\$100,000 (or its equivalent) per transaction per foreign party or outstanding per bank for a standard derivative (plain vanilla) transaction, or (ii) a call spread option against the Rupiah in any amount, will be required to submit certain supporting documents to the transacting bank. These documents include a duly stamped or authenticated written statement confirming that: (a) the underlying transaction document is valid and correct, (b) the amount of foreign currency purchased is or will not exceed the amount stated in the underlying transaction document, (c) in case the underlying transaction document is only an estimation of the purchase of foreign currencies against Rupiah, the total needs, purpose of utilisation, and date of foreign currencies utilisation, and (d) in case the underlying transaction document is only an estimation of the sale of foreign currencies against Rupiah, the source of funds, amount, and availability date of the foreign currencies, in the event that the underlying transaction document is only an estimation. For the purchase of foreign currencies not exceeding such thresholds, the foreign parties must declare in a duly stamped letter or authenticated written statement that its aggregate foreign currency purchases do not exceed each threshold (as applicable) per month per foreign party in the Indonesian banking system. Such written statement may be in the form of e-mail, SWIFT message, negative confirmation or business internet banking.



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## TAXATION

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*The following is a summary of certain tax matters under Singapore law relating to the purchase, holding or disposal of our Shares. This summary is based on current tax laws in Singapore and regulations and decisions in effect as at the Latest Practicable Date, all of which are subject to change (possibly with retroactive effect). This summary is not intended to be or to be regarded as advice on the tax position of any investor or of any person purchasing, holding or otherwise dealing with our Shares. The statements made herein do not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, hold or dispose of our Shares and do not purport to deal with the tax consequences applicable to all categories of investors.*

*Prospective investors should consult their own professional tax advisors regarding the Singapore and foreign income tax, stamp duty, estate duty and other tax consequences of purchasing, holding or disposing of our Shares. It is emphasised that neither we, our Directors, nor any other persons involved in this Invitation accept responsibility for any tax effects or liabilities resulting from the purchase, holding or disposal of our Shares.*

### Income Tax

#### **Corporate Income Tax**

A corporate taxpayer is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore.

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on:

- (a) income accruing in or derived from Singapore; and
- (b) foreign-sourced income received or deemed received in Singapore, unless otherwise exempted.

Tax exemption will be granted to a Singapore tax resident corporate taxpayer on its foreign-sourced dividends, foreign branch profits and foreign-sourced service income (“**specified foreign income**”) received or deemed to be received in Singapore provided that the following qualifying conditions are met:

- (a) the income is subject to tax of a similar character to income tax (by whatever name called) under the law of the territory from which the income is received;
- (b) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time is not less than 15.0%; and
- (c) the Comptroller of Income Tax (“**Comptroller**”) is satisfied that the tax exemption would be beneficial to the corporate taxpayer.

A non-Singapore tax resident corporate taxpayer, subject to certain exceptions, is subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign sourced income received or deemed received in Singapore.

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## TAXATION

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With effect from the Year of Assessment 2020, the first S\$200,000 of a company's normal chargeable income is partially exempt from tax as follows:

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$190,000 of chargeable income.

The remaining chargeable income (after deducting the above partial tax exemption) will be taxed at the prevailing corporate tax rate, currently 17.0%.

### ***Individual Income Tax***

An individual is regarded as a tax resident in Singapore in a year of assessment if, in the preceding calendar year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

An individual taxpayer (both tax resident and non-tax resident of Singapore) is subject to Singapore income tax on income accruing in or derived from Singapore, subject to certain exceptions. Foreign-sourced income received or deemed received in Singapore by an individual taxpayer, regardless of whether he/she is a tax resident or non-tax resident of Singapore, is generally exempt from income tax in Singapore, except for such income received through a partnership in Singapore by resident individuals.

Currently, a Singapore tax resident individual is subject to tax at the progressive rates, ranging from 0% to 22.0%. Income derived by a non-Singapore tax resident individual is, subject to certain exceptions and conditions, normally taxed at the rate of 22.0%. Singapore employment income derived by a non-Singapore tax resident individual is taxed at a flat rate of 15.0% or at progressive resident rates, whichever yields a higher tax.

### ***Dividend Distributions***

Singapore currently adopts the one-tier system of corporate taxation. Under the one-tier system, the tax paid by a Singapore resident company is a final tax and the distributable profits of the company resident in Singapore can be paid to the shareholders as tax exempt (one-tier) dividends. Such dividends are tax exempt in the hands of the shareholders regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident. Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

Shareholders/investors are advised to consult their own tax advisors in respect of the tax laws of their respective countries of residence which are applicable on such dividends received by them and the applicability of any double taxation agreement that their country of residence may have with other jurisdictions.

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## TAXATION

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### ***Gains on Disposal of Shares***

Singapore currently does not impose tax on capital gains. However, gains may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which are regarded as the carrying on of a trade or business in Singapore.

Any gains or profits derived from the disposal of our Shares, if regarded as capital gains, are not taxable in Singapore. However, if the seller is regarded as having derived such gains as trading gains in Singapore, such gains or profits will ordinarily be taxed as income.

To provide upfront certainty, during the period from 1 June 2012 to 31 December 2027 (both dates inclusive), gains derived by a divesting company from its disposal of ordinary shares in an investee company are not taxable if immediately prior to the date of share disposal, the divesting company had held at least 20.0% of the ordinary shares in the investee company for a continuous period of at least 24 months.

As the precise tax status of one Shareholder will vary from another, Shareholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

In addition, Shareholders who adopt the tax treatment to be aligned with the SFRS(I) 9 may be taxed on gains (not being gains in the nature of capital) even though no sale or disposal of our Shares is made. Shareholders who may be subject to such tax treatment should consult their own accounting and tax advisors regarding the Singapore income tax consequences of their acquisition, holding and disposal of our Shares.

### **Stamp Duty**

There is no stamp duty payable on the subscription for, allotment or holding of our Shares.

Where our Shares evidenced in certificated form are acquired in Singapore and where our Company maintains a share registry in Singapore, stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2% of the consideration paid or market value of our Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

No stamp duty is payable upon transfer of our Shares if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instruments of transfer to be executed) or the instrument of transfer is executed outside Singapore and not brought into Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

Stamp duty is not applicable to electronic transfers of our Shares through the scripless trading system operated by CDP.

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## TAXATION

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### **Goods and Services Tax (“GST”)**

The sale of our Shares by a GST-registered investor belonging in Singapore through an SGX-ST member to another person belonging in Singapore is an exempt supply that is not subject to GST. Any input GST (such as GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore and that person is outside Singapore at the time the sale is executed, the sale is generally a taxable supply not subject to GST. Any GST incurred by a GST-registered investor in the making of this taxable supply in the course of or furtherance of a business carried on by him, subject to the provisions of the Goods and Services Tax Act, Chapter 117A of Singapore, may be recovered from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of our Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor’s purchase, sale or holding of our Shares will be subject to GST at the current rate of 7.0%. Similar services rendered to an investor belonging outside Singapore are not subject to GST, provided that the investor is outside Singapore when the services are performed and the services provided do not directly benefit any Singapore persons.

### **Estate Duty**

Singapore estate duty has been abolished with effect from 15 February 2008.

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## CLEARANCE AND SETTLEMENT

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For the purposes of trading on SGX-ST, a board lot of our Shares will comprise 100 Shares. Upon listing and quotation on Catalist, our Shares will be traded under the book-entry settlement system of CDP, and all dealings in and transactions of our Shares through Catalist will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended, modified or supplemented from time to time.

Our Shares will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts. Persons named as direct Securities Account holders and Depository Agents in the Depository Register, rather than CDP itself, will be treated, under our Constitution and the Companies Act, as members of our Company in respect of the number of Shares credited to their respective Securities Accounts.

Persons holding our Shares in Securities Accounts may withdraw the number of Shares they own from the book-entry settlement system in the form of physical Share certificates. Such Share certificates will, however, not be valid for delivery pursuant to trades transacted on Catalist, although they will be prima facie evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares is payable upon withdrawing our Shares from the book-entry settlement system and obtaining physical Share certificates. In addition, a fee of S\$2.00, or such other amount as our Directors may decide, is payable to the Share Registrar for each Share certificate issued and a stamp duty of 0.2% of the last transacted price where it is withdrawn in the name of a third party.

Persons holding physical Share certificates who wish to trade on Catalist must deposit with CDP their Share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective Securities Accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S\$10.00 is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such charges as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time. Transfers and settlements pursuant to on-exchange trades will be charged a fee of S\$30.00 and transfers and settlements pursuant to off-exchange trades will be charged a fee of 0.015% of the value of the transaction, subject to a minimum of S\$75.00.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Shares sold and the buyer's Securities Account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis. A Singapore clearing fee for trades in our Shares on Catalist is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee may be subject to GST at the prevailing rate of 7.0% (or such other rate prevailing from time to time).

Dealing in our Shares will be carried out in S\$ and will be effected for settlement on CDP on a scripless basis. Settlement of trades on a normal "ready" basis on Catalist generally takes place on the second Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with a Depository Agent. The Depository Agent may be a member company of SGX-ST, bank, merchant bank or trust company.

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## GENERAL AND STATUTORY INFORMATION

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### MATERIAL BACKGROUND INFORMATION

1. Save as disclosed below, none of our Directors, Executive Officers and Controlling Shareholders has:
  - (a) at any time during the last ten years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time when he or she was a partner or at any time within two (2) years after the date he or she ceased to be a partner;
  - (b) at any time during the last ten years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity or at any time within two (2) years after the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
  - (c) had any unsatisfied judgement against him or her;
  - (d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;
  - (e) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;
  - (f) at any time during the last ten years, had judgement entered against him or her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, nor been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
  - (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
  - (h) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

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## GENERAL AND STATUTORY INFORMATION

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- (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;
- (j) ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of affairs of:
  - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
  - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
  - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
  - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; or
- (k) been the subject of any current or past investigation or disciplinary proceedings, or been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

### ***Disclosures relating to Ong Bee Song, our Controlling Shareholder***

In or around 1984 and 1987, Ong Bee Song, a Controlling Shareholder of our Company, was apprehended by the Singapore Police Force for consumption of drugs and admitted to the Drug Rehabilitation Centre, where he spent around one year for each incident. In or around 1973/1974, while serving his national service in the Singapore Armed Forces, Ong Bee Song was charged for insubordinate behaviour, as a result of which he served around 14 days in the detention barracks. He subsequently completed his national service. There were no further developments in the aforesaid matters.

### **SHARE CAPITAL**

2. As at the Latest Practicable Date, there is only one class of shares in the capital of our Company. The rights and privileges attached to our Shares are stated in our Constitution. There is no restriction on the transfer of fully-paid Shares in scripless form, except where required by law, or by the Catalist Rules or the bye-laws of SGX-ST.



## GENERAL AND STATUTORY INFORMATION

3. The changes in the issued and paid-up share capital of our Company and our subsidiaries within the three (3) years preceding the Latest Practicable Date are set out below:

### Our Company

Date	Purpose	No. of Shares subject to capital reduction	Price per share	Resultant issued share capital
28 January 2018	Selective capital reduction by way of cash distribution to Ng Chai Huat and Ong Chu Eng <sup>(1)</sup>	12,229,312	S\$1	S\$14,771,188

#### Note:

- (1) The amount of capital of S\$12,229,312 distributed to Ng Chai Huat and Ong Chu Eng pursuant to the selective capital reduction was set-off against part of the SH Consideration payable by them to our Company for the acquisition of Swee Heng from our Company. Please refer to the section “Extended Group Structure – Internal Restructuring” of this Offer Document for further details.

### Our Subsidiaries

Subsidiary	Date	Purpose	No. of shares issued	Issue price per share	Resultant issued share capital
GB Philippines	5 April 2021	Allotment and issue of shares upon incorporation	100,000	PHP100	PHP10,000,000

4. Save as disclosed above and in the sections “Extended Group Structure – Internal Restructuring” and “Share Capital” of this Offer Document, no shares in, or debentures of, our Company or our subsidiaries have been issued, or are proposed to be issued, as fully or partially paid, and whether for cash or for a consideration other than cash, during the three (3) years preceding the Latest Practicable Date.

### MATERIAL CONTRACTS

5. The following contracts, not being contracts entered into in the ordinary course of business, were entered into by our Company and our subsidiaries within the two (2) years preceding the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority, and are or may be material:
- (a) the joint venture agreement dated 22 May 2019 between Delta Bridge Singapore and PT Agro Green Asia in relation to Delta Bridge Indonesia; and

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## GENERAL AND STATUTORY INFORMATION

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- (b) the shareholders' agreement dated 12 March 2019 between our Company, Hogsworld Pte Ltd, and Delta Bridge Singapore in relation to our Company and Hogsworld Pte Ltd's investment in Delta Bridge Singapore.

### LITIGATION

6. Our Group has not been engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this Offer Document with the SGX-ST, acting as agent on behalf of the Authority, a material effect on the financial position or profitability of our Group.

### MISCELLANEOUS

7. There has not been any public take-over offer by a third party in respect of our Shares or by our Company in respect of the shares of another corporation or the units of a business trust, which has occurred between the beginning of the most recently completed financial year and the Latest Practicable Date.
8. No expert named in this Offer Document: (a) is employed on a contingent basis by our Company or our subsidiaries; (b) has a material interest, whether direct or indirect, in our Shares or the shares or equity interests of our subsidiaries; or (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Invitation.
9. Save as disclosed under "Events after the end of the financial period" section in Appendix B of this Offer Document, we are not aware of any event which has occurred since 31 December 2020 and up to the Latest Practicable Date that may have a material effect on the financial position and results of our Group.
10. We currently have no intention of changing our auditors after the listing of our Company on Catalist.

### CONSENTS

11. The Sponsor, Issue Manager, Underwriter and Placement Agent, SAC Capital Private Limited, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto in the form and context in which they are included in this Offer Document, and to act in such capacity in relation to this Offer Document.
12. The Independent Auditor and Reporting Accountant, RSM Chio Lim LLP, has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, as well as the "Independent Auditor's Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020", the "Independent Auditor's Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020", and the "Independent Auditor's Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020" as set out in Appendices A, B and C to this Offer Document respectively, in the form and context in which they are included in this Offer Document, and to act in such capacity in relation to this Offer Document.

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## GENERAL AND STATUTORY INFORMATION

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13. The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and all references thereto, as well as the “Opinion of the Independent Financial Adviser” as set out in Appendix H to this Offer Document, in the form and context in which they are included in this Offer Document and to act in such capacity in relation of this Offer Document.
14. Each of the Sponsor, Issue Manager, Underwriter and Placement Agent, the Solicitors to the Invitation and Legal Advisers to our Company on Singapore Law, the Legal Advisers to our Company on Malaysia Law, the Legal Advisers to our Company on Indonesia Law, the Legal Advisers to the Sponsor, Issue Manager, Underwriter and Placement Agent on Singapore Law, the Share Registrar and Share Transfer Agent, the Principal Banker and the Receiving Bank does not make or purport to make any statement in this Offer Document or any statement upon which a statement in this Offer Document is based and each of them makes no representation regarding any statement in this Offer Document and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Offer Document.

### RESPONSIBILITY STATEMENT BY OUR DIRECTORS AND THE VENDOR

15. This Offer Document has been seen and approved by our Directors and the Vendor and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Invitation and our Group, and our Directors and the Vendor are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors and the Vendor has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this Offer Document in its proper form and context.

### DOCUMENTS AVAILABLE FOR INSPECTION

16. The following documents or copies thereof may be inspected at our registered office during normal business hours for a period of six (6) months from the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority:
  - (a) our Constitution;
  - (b) the material contracts referred to in this section “General and Statutory Information – Material Contracts” above;
  - (c) the Service Agreements referred to in the section “Directors and Management – Service Agreements” of this Offer Document;
  - (d) the “Independent Auditor’s Report on the Consolidated Financial Statements for the Financial Years Ended 30 June 2018, 2019 and 2020”, as set out in Appendix A to this Offer Document;

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## GENERAL AND STATUTORY INFORMATION

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- (e) the “Independent Auditor’s Review Report on the Unaudited Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 31 December 2020”, as set out in Appendix B to this Offer Document;
- (f) the “Independent Auditor’s Assurance Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information for the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020”, as set out in Appendix C to this Offer Document;
- (g) the audited financial statements (including all notes, reports or information relating thereto which are required to be prepared under the laws of the relevant jurisdiction) of our subsidiaries (being entities which have audited financial statements) for each of the financial years ended 30 June 2018, 2019 and 2020;
- (h) the letters of consent referred to in this section “General and Statutory Information – Consents” above; and
- (i) the “Opinion of the Independent Financial Adviser” as set out in Appendix H to this Offer Document.

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(Registration No: 201505559W)

**Statement by directors and consolidated financial statements**

Financial years ended 30 June 2018, 2019 and 2020

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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**Statement by directors**

The directors of OTS Holdings Limited (the “Company”) are pleased to present the consolidated financial statements of the Company and its subsidiaries (the “Group”) for the financial years ended 30 June 2018, 2019 and 2020.

In the opinion of the directors,

- (a) the accompanying consolidated financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Group as at 30 June 2018, 2019 and 2020 and the financial performance, changes in equity and cash flows of the Group for the financial years ended 30 June 2018, 2019 and 2020; and
- (b) at the date of the statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors

.....  
Ong Bee Chip  
Managing Director

.....  
Ong Chew Yong  
Executive Director

8 June 2021

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
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**INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

The Board of Directors  
OTS Holdings Limited  
30 Senoko South Road,  
Singapore 758088

**Report on the audit of the consolidated financial statements**

**Opinion**

We have audited the accompanying consolidated financial statements of OTS Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages A-5 to A-69, which comprise the consolidated statements of financial position of the Group as at 30 June 2018, 2019 and 2020, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended 30 June 2018, 2019 and 2020, and notes to the consolidated financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the financial position of the Group as at 30 June 2018, 2019 and 2020 and the financial performance, changes in equity and cash flows of the Group for each of the years ended 30 June 2018, 2019 and 2020.

**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 Consolidated 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 consolidated 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.

**Responsibilities of management and directors for the consolidated financial statements**

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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 consolidated financial statements and to maintain accountability of assets.



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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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**INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Responsibilities of management and directors for the consolidated financial statements  
(cont’d)**

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

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

**Auditor’s responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- (a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated 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.

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**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

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**INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

**Auditor’s responsibilities for the audit of the consolidated financial statements (cont’d)**

- (e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

**Restriction on distribution and use**

This report is made solely for the inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of OTS Holdings Limited on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

The engagement partner on the audit resulting in this independent auditor’s report is Pang Hui Ting.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

8 June 2021

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
Years Ended 30 June 2018, 2019 and 2020**

	Notes	2018	2019	2020
		\$	\$	\$
<b>Revenue</b>	5	23,883,674	26,283,036	34,535,392
Cost of sales		(18,468,939)	(19,546,489)	(24,286,865)
<b>Gross profit</b>		5,414,735	6,736,547	10,248,527
Other income and gains	6	1,089,813	258,948	824,194
Marketing and distribution costs	7	(1,621,480)	(1,774,287)	(2,073,957)
Administrative expenses	8	(3,414,294)	(3,886,756)	(4,193,661)
Finance costs	10	(110,551)	(74,813)	(261,304)
Other losses	6	(4,467)	(64,432)	(80,233)
Share of loss from joint venture	17	–	–	(72,888)
<b>Profit before income tax</b>		1,353,756	1,195,207	4,390,678
Income tax income (expense)	11	70,964	389,525	(838,964)
<b>Profit for the year</b>		1,424,720	1,584,732	3,551,714
<b>Other comprehensive income (loss):</b>				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of income tax		10,694	(11,930)	(11,893)
<b>Other comprehensive income (loss) for the year, net of income tax</b>		10,694	(11,930)	(11,893)
<b>Total comprehensive income for the year</b>		1,435,414	1,572,802	3,539,821
		<b>Cents</b>	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	12	0.80	0.89	1.99

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Consolidated Statements of Financial Position  
As at 30 June 2018, 2019 and 2020**

	Notes	2018	2019	2020
		\$	\$	\$
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Property, plant and equipment	14	12,205,075	11,687,530	11,099,987
Right-of-use assets	15	–	–	3,395,226
Intangible assets	16	12	12	12
Investment in joint venture	17	–	1	425,494
Other non-financial assets	20	–	–	50,718
Deferred tax assets	11	68,277	475,000	–
<b>Total non-current assets</b>		<b>12,273,364</b>	<b>12,162,543</b>	<b>14,971,437</b>
<b><u>Current assets</u></b>				
Inventories	18	4,849,981	4,678,368	9,954,410
Trade and other receivables	19	3,519,650	4,061,660	6,041,270
Other non-financial assets	20	173,636	469,412	283,514
Cash and cash equivalents	21	1,826,130	2,482,709	5,044,355
<b>Total current assets</b>		<b>10,369,397</b>	<b>11,692,149</b>	<b>21,323,549</b>
<b>Total assets</b>		<b>22,642,761</b>	<b>23,854,692</b>	<b>36,294,986</b>
<b>EQUITY AND LIABILITIES</b>				
<b><u>Equity</u></b>				
Share capital	22	14,771,188	14,771,188	14,771,188
Retained earnings		606,962	2,191,694	5,226,416
Foreign currency reserve		10,694	(1,236)	(13,129)
<b>Equity, attributable to equity holders of the company, total</b>		<b>15,388,844</b>	<b>16,961,646</b>	<b>19,984,475</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	11	2,643	34,444	240,676
Provision	23	588,000	588,000	588,000
Loans and borrowings	24	2,284,627	1,865,839	3,903,654
Lease liabilities	25	–	–	3,278,070
Other non-financial liabilities	26	465,708	341,927	218,149
<b>Total non-current liabilities</b>		<b>3,340,978</b>	<b>2,830,210</b>	<b>8,228,549</b>
<b><u>Current liabilities</u></b>				
Income tax payable		–	–	139,236
Trade and other payables	27	2,661,889	2,627,089	5,961,875
Loans and borrowings	24	1,127,276	1,311,970	1,351,756
Lease liabilities	25	–	–	267,487
Other non-financial liabilities	26	123,774	123,777	361,608
<b>Total current liabilities</b>		<b>3,912,939</b>	<b>4,062,836</b>	<b>8,081,962</b>
<b>Total liabilities</b>		<b>7,253,917</b>	<b>6,893,046</b>	<b>16,310,511</b>
<b>Total equity and liabilities</b>		<b>22,642,761</b>	<b>23,854,692</b>	<b>36,294,986</b>

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Consolidated Statements of Changes in Equity  
Years Ended 30 June 2018, 2019 and 2020**

<b>Group</b>	<b>Total equity</b>	<b>Share capital</b>	<b>Retained earnings (Accumulated losses)</b>	<b>Foreign currency reserve</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2018:</b>				
Opening balance at 1 July 2017	26,182,742	27,000,500	(817,758)	–
<u>Changes in equity:</u>				
Total comprehensive income for the year	1,435,414	–	1,424,720	10,694
Capital reduction (Notes 3B and 22)	(12,229,312)	(12,229,312)	–	–
Closing balance at 30 June 2018	15,388,844	14,771,188	606,962	10,694
<b>2019:</b>				
Opening balance at 1 July 2018	15,388,844	14,771,188	606,962	10,694
<u>Changes in equity:</u>				
Total comprehensive income (loss) for the year	1,572,802	–	1,584,732	(11,930)
Closing balance at 30 June 2019	16,961,646	14,771,188	2,191,694	(1,236)
<b>2020:</b>				
Opening balance at 1 July 2019	16,961,646	14,771,188	2,191,694	(1,236)
<u>Changes in equity:</u>				
Total comprehensive income (loss) for the year	3,539,821	–	3,551,714	(11,893)
Dividend payable (Note 13)	(516,992)	–	(516,992)	–
Closing balance at 30 June 2020	19,984,475	14,771,188	5,226,416	(13,129)

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

**APPENDIX A – INDEPENDENT AUDITOR’S REPORT ON  
THE CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 30 JUNE 2018, 2019 AND 2020**

**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Consolidated Statement of Cash Flows  
Years Ended 30 June 2018, 2019 and 2020**

	2018	2019	2020
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Profit before income tax	1,353,756	1,195,207	4,390,678
Adjustments for:			
Amortisation of deferred capital grants	(114,342)	(123,778)	(123,778)
Depreciation of property, plant and equipment	989,683	1,046,049	1,045,116
Depreciation of right-of-use assets	–	–	286,276
Impairment allowance on trade receivables	2,563	–	–
Interest expense	110,551	74,813	261,304
Interest income	(129)	(57)	(6,886)
Gain on disposal of investment	(600,200)	–	–
(Gain) loss on disposal of plant and equipment	(28,502)	6,207	(78,618)
Plant and equipment written off	–	6,670	1,461
Share of loss from joint venture	–	–	72,888
Net effect of exchange rate changes in consolidating subsidiaries	10,694	(8,786)	(3,563)
Operating cash flows before changes in working capital	1,724,074	2,196,325	5,844,878
Inventories	(771,478)	171,613	(5,276,042)
Trade and other receivables	(614,030)	(542,010)	(1,768,900)
Other non-financial assets, current	18,392	(269,167)	159,678
Trade and other payables	640,991	(34,800)	2,817,795
Net cash flows from operations before tax	997,949	1,521,961	1,777,409
Income taxes refunded (paid)	747	(12,006)	7,724
Net cash flows from operating activities	998,696	1,509,955	1,785,133
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment (Note 21A)	(833,297)	(507,852)	(476,268)
Disposal of plant and equipment	28,502	51,573	94,414
Other non-financial assets, non-current	–	–	(50,718)
Proceeds from disposal of investment (Note 3B)	600,000	–	–
Proceeds from government grants	57,775	–	–
Investment in a joint venture	–	(1)	(499,999)
Interest received	129	57	6,886
Net cash flows used in investing activities	(146,891)	(456,223)	(925,685)
<b>Cash flows from financing activities</b>			
Increase in new borrowings	976,850	500,814	2,750,000
Repayment of loans and borrowings	(821,343)	(487,841)	(452,263)
Repayment of finance leases	(470,588)	(335,313)	–
Increase in other non-financial liabilities	–	–	27,121
Lease payments – principal and interest portion paid	–	–	(535,253)
Net movements in amount due to other related party	(150,000)	–	(1)
Interest paid	(110,551)	(74,813)	(87,406)
Net cash flows (used in) from financing activities	(575,632)	(397,153)	1,702,198
<b>Net increase in cash and cash equivalents</b>	276,173	656,579	2,561,646
Cash and cash equivalents, statement of cash flows, beginning balance	1,549,957	1,826,130	2,482,709
<b>Cash and cash equivalents, statement of cash flows, ending balance (Note 21)</b>	1,826,130	2,482,709	5,044,355

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

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the consolidated financial statements  
Years Ended 30 June 2018, 2019 and 2020**

**1. General information**

**1.1 Corporate information**

OTS Holdings Pte. Ltd. (the “Company”) was incorporated on 3 March 2015 under the Companies Act as a private limited company. It is domiciled in Singapore. On 1 June 2021, the Company was converted to a public company limited by shares and changed its name to OTS Holdings Limited.

The consolidated financial statements are expressed in Singapore dollar (“SGD”).

These consolidated financial statements are prepared solely for inclusion in the Offer Document of the Company in connection with the proposed listing of the Company’s shares on the Catalist Board of Singapore Exchange Securities Trading Limited (the “Catalist”).

The registered office and principal place of business of the Company is located at 30 Senoko South Road, Singapore 758088.

The principal activity of the Company is those of an investment holding. The principal activities of the subsidiaries and joint venture are disclosed in below.

**Name of subsidiaries/joint venture,  
country of incorporation, place of  
operations and principal activities and  
independent auditors**

**Proportion (%) of ownership interest**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
<u>Subsidiaries</u>			
Golden Bridge Foods Manufacturing Pte Ltd (“GB”) <sup>(a)</sup>			
Singapore			
Manufacturing and sale of non-halal meat products	100	100	100
Ellaziq Private Limited (“Ellaziq”) <sup>(a)</sup>			
Singapore			
Manufacturing and sale of halal meat products	100	100	100



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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**1. General information (cont’d)**

**1.1 Corporate information (cont’d)**

<b>Name of subsidiaries/joint venture, country of incorporation, place of operations and principal activities and independent auditors</b>	<b>Proportion (%) of ownership interest</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<u>Held through subsidiaries of the Company</u>			
GB Global (Malaysia) Sdn Bhd <sup>(b)</sup>			
Malaysia			
Sale of non-halal and halal meat products	100	100	100
Ellaziq (Malaysia) Sdn Bhd <sup>(b)</sup>			
Malaysia			
Sale of halal meat products	100	100	100
<u>Joint venture</u>			
Delta Bridge Pte. Ltd. <sup>(a)</sup>			
Singapore			
Holding company (incorporated on 12 March 2019)	–	50	50
<u>Subsidiary of the joint venture</u>			
PT Delta Bridge Foods <sup>(c)</sup>			
Indonesia			
Manufacturing and sale of non-halal meat products (incorporated on 27 May 2019)	–	–	90

(a) Audited by RSM Chio Lim LLP.

(b) Audited by RSM Malaysia, a member firm of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(c) The unaudited management financial statement as at 30 June 2020 of the joint venture have been used for consolidation as the joint venture is not material.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**1. General information (cont’d)**

**1.1 Corporate information (cont’d)**

**Accounting convention**

The consolidated financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Singapore Accounting Standards Council. The consolidated financial statements are prepared on a going concern basis under the historical cost convention except where a SFRS(I)s requires an alternative treatment (such as fair values) as disclosed where appropriate in these consolidated financial statements. The accounting policies in SFRS(I)s may not be applied when the effect of applying them is not material. The disclosures required by SFRS(I)s need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the profit or loss, as required or permitted by SFRS(I)s.

**Basis of preparation of the consolidated financial statements**

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

**Basis of presentation**

The consolidated financial statements include the financial statements made up to the end of the financial year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the Company obtains control of the investee and cease when the Company loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**1. General information (cont’d)**

**1.1 Corporate information (cont’d)**

**Basis of presentation (cont’d)**

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

**Uncertainties relating to the Covid-19 pandemic**

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the Group’s business, and accordingly none is disclosed in these consolidated financial statements. No material uncertainties were identified in connection with the Group’s ability to continue in operational existence for the foreseeable future.

**2. Significant accounting policies and other explanatory information**

**2A. Significant accounting policies**

**Revenue recognition**

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

**Sale of goods**

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

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Revenue recognition (cont’d)**

**Rental income**

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis over the term of the lease.

**Miscellaneous income**

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

**Interest income**

Interest income is recognised on an accrual basis using the effective interest method.

**Segment reporting**

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

**Government grants**

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

The grant related to assets is presented in the consolidated statements of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Employee benefits**

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

**Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**Foreign currency transactions**

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the Group operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the financial year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the financial year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Translation of financial statements of other entities**

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

**Income tax**

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the consolidated financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the financial year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the financial year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, except where the company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Property, plant and equipment**

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

Leasehold property	–	30 to 50 years
Cold room	–	20 years
Leasehold improvements	–	12 to 36 years
Plant and equipment	–	3 to 12 years
Restoration cost	–	36 years

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

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

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 23 on non-current provision.



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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Right-of-use assets**

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The estimated useful lives over the lease terms are as follows:

Leasehold land and office premise	–	5 to 34 years
Motor vehicles	–	5 years
Equipment	–	5 years

**Leases of lessee**

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

**Leases of lessor**

As a lessor the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its consolidated statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor’s net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Intangible assets**

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

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

Trademarks	–	3 to 5 years
Research and development costs	–	5 years

**Subsidiaries**

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

**Business combinations**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The business combination in such situation is accounted for under the “pooling of interest” method. In the financial year ended 30 June 2017, the Company undertook a restructuring exercise and the pooling-of-interests method of combination accounting was adopted. Under the pooling-of-interests method, the combined assets, liabilities and reserves of the pooled enterprises are recorded at their existing carrying amounts at the date of amalgamation. The excess or deficiency of the amount (recorded as share capital issued) plus any additional consideration in the form of cash or other assets over the amount recorded for the share capital acquired is adjusted to other reserves.

Other business combinations are accounted for by applying the acquisition method of accounting. There were no business combinations during the financial years.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Joint arrangements – joint venture**

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the Group is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in associates and joint ventures.

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor’s share of the investee’s net assets. The carrying value and the net book value of an investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor’s profit or loss includes its share of the investee’s profit or loss and the investor’s other comprehensive income includes its share of the investee’s other comprehensive income. Losses of a joint venture in excess of the Group’s interest in the relevant joint venture are not recognised except to the extent that the Group has an obligation. Profits and losses resulting from transactions between the Group and a joint venture are recognised in the consolidated financial statements only to the extent of unrelated company’s interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint venture are changed where necessary to ensure consistency with the policies adopted by the Group. The Group discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

**Inventories**

Inventories are measured at the lower of cost and net realisable value. Raw materials are measured at first-in, first-out (“FIFO”) method. Work-in-progress and finished goods are measured at standard cost which approximate actual cost. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Impairment of non-financial assets**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the financial year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration.

When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the financial year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

**Financial instruments**

**Recognition and derecognition of financial instruments**

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

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Financial instruments (cont’d)**

Classification and measurement of financial assets

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (“FVTPL”), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (“FVTOCI”): There were no financial assets classified in this category at financial year end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (“FVTOCI”): There were no financial assets classified in this category at financial year end date.
4. Financial asset classified as measured at fair value through profit or loss (“FVTPL”): There were no financial assets classified in this category at financial year end date.

Classification and measurement of financial liabilities

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

**Cash and cash equivalents**

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

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2A. Significant accounting policies (cont’d)**

**Fair value measurement**

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

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

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

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2B. Other explanatory information**

**Provisions**

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

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

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements and 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 currently or within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when the consolidated financial statements are prepared. However, this does not prevent actual figures differing from estimates.

**Allowance for trade receivables**

The allowance for expected credit losses (“ECL”) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the Group’s past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next financial year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the financial year. The carrying amount is disclosed in the note on trade and other receivables.



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**2. Significant accounting policies and other explanatory information (cont’d)**

**2C. Critical judgements, assumptions and estimation uncertainties (cont’d)**

Net realisable value of inventories

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

Useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the financial year affected by the assumption are disclosed in note on property, plant and equipment.

Assessment of impairment of right-of-use assets

Significant judgement is applied by management when determining impairment of the right-of-use asset. Impairment is assessed for separable parts of leased buildings that have been or will be vacated in the near future. The impairment is sensitive to changes in estimated future expected sub-lease period. Judgement is also involved when determining whether sub-lease contracts are financial or operational, as well as when determining lease term for contracts that have extension or termination options. The carrying amount of the specific asset or class of assets at the end of the financial year affected by the assumption are disclosed in note on right-of-use assets.

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**3. Related party relationships and transactions**

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

The ultimate controlling shareholders are Ong Bee Chip and Ong Bee Song.

**3A. Related companies**

Related companies in these consolidated financial statements include the members of the Company’s group of companies.

**3B. Related party transactions**

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these consolidated financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following significant related party transactions:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Related party</u>			
Sale of equipment <sup>(a)</sup>	–	–	60,000
Sale of goods <sup>(a)</sup>	–	–	26,252
<u>Other related parties – entity with no significant influence over the Group</u>			
Purchase of forklifts and forklift maintenance and repair services <sup>(b)</sup>	2,696	7,606	33,087
Gain on disposal of investment <sup>(c) (d)</sup>	600,200	–	–
Management fee income <sup>(c)</sup>	179,654	–	–
Sale of goods <sup>(c)</sup>	881,707	1,141,632	1,207,023

(a) Sale of goods and equipment to a related party, PT Delta Bridge Foods, a subsidiary to the joint venture.

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**3. Related party relationships and transactions (cont’d)**

**3B. Related party transactions (cont’d)**

- (b) The purchase of forklifts and forklift maintenance and repair services from a related party, Hock Eek Seng Machinery Pte Ltd, a company in which directors have no significant or controlling interest over the vendor.
- (c) A related party, Swee Heng Bakery Pte Ltd, in which directors had no significant or controlling interest over the related party.
- (d) On 30 December 2016, the Company acquired 3,000,000 ordinary shares in Swee Heng Bakery Pte Ltd (“SHB”) for a consideration of \$12,229,112 which was satisfied in full by way of an issuance of 12,229,112 ordinary shares of \$1 each of the capital of the Company to the individual shareholders of SHB, namely Ng Chai Huat and Ong Chu Eng.

In November 2017, the shareholders of the Company and the vendors of SHB had a mutual understanding and common conclusion to return its entire 100% interest in the share capital of SHB to the ex-shareholders of SHB, Ng Chai Huat and Ong Chu Eng for a consideration of \$12,829,312. The gain from the disposal of the investment is recognised in other income and gains (Note 6).

At or around the same time, the Company also undertook a selective capital reduction scheme to reduce the Company’s share capital by an amount of \$12,229,312, by way of a cash distribution to the ex-shareholders of SHB. The amount of capital of \$12,229,312 to be distributed to the ex-shareholders of SHB pursuant to the selective capital reduction was set-off against part of the SHB consideration payable by them to the Company for the acquisition of SHB from the Company. Following the completion of the above transactions, the Company ceased to hold any shares in the capital of SHB, and the ex-shareholders of SHB ceased to hold any shares in the Company. The consideration for the SHB shares was agreed among the two parties acting independently.

The Company had no control over the business operations of SHB because the business operations of SHB were still under the control of the directors of SHB from the date of acquisition and up to date of disposal. The management’s decision to unwind the business restructuring between the Company and SHB was made in November 2017, and as such the consolidated financial statements of the Group do not consolidate the financial statements of SHB.

**3C. Key management compensation**

	2018	2019	2020
	\$	\$	\$
<u>Remuneration of key management personnel</u>			
Salaries and other short-term employee benefits	423,924	477,700	492,635

The above remuneration of key management personnel are included under employee benefits expense.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The above amounts for key management compensation are for all directors and controlling shareholder of the Group.

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**3. Related party relationships and transactions (cont’d)**

**3D. Other payables to related parties**

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

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

<b>Related party</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Other payable</u>			
Balance at beginning of the year	–	–	(1)
Amounts paid in and settlement of liabilities on behalf of the Group	–	(1)	–
Amounts paid out and settlement of liabilities on behalf of the related party	–	–	1
Balance at end of the year (Note 27)	–	(1)	–
<hr/>			
<b>Shareholders</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Other payable</u>			
Balance at beginning of the year	–	–	–
Dividend payable (Note 13)	–	–	(516,992)
Balance at end of the year (Note 27)	–	–	(516,992)

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**4. Segment information**

**4A. Primary analysis by business segment**

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS(I) 8 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into four (4) major strategic operating segments: Modern Trade, General Trade and Food Services and Others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The Group distribute and sell their products via following market segments:

- (1) Modern Trade (“MT”) refers to sales generated from major supermarkets.
- (2) General Trade (“GT”) refers to sales generated from convenience stores, provision shops and wholesalers.
- (3) Food Services (“FS”) refers to sales generated from hotels, restaurants, hawker centres, food courts, food and beverages stores, and caterers.
- (4) Others (“OT”) refers to sales that are mainly generated from e-commerce platforms and the export markets. The OT segment also includes other income such as vehicle rental income and miscellaneous income.

This is determined by the nature or risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It also represents the basis on which management reports the primary segment information.

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

The management reporting system evaluates performances based on a number of factors. However the primary profitability measurement to evaluate segment’s operating results comprises two major financial indicators: (1) earnings from operations before interest expenses, income taxes, depreciation and amortisation (called “Recurring EBITDA”) and (2) operating result before income taxes and other unallocated items (called “PBT”).

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**4. Segment information (cont’d)**

**4A. Primary analysis by business segment (cont’d)**

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each business segment is as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue by segment:</b>			
Modern Trade (“MT”)	8,565,900	8,454,878	10,963,733
General Trade (“GT”)	8,140,413	9,770,571	14,089,613
Food Services (“FS”)	5,278,651	5,788,086	6,097,541
Others (“OT”)	1,898,710	2,269,501	3,384,505
Total	<u>23,883,674</u>	<u>26,283,036</u>	<u>34,535,392</u>

**4B. Profit or loss from continuing operations and reconciliations**

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Unallocated</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2018</b>						
<b>Revenue by segment</b>						
Total revenue by segment	8,565,900	8,361,092	5,278,651	3,903,624	–	26,109,267
Inter-segment sales	–	(220,679)	–	(2,004,914)	–	(2,225,593)
Total revenue	<u>8,565,900</u>	<u>8,140,413</u>	<u>5,278,651</u>	<u>1,898,710</u>	<u>–</u>	<u>23,883,674</u>
Recurring EBITDA	64,962	724,059	472,715	298,058	–	1,559,794
Other income and gains	–	–	–	–	779,854 <sup>(a)</sup>	779,854
Depreciation expenses	(355,118)	(337,479)	(218,838)	(78,248)	–	(989,683)
Amortisation of deferred capital grants	41,028	38,990	25,283	9,041	–	114,342
Finance costs	(39,668)	(37,698)	(24,445)	(8,740)	–	(110,551)
PBT	<u>(288,796)</u>	<u>387,872</u>	<u>254,715</u>	<u>220,111</u>	<u>779,854<sup>(a)</sup></u>	<u>1,353,756</u>
Income tax income						<u>70,964</u>
Profit, net of income tax						<u>1,424,720</u>

(a) Included in the unallocated is gain on disposal of investment amounting \$600,200 and management fee income from a related party, amounting \$179,654.

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**4. Segment information (cont’d)**

**4B. Profit or loss from continuing operations and reconciliations (cont’d)**

	MT	GT	FS	OT	Unallocated	Total
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
<b>Revenue by segment</b>						
Total revenue by segment	8,454,878	10,019,800	5,788,086	4,028,809	–	28,291,573
Inter-segment sales	–	(249,229)	–	(1,759,308)	–	(2,008,537)
Total revenue	8,454,878	9,770,571	5,788,086	2,269,501	–	26,283,036
Recurring EBITDA	223,326	1,026,954	631,753	310,258	–	2,192,291
Depreciation expenses	(337,378)	(389,879)	(230,964)	(87,828)	–	(1,046,049)
Amortisation of deferred capital grants	39,922	46,134	27,330	10,392	–	123,778
Finance costs	(24,129)	(27,884)	(16,519)	(6,281)	–	(74,813)
PBT	(98,259)	655,325	411,600	226,541	–	1,195,207
Income tax income						389,525
Profit, net of income tax						1,584,732
	MT	GT	FS	OT	Unallocated	Total
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
<b>Revenue by segment</b>						
Total revenue by segment	10,963,733	14,967,528	6,097,541	8,921,008	–	40,949,810
Inter-segment sales	–	(877,915)	–	(5,536,503)	–	(6,414,418)
Total revenue	10,963,733	14,089,613	6,097,541	3,384,505	–	34,535,392
Recurring EBITDA	1,197,276	2,441,035	1,162,230	1,131,943	–	5,932,484
Depreciation expenses	(369,888)	(475,347)	(205,715)	(280,442)	–	(1,331,392)
Amortisation of deferred capital grants	39,410	50,646	21,918	11,804	–	123,778
Finance costs	(83,198)	(106,918)	(46,271)	(24,917)	–	(261,304)
Share of loss from joint venture	–	–	–	(72,888)	–	(72,888)
PBT	783,600	1,909,416	932,162	765,500	–	4,390,678
Income tax expense						(838,964)
Profit, net of income tax						3,551,714



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**4. Segment information (cont’d)**

**4C. Assets and reconciliations**

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>2018</u></b>					
Segment assets	8,100,181	7,697,828	4,991,656	1,784,819	22,574,484
Deferred tax assets					68,277
Total assets					<u>22,642,761</u>
Segment liabilities	2,601,904	2,472,661	1,603,397	573,312	7,251,274
Deferred tax liabilities					2,643
Total liabilities					<u>7,253,917</u>
<b><u>2019</u></b>					
Segment assets	7,540,560	8,713,973	5,162,157	1,963,002	23,379,692
Deferred tax assets					475,000
Total assets					<u>23,854,692</u>
Segment liabilities	2,212,078	2,556,307	1,514,356	575,861	6,858,602
Deferred tax liabilities					34,444
Total liabilities					<u>6,893,046</u>
<b><u>2020</u></b>					
Segment assets	11,161,867	14,344,238	6,207,735	4,155,652	35,869,492
Investment in joint venture	–	–	–	425,494	425,494
Total assets	<u>11,161,867</u>	<u>14,344,238</u>	<u>6,207,735</u>	<u>4,581,146</u>	<u>36,294,986</u>
Segment liabilities	4,807,942	6,178,739	2,673,964	2,269,954	15,930,599
Deferred tax liabilities					240,676
Income tax payables					139,236
Total liabilities					<u>16,310,511</u>

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**4. Segment information (cont’d)**

**4D. Other material items and reconciliations**

	MT	GT	FS	OT	Total
	\$	\$	\$	\$	\$
<b><u>Expenditure for non-current assets</u></b>					
2018	509,990	484,658	314,276	112,373	1,421,297
2019	192,257	222,175	131,616	50,050	596,098
2020	167,789	215,628	93,317	550,252	1,026,986

**4E. Geographical information**

	2018	2019	2020
	\$	\$	\$
<b><u>Revenue</u></b>			
Singapore	21,815,561	22,893,620	25,486,202
Malaysia	1,423,456	2,379,554	7,433,371
Others	644,657	1,009,862	1,615,819
	<u>23,883,674</u>	<u>26,283,036</u>	<u>34,535,392</u>
<b><u>Non-current assets</u></b>			
Singapore	12,125,209	12,006,626	14,272,527
Malaysia	148,155	155,917	273,416
Indonesia	–	–	425,494
Total	<u>12,273,364</u>	<u>12,162,543</u>	<u>14,971,437</u>

The Group operates in three (3) geographical regions such as Singapore, Malaysia, Indonesia and other countries. Other countries mainly comprise of Brunei, Myanmar and Hong Kong.

Revenues are attributed to countries on the basis of the customer’s location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments.

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**4. Segment information (cont’d)**

**4F. Information on major customers**

Customers who individually account for 5% or more of the Group’s revenue is detailed below:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Customer A	6,599,970	6,195,742	6,376,969
Customer B	1,554,612	1,705,818	2,740,456
Total	<u>8,154,582</u>	<u>7,901,560</u>	<u>9,117,425</u>

**5. Revenue**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Sale of goods	23,654,816	26,048,179	34,224,780
Rental of vehicles	216,600	219,600	220,296
Miscellaneous income	12,258	15,257	90,316
Total	<u>23,883,674</u>	<u>26,283,036</u>	<u>34,535,392</u>

The revenue from sale of goods and miscellaneous income are recognised based on at a point in time. The customers are distributors and retailers, local and foreign. Also see Note 4.

The revenue from rental of vehicles is from operating leases and recognised on straight-line basis over the term of the relevant lease.

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**6. Other income and gains and (other losses)**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amortisation of deferred capital grants (Note 26)	114,342	123,778	123,778
(Allowance) reversal for impairment on trade receivables (Note 19)	(2,563)	2,563	–
Bad debts written off of trade receivables	–	(22,312)	–
Gains (losses) on disposal of plant and equipment	28,502	(6,207)	78,618
Gain on disposal of investment (Note 3B)	600,200	–	–
Government grant from job support scheme	–	–	514,616
Other government grants and rebates	79,729	81,515	81,434
Interest income	129	57	6,886
Foreign exchange adjustments gains (losses)	63,850	(29,243)	(78,772)
Freight income	479	192	763
Management fee income (Note 3B)	179,654	–	–
Miscellaneous income	21,024	50,843	18,099
Plant and equipment written off	–	(6,670)	(1,461)
<b>Net</b>	<b>1,085,346</b>	<b>194,516</b>	<b>743,961</b>
Presented in profit or loss as:			
Other income and gains	1,089,813	258,948	824,194
Other losses	(4,467)	(64,432)	(80,233)
<b>Net</b>	<b>1,085,346</b>	<b>194,516</b>	<b>743,961</b>

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**7. Marketing and distribution costs**

The major components include the following:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Advertising and promotion	319,908	374,392	463,309
Delivery and transportation expenses – sale of goods	1,158,679	1,244,060	1,354,367

**8. Administrative expenses**

The major components include the following:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Employee benefit expenses (Note 9)	2,267,761	2,781,302	3,202,550
Depreciation expenses			
– property, plant and equipment (Note 14)	148,471	194,025	179,462
– right-of-use assets (Note 15)	–	–	212,208
Rental expenses (Note 25)	269,026	286,201	–
Fixed rental expense on short-term leases (Note 25)	–	–	60,184

**9. Employee benefits expense**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Salaries, bonuses and other short-term employee benefits	4,611,764	5,019,033	5,652,874
Contributions to defined contribution plan	370,911	483,347	478,400
Others	–	13,619	65,593
Total employee benefits expense	4,982,675	5,515,999	6,196,867

The employee benefits expense is charged under:

Cost of sales	2,714,914	2,734,697	2,994,317
Administrative expenses (Note 8)	2,267,761	2,781,302	3,202,550
Total	4,982,675	5,515,999	6,196,867

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**10. Finance costs**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest expenses			
– loans and borrowings	110,551	74,813	83,259
– lease liabilities (Note 25)	–	–	178,045
Total	110,551	74,813	261,304

**11. Income tax**

**11A. Components of tax (income) expense recognised in profit or loss include**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Income tax expense (income)</u>			
Current year tax expense	2,891	4,668	157,839
Under/(over) provision to tax in respect of prior years	3,982	(19,271)	(107)
Subtotal	6,873	(14,603)	157,732
<u>Deferred tax (income) expense</u>			
Deferred tax (income) expense	59,282	(375,556)	536,000
(Over)/under provision to tax in respect of prior years	(137,119)	634	145,232
Subtotal	(77,837)	(374,922)	681,232
Total income tax (income)/expense	(70,964)	(389,525)	838,964

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**11. Income tax (cont’d)**

**11A. Components of tax (income) expense recognised in profit or loss include (cont’d)**

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is incorporated. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% for each of the three years ended 30 June 2018, 2019 and 2020 to profit before income tax as a result of the following differences:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Profit before income tax	1,353,756	1,195,207	4,390,678
Share of loss from joint venture	–	–	(72,888)
	<u>1,353,756</u>	<u>1,195,207</u>	<u>4,317,790</u>
Income tax expense at the above rate	232,896	203,185	734,024
Effect of different tax rates in different countries	(4,921)	(5,261)	31,228
Productivity and innovation credit	(3,694)	–	–
(Over)/under provision to tax in respect of prior years	(133,137)	(18,637)	145,125
(Income not subject to tax)/Expense not deductible for tax purpose	(77,351)	7,019	(39,812)
Previously unrecognised deferred tax assets recognised this year	–	(475,000)	–
Utilisation of unabsorbed tax losses and capital allowance previously not recognised as deferred tax assets in prior years	(84,757)	(110,214)	(24,661)
Tax exemptions and rebates	–	(2,803)	(32,425)
Others	–	12,186	25,485
Total income tax (income)/expense	<u>(70,964)</u>	<u>(389,525)</u>	<u>838,964</u>

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



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**11. Income tax (cont’d)**

**11B. Deferred tax (income) expense recognised in profit or loss include**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Excess of net book value of plant and equipment over tax value	(43,774)	23,207	365,023
Excess of tax value of plant and equipment over net book value	(233,443)	133,871	223,301
Tax loss carryforwards	754	(7,087)	16,600
Unabsorbed capital allowance carryforwards	(301,102)	47,249	112,587
Deferred tax assets not recognised	585,214	24,661	–
Previously unrecognised deferred tax assets recognised/utilised this year	–	(475,000)	–
Utilisation of unabsorbed tax losses and capital allowance previously not recognised as deferred tax assets in prior years	(84,757)	(110,214)	(24,661)
Others	(729)	(11,609)	(11,618)
<b>Total deferred tax (income)/expense</b>	<b>(77,837)</b>	<b>(374,922)</b>	<b>681,232</b>

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Excess of net book value of plant and equipment over tax value	(8,648)	(31,855)	(396,878)
Excess of tax value over net book value of plant and equipment	357,172	223,301	–
Tax loss carryforwards	9,513	16,600	–
Unabsorbed capital allowance carryforwards	301,102	253,853	141,266
Others	(8,291)	3,318	14,936
<b>Deferred tax assets/(liabilities)</b>	<b>650,848</b>	<b>465,217</b>	<b>(240,676)</b>
<b>Unrecognised deferred tax assets</b>	<b>(585,214)</b>	<b>(24,661)</b>	<b>–</b>
<b>Net balance</b>	<b>65,634</b>	<b>440,556</b>	<b>(240,676)</b>

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**11. Income tax (cont’d)**

**11C. Deferred tax balance in the consolidated statement of financial position (cont’d)**

Presented in the consolidated statement of financial position as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deferred tax liabilities	(2,643)	(34,444)	(240,676)
Deferred tax assets	68,277	475,000	–
Net balance	65,634	440,556	(240,676)

It is impracticable to estimate the amount expected to be settled or used within one year.

For the financial years 2018, 2019 and 2020, for the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The Group’s subsidiary has accumulated tax losses of \$9,513 (RM28,282) and \$69,167 (RM209,983) for the financial years 2018 and 2019 respectively. In accordance with the relevant tax regulations in Malaysia, tax losses incurred in a financial year can be carried forward for a maximum period of seven (7) years to be offset against future taxable profit. It is not certain whether future taxable profit will be available against the subsidiary’s unused tax losses can be utilized at the financial year end date. Consequently, deferred tax asset has not been recognised in the respective financial years.

There are no accumulated tax loss carryforwards for Group’s subsidiaries as at financial year ended 2020.

The expiry dates of tax effect of tax losses carryforwards are as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
2024	9,513	–	–
2025	–	69,167	–

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**12. Earnings per share**

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each financial year based on the pre-invitation share capital of the Company.

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

	2018	2019	2020
	\$	\$	\$
<u>Numerator</u>			
Profit, net of income tax	1,424,720	1,584,732	3,551,714
<b>Number of ordinary shares</b>			
<u>Denominator</u>			
Basic – Number of ordinary shares	178,652,173	178,652,173	178,652,173

The weighted average number of ordinary shares outstanding during the financial years ended 30 June 2018, 2019 and 2020 were adjusted for the effect of the sub-division of shares as disclosed in Note 22 to the consolidated financial statements and prior to the issue and allotment of 347,827 ordinary shares in satisfaction of the management fee as the sponsor and issue manager in connection with the proposed listing of the Company.

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial years.

**13. Dividends on equity shares**

	2018	2019	2020
	\$	\$	\$
<u>First interim tax exempt (1-tier) dividend</u>			
Rate per share (in cents)	–	–	3.5
Total dividend	–	–	516,992

There are no income tax consequences of the dividends to shareholders. The dividends were declared in respect of all ordinary shares in issue of 14,771,188 at the end of the financial year ended on 30 June 2020.

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**14. Property, plant and equipment**

	Leasehold property	Cold room	Restoration cost	Leasehold improvements	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
<u>Cost</u>						
At 1 July 2017	8,459,537	827,506	–	2,255,704	12,376,272	23,919,019
Additions	–	–	588,000	71,442	761,855	1,421,297
Disposals/written off	–	–	–	–	(248,117)	(248,117)
At 30 June 2018	8,459,537	827,506	588,000	2,327,146	12,890,010	25,092,199
Additions	34,250	17,500	–	56,267	488,081	596,098
Reclassification	–	34,830	–	(34,830)	–	–
Disposals/written off	–	–	–	–	(999,317)	(999,317)
Foreign exchange adjustments	–	–	–	(757)	(2,953)	(3,710)
At 30 June 2019	8,493,787	879,836	588,000	2,347,826	12,375,821	24,685,270
Additions	–	–	–	119,688	356,580	476,268
Disposals/written off	–	–	–	–	(281,744)	(281,744)
Foreign exchange adjustments	–	–	–	(444)	(2,121)	(2,565)
At 30 June 2020	8,493,787	879,836	588,000	2,467,070	12,448,536	24,877,229
<u>Accumulated depreciation</u>						
At 1 July 2017	2,166,317	307,497	–	1,711,610	7,960,134	12,145,558
Depreciation for the year	218,891	41,375	16,221	67,678	645,518	989,683
Disposals	–	–	–	–	(248,117)	(248,117)
At 30 June 2018	2,385,208	348,872	16,221	1,779,288	8,357,535	12,887,124
Depreciation for the year	219,063	42,175	16,221	68,908	699,682	1,046,049
Disposals/written off	–	–	–	–	(934,867)	(934,867)
Foreign exchange adjustments	–	–	–	(162)	(404)	(566)
At 30 June 2019	2,604,271	391,047	32,442	1,848,034	8,121,946	12,997,740
Depreciation for the year	171,956	24,517	16,221	82,379	750,043	1,045,116
Disposals/written off	–	–	–	–	(264,487)	(264,487)
Foreign exchange adjustments	–	–	–	(241)	(886)	(1,127)
At 30 June 2020	2,776,227	415,564	48,663	1,930,172	8,606,616	13,777,242

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**14. Property, plant and equipment (cont’d)**

	Leasehold property	Cold room	Restoration cost	Leasehold improvements	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
<u>Net carrying value</u>						
At 1 July 2017	6,293,220	520,009	–	544,094	4,416,138	11,773,461
At 30 June 2018	6,074,329	478,634	571,779	547,858	4,532,475	12,205,075
At 30 June 2019	5,889,516	488,789	555,558	499,792	4,253,875	11,687,530
At 30 June 2020	5,717,560	464,272	539,337	536,898	3,841,920	11,099,987

Certain items are under lease liabilities and finance lease agreements as follows:

	2018	2019	2020
	\$	\$	\$
Net carrying value of plant and equipment:			
– finance leases (Note 24B)	2,286,553	992,649	–
– lease liabilities (Note 25)	–	–	148,314

The leasehold property is pledged as security for the bank facilities (see Note 24).

During the financial year ended 30 June 2018, the useful life of certain assets were revised. As a result of this review, the estimated useful lives of certain assets have been increased to “10 to 12 years” from “5 to 12 years”. The change in estimates reduced the depreciation expense for the financial year ended 30 June 2018 by \$334,900.

Allocation of the depreciation expense as follows:

	2018	2019	2020
	\$	\$	\$
Cost of sales	841,212	852,024	865,654
Administrative expenses (Note 8)	148,471	194,025	179,462
Total	989,683	1,046,049	1,045,116

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**15. Right-of-use assets**

	<b>Leasehold land and office premise</b>	<b>Motor vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Cost</u>				
At 1 July 2019 – on adoption of SFRS(I) 16	2,629,254	–	69,532	2,698,786
Additions	–	982,396	–	982,396
At 30 June 2020	2,629,254	982,396	69,532	3,681,182
<u>Accumulated depreciation</u>				
At 1 July 2019 – on adoption of SFRS(I) 16	–	–	–	–
Depreciation for the year	101,443	169,662	15,171	286,276
Foreign exchange adjustments	(320)	–	–	(320)
At 30 June 2020	101,123	169,662	15,171	285,956
<u>Net carrying value</u>				
At 1 July 2019 – on adoption of SFRS(I) 16	2,629,254	–	69,532	2,698,786
At 30 June 2020	2,528,131	812,734	54,361	3,395,226

Allocation of the depreciation expense as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost of sales	–	–	74,068
Administrative expenses (Note 8)	–	–	212,208
Total	–	–	286,276

At the date of transition to the new standard on leases, management elected to measure the right-of-use asset at an amount equal to the lease liability adjusted for any lease prepayments or accrued lease expenses, onerous lease provisions, and leased assets which have subsequently been sub-leased (applied to leases previously classified as operating leases).

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**15. Right-of-use assets (cont’d)**

The leases are for leasehold land and office premise, motor vehicles and equipment. The right-of-use assets for operating leases in existence at 1 July 2019 do not include initial direct costs.

There are usually no options to purchase; there are no variable payments linked to an index. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The leasehold land is from the JTC Corporation (“JTC”) for thirty (30) years lease term from September 1993 and expiring in September 2023. The Company has complied with the required investment criteria and has been granted an additional term of thirty (30) years commencing from September 2023, although the lease in respect of the additional term of thirty (30) years has not been executed. The annual rent is subject to revision on 16 September of every year based on the market rate at the date of the revision.

Rentals are subject to an escalation clause but the amount of the rent increase is not to exceed the contractual rental revision scheme of increment at 7.6% per annum of the annual rent of the immediate preceding year. The contracted rent rate with JTC has been revised and the increased is fixed at 4% per annum with effective from 1 July 2019.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

The net carrying value of right-of-use assets are under lease liabilities agreements (Note 25).

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	<b>Leasehold land and office premise</b>	<b>Motor vehicles</b>	<b>Equipment</b>
Number of right-of-use assets	2	8	1
Remaining term – range (years)	5–33	5	3



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**16. Intangible assets**

	<b>Research and development costs</b>	<b>Trademarks</b>	<b>Total</b>
	\$	\$	\$
<u>Cost</u>			
At 1 July 2018, 30 June 2019 and 30 June 2020	93,964	15,074	109,038
<u>Accumulated amortisation</u>			
At 1 July 2018, 30 June 2019 and 30 June 2020	93,960	15,066	109,026
<u>Net carrying value</u>			
At 1 July 2018, 30 June 2019 and 30 June 2020	4	8	12

**17. Investment in joint venture**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	\$	\$	\$
<b><u>Delta Bridge Pte. Ltd.</u></b>			
<u>Carrying value in the books of the Company, comprising:</u>			
Unquoted equity shares, at cost	–	1	500,000
Share of loss	–	–	(72,888)
Foreign exchange differences	–	–	(1,618)
Total, at cost	–	1	425,494
<u>Movements during the year. At cost</u>			
At beginning of the year	–	–	1
Addition	–	1	499,999
Share of loss	–	–	(72,888)
Foreign exchange differences	–	–	(1,618)
At the end of the year	–	1	425,494
Share of net book value of joint venture	–	1	425,494

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**17. Investment in joint venture (cont’d)**

The Group jointly controls the joint venture with other partners under the contractual agreements that require unanimous consent or half of board of directors’ consent for all major decisions over the relevant activities.

The summarised financial information of the joint venture and the amounts (and not the Group’s share of those amounts) based on the financial statements are as follows:

	Group		
	2018	2019	2020
	\$	\$	\$
Revenue	–	–	3,933
Total comprehensive loss	–	–	(163,161)
Interest expense	–	–	(1,210)
Non-current assets	–	–	490,877
Current assets	–	–	531,358
Non-current liabilities	–	–	(24,601)
Current liabilities	–	–	(136,420)
Non-controlling interests	–	–	(10,227)
<u>Reconciliation:</u>			
Net assets of the joint venture	–	–	850,987
Proportion of the Group’s interest in the joint venture	–	–	50%
Proportion of the Group’s interest in the joint venture	–	–	425,494

On 12 March 2019, the Company and Hogsworld Pte Ltd agreed to combine their asset management and services activities by establishing a separate vehicle – Delta Bridge Pte. Ltd. (“Delta Bridge”). The parties expect the arrangement to benefit them in processing and manufacturing of Chinese sausages and other meat products (the “Products”) and marketing and distribution of the Products. Delta Bridge’s legal form is that it causes the separate vehicle to be considered in its own right. Each of the Company and the other party holds 50% shareholding interests in Delta Bridge Pte. Ltd. The shareholders’ agreement establishes joint control of the activities of Delta Bridge. The joint arrangement is carried out through a separate vehicle whose legal form confers separation between the parties and the separate vehicle and the parties have rights to the net assets of Delta Bridge. The parties recognise their rights to the net assets of Delta Bridge as investments and account for them using the equity method.

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**18. Inventories**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Finished goods	2,323,680	2,561,072	2,826,159
Raw materials	2,508,185	2,102,549	7,097,881
Work-in-progress	18,116	14,747	30,370
	<u>4,849,981</u>	<u>4,678,368</u>	<u>9,954,410</u>
Changes in inventories of finished goods and work-in-progress	245,502	234,023	280,710
Raw materials and consumable used	<u>14,243,243</u>	<u>11,872,710</u>	<u>18,796,204</u>

There are no inventories pledged as security for liabilities.

**19. Trade and other receivables**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Trade receivables</u>			
Outside parties	3,430,939	3,922,493	5,821,726
Less: allowance for impairment	(2,563)	–	–
Related party (Note 3)	–	138,879	6,686
Subtotal	<u>3,428,376</u>	<u>4,061,372</u>	<u>5,828,412</u>
<u>Other receivables</u>			
Government grant receivable <sup>(a)</sup>	–	–	210,710
Outside parties	91,274	288	2,148
Subtotal	<u>91,274</u>	<u>288</u>	<u>212,858</u>
Total trade and other receivables	<u>3,519,650</u>	<u>4,061,660</u>	<u>6,041,270</u>
<u>Movements in above allowance</u>			
Balance at beginning of the year	–	(2,563)	–
(Charge)/reversal of impairment loss to profit or loss included in other income and gains and other losses – trade receivables outside parties (Note 6)	(2,563)	2,563	–
Balance at end of the year	<u>(2,563)</u>	<u>–</u>	<u>–</u>

(a) Government grant receivable under the Jobs Support Scheme.

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**19. Trade and other receivables (cont’d)**

The expected credit losses (“ECL”) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets.

The Group’s customers can be credit risk graded individually and these are recorded at inception net of expected lifetime ECL. These receivables are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. At every financial date the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the Covid-19 pandemic) are analysed. No loss allowance was necessary except for an allowance of \$2,563 as at 30 June 2018. There are no collateral held as security and other credit enhancements for the trade receivables.

The receivables have common risk characteristics as compared to previous period. There were no significant bad debts noticed in the previous period. The Group assesses the credit risk of its customers individually. The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

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

As part of the process of setting customer credit limits, different credit terms are used. The Group’s normal trade credit term ranges from cash to 90 days for the three financial years 2018, 2019 and 2020. But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivable amounts that are past due after the average credit term of 60 days as at the end of financial year but not impaired:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Trade receivables</u>			
61 – 90 days	59,727	141,587	835,805
91 – 120 days	28,026	15,869	545,854
Over 120 days	63,980	616,346	1,979,360
Total	<u>151,733</u>	<u>773,802</u>	<u>3,361,019</u>

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**19. Trade and other receivables (cont’d)**

Majority of the Group’s trade receivable amounts that were past due at the end of the financial years 2018, 2019 and 2020 have been settled after the end of the respective financial years. As at the end of the financial years 2018, 2019 and 2020, there were no amounts that were impaired.

Concentration of trade receivable customers as at the end of financial year:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Top 1 customer	1,079,887	1,142,967	1,251,647
Top 2 customers	1,289,769	1,415,321	1,532,115
Top 3 customers	1,519,691	1,564,543	1,791,160

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. No loss allowance is necessary.

**20. Other non-financial assets**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Advance payment to suppliers	260	238,290	111,621
Income tax recoverable	7,934	26,609	389
Prepayments	60,944	82,657	56,417
Deposits for purchase of plant and equipment (Note 30)	–	–	50,718
Deposits to secure services	104,498	121,856	115,087
Total	173,636	469,412	334,232
<u>Presented in the consolidated statement of financial position</u>			
Current	173,636	469,412	283,514
Non-current	–	–	50,718
Total	173,636	469,412	334,232

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**21. Cash and cash equivalents**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not restricted in use	1,826,130	2,482,709	5,044,355

The interest earning balances are not significant.

**21A. Reconciliation of purchase of plant and equipment arising from investing activities**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost of plant and equipment purchased (Note 14)	(1,421,297)	(596,098)	(476,268)
Provision for restoration cost (Note 23)	588,000	–	–
Finance lease for purchase of plant and equipment	–	88,246	–
Cash disbursed for purchase of plant and equipment	(833,297)	(507,852)	(476,268)

**21B. Reconciliation of liabilities arising from financing activities**

	<b>At beginning of the year</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At end of the year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>2018</u>				
Long-term borrowings	1,584,433	581,428	–	2,165,861
Short-term borrowings	1,204,760	(425,921)	–	778,839
Finance lease liabilities	937,791	(470,588)	–	467,203
Total liabilities from financing activities	3,726,984	(315,081)	–	3,411,903
<u>2019</u>				
Long-term borrowings	2,165,861	(374,499)	–	1,791,362
Short-term borrowings	778,839	387,472	–	1,166,311
Finance lease liabilities	467,203	(335,313)	88,246 <sup>(a)</sup>	220,136
Total liabilities from financing activities	3,411,903	(322,340)	88,246	3,177,809

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**21. Cash and cash equivalents (cont’d)**

**21B. Reconciliation of liabilities arising from financing activities (cont’d)**

	At beginning of the year	Cash flows	Non-cash changes	At end of the year
	\$	\$	\$	\$
<u>2020</u>				
Long-term borrowings	1,791,362	2,112,292	–	3,903,654
Short-term borrowings	1,166,311	185,445	–	1,351,756
Lease liabilities <sup>(b)</sup>	220,136	(535,253)	3,860,674 <sup>(b)</sup>	3,545,557
Total liabilities from financing activities	3,177,809	1,762,484	3,860,674	8,800,967

(a) Acquisition of plant and equipment.

(b) Capitalisation of its existing lease arrangements (except for lease less than 12 months and lease of low-value assets as right-of-use assets and lease liabilities as at 1 July 2019) (See Note 25).

**22. Share capital**

	Number of shares issued	Share capital \$
<u>Company</u>		
Balance at 1 July 2017	27,000,500	27,000,500
Capital reduction (Note 3B)	(12,229,312)	(12,229,312)
Balance at 30 June 2018, 30 June 2019 and 30 June 2020	14,771,188	14,771,188

On 31 May 2021, the Company authorised and approved the sub-division of the share capital of the Company, which was effected on 1 June 2021. The share capital of the Company was sub-divided in such manner that 14,771,188 ordinary shares in the issued and paid up share capital of the Company were sub-divided into 178,652,173 ordinary shares (the “Sub-division”).

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



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**22. Share capital (cont’d)**

**Capital management**

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

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	<u>2018</u>	<u>2019</u>	<u>2020</u>
	\$	\$	\$
<u>Net debt</u>			
All current and non-current borrowings including finance leases and lease liabilities	3,411,903	3,177,809	8,800,967
Less: cash and cash equivalents	(1,826,130)	(2,482,709)	(5,044,355)
Net debt	<u>1,585,773</u>	<u>695,100</u>	<u>3,756,612</u>
<u>Adjusted capital</u>			
Total equity	<u>15,388,844</u>	<u>16,961,646</u>	<u>19,984,475</u>
Debt-to-adjusted capital ratio	<u>10.30%</u>	<u>4.10%</u>	<u>18.80%</u>

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the financial year ended 30 June 2020 resulted primarily from the increase in net debt due to the adoption of the new financial reporting standards on leases (see Notes 25 and 33).

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**23. Provision**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Provision for restoration cost	588,000	588,000	588,000
<u>Movements during the year</u>			
At beginning of the year	–	588,000	588,000
Additions	588,000	–	–
At end of the year	588,000	588,000	588,000

Provision for restoration costs is recognised when the Group enters into a lease agreement for the leasehold land. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the leasehold land, where reinstatement is required. The leasehold land shall be restored to the condition set up in the lease agreement upon the expiration of the lease agreement.

**24. Loans and borrowings**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Non-current</u>			
Bank loans (Note 24A)	2,165,861	1,791,362	3,903,654
Finance leases (secured) (Note 24B)	118,766	74,477	–
Subtotal	2,284,627	1,865,839	3,903,654
<u>Current</u>			
Bank loans (Note 24A)	392,011	384,749	972,496
Finance leases (secured) (Note 24B)	348,437	145,659	–
Bill payables (secured) (Note 24C)	280,748	781,562	379,260
Trust receipts (unsecured) (Note 24D)	106,080	–	–
Subtotal	1,127,276	1,311,970	1,351,756
Total	3,411,903	3,177,809	5,255,410

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**24. Loans and borrowings (cont’d)**

The non-current portion is repayable as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Due within 2 to 5 years	1,716,872	1,456,548	3,470,776
After 5 years	567,755	409,291	432,878
Total	<u>2,284,627</u>	<u>1,865,839</u>	<u>3,903,654</u>

**24A. Bank loans**

The bank loans consist of the following:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Non-current</u>			
Bank loan 1 (secured)	1,281,654	990,697	697,068
Bank loan 2 (secured)	884,207	800,665	1,014,013
Bank loan 3 (unsecured)	–	–	1,212,234
Bank loan 4 (unsecured)	–	–	980,339
Subtotal	<u>2,165,861</u>	<u>1,791,362</u>	<u>3,903,654</u>
<u>Current</u>			
Bank loan 1 (secured)	289,417	292,382	297,505
Bank loan 2 (secured)	92,643	92,367	137,229
Bank loan 3 (unsecured)	–	–	287,766
Bank loan 4 (unsecured)	–	–	249,996
Bank loan 5 (secured)	9,951	–	–
Subtotal	<u>392,011</u>	<u>384,749</u>	<u>972,496</u>
Total	<u>2,557,872</u>	<u>2,176,111</u>	<u>4,876,150</u>

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**24. Loans and borrowings (cont’d)**

**24A. Bank loans (cont’d)**

The number of monthly repayments and commencing dates are as follows:

	<b>Number of monthly equal instalments</b>	<b>Commencement date</b>
Bank loan 1 (secured)	120	January 2012
Bank loan 2 (secured)	120	April 2018
Bank loan 3 (unsecured)	60	June 2020
Bank loan 4 (unsecured)	60	May 2020
Bank loan 5 (secured)	48	August 2014

The interest rates range between 1.78% and 3.60% per annum for the financial years 2018, 2019 and 2020. All borrowings are interest bearing. The carrying amount of the bank loans is a reasonable approximation of fair values (Level 2).

**1. Bank loans 1, 2 and 5 (secured)**

The loans are secured by legal mortgage over the property at 30 Senoko South Road Singapore 758088; and the existing joint and several personal guarantee from certain directors and controlling shareholder of the Group.

**2. Bank loan 3 and 4 (unsecured)**

The loans are covered by existing joint and several personal guarantee from certain directors and controlling shareholder of the Group.

**24B. Finance leases (secured)**

Finance lease liabilities were reclassified to lease liabilities on 1 July 2019 upon the adoption of SFRS(I) 16. The impact of adoption is disclosed in Note 25.

	<b>Minimum payments</b>	<b>Finance charges</b>	<b>Present value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>2018</u>			
<u>Minimum lease payments payable</u>			
Due within 1 year	357,573	(9,136)	348,437
Due within 2 to 5 years	119,516	(750)	118,766
Total	477,089	(9,886)	467,203

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**24. Loans and borrowings (cont’d)**

**24B. Finance leases (secured) (cont’d)**

	<b>Minimum payments</b>	<b>Finance charges</b>	<b>Present value</b>
	\$	\$	\$
<u>2019</u>			
<u>Minimum lease payments payable</u>			
Due within 1 year	149,799	(4,140)	145,659
Due within 2 to 5 years	78,319	(3,842)	74,477
Total	<u>228,118</u>	<u>(7,982)</u>	<u>220,136</u>

The range of fixed interest rates per annum paid for finance leases and its average lease term were as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
Lease term, in years	2 to 5 years	2 to 5 years	–
Effective interest rate (per annum)	1.20% – 2.80%	3.36% – 6.96%	–

The Group have finance leases for certain items of plant and equipment and motor vehicles. The lease terms and the effective interest rates are disclosed above. All leases are on fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor’s charge over the leased assets. The fair value is a reasonable approximation of the carrying amount.

**24C. Bill payables (secured)**

The interest rates range from 2.87% to 2.90%, 3.44% to 3.56% and 2.68% to 3.33% per annum for the financial years 2018, 2019 and 2020 respectively. The bank credit facilities were secured by legal mortgage over the property at 30 Senoko South Road Singapore 758088; and the existing joint and personal guarantee from certain directors and controlling shareholder of the Group.

**24D. Trust receipts (unsecured)**

For the financial year ended 30 June 2018, the bank credit facilities are secured by a joint and several guarantee by certain directors and and controlling shareholder of the Group. The fixed interest rate was 3.95% per annum.

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**25. Lease liabilities**

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The movements of lease liabilities during the financial year are as follows:

	<b>Total</b>
	<b>\$</b>
Total lease liabilities recognised at 1 July 2019 on adoption of SFRS(I) 16	2,924,440
Additions	982,396
Accretion of interest	178,045
Lease payments – principal and interest portion paid	(535,253)
Interest paid	(4,147)
Foreign exchange difference	76
Total lease liabilities at end of financial year	<u>3,545,557</u>

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Presented in the consolidated statement of financial position</u>			
Current	–	–	267,487
Non-current	–	–	3,278,070
Total	–	–	<u>3,545,557</u>

SFRS(I) 16 on leases has been applied using the modified retrospective transition approach. Therefore no comparative amounts for the year ended 30 June 2019 are presented.

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-of-use assets. The right-of-use assets are disclosed in Note 15.

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**25. Lease liabilities (cont’d)**

On transition to SFRS(I) 16, the weighted average incremental borrowing rates applied to lease liabilities recognised ranged from 3.50% to 5.09% per annum. The right-of-use assets and lease liabilities before the date of initial application are measured at the same amounts as under the new standard.

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

	<b>2020</b>
	<b>\$</b>
Operating lease commitments as at 30 June 2019	5,564,101
Less: Other minor adjustments (leases of low-value assets)	(296,900)
Add: Variable lease payments not recognised	198,172
Subtotal – Operating lease liabilities before discounting	5,465,373
Reasonably certain extension options	72,108
Discounted using incremental borrowing rate	(2,838,695)
Operating lease liabilities as at 30 June 2019	2,698,786
Finance lease obligations recognised as at 30 June 2019	225,654
Total lease liabilities recognised at 1 July 2019 on adoption of SFRS(I) 16	2,924,440

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is disclosed in Note 32E.

Details of the leases are disclosed in Note 28.

Included is lease liability amounting to \$83,342 and \$53,918 for the financial years 2019 and 2020 respectively which is covered by existing joint and personal guarantee from certain directors and controlling shareholder of the Group.

The following are the amounts recognised in profit or loss:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Lease under SFRS(I) 16</u>			
Depreciation of right-of-use assets:			
– cost of sales	–	–	74,068
– administrative expenses	–	–	212,208
Interest on lease liabilities	–	–	178,045



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**25. Lease liabilities (cont’d)**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fixed rental expense on short-term leases:			
– cost of sales	–	–	791
– administrative expenses	–	–	60,184
<b>Total</b>	<b>–</b>	<b>–</b>	<b>525,296</b>
<u>Operating lease under SFRS(I) 1-17</u>			
Lease expenses			
– cost of sales	138,044	143,556	–
– administrative expenses	269,026	286,201	–
<b>Total</b>	<b>407,070</b>	<b>429,757</b>	<b>–</b>

**26. Other non-financial liabilities**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Deferred grant income (Note 26A)	–	–	237,831
Deferred capital grant (Note 26B)	589,482	465,704	341,926
<b>Total</b>	<b>589,482</b>	<b>465,704</b>	<b>579,757</b>
<u>Presented in the consolidated statement of financial position</u>			
Current	123,774	123,777	361,608
Non-current	465,708	341,927	218,149
<b>Total</b>	<b>589,482</b>	<b>465,704</b>	<b>579,757</b>

**26A. Deferred grant income**

The deferred grant income is for the Job Support Scheme (“JSS”). It is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for a specified period. Income from JSS is recognised over the time period to which it relates or amortised on a systematic basis in accordance with payroll period.

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**26. Other non-financial liabilities (cont’d)**

**26B. Deferred capital grant**

Deferred capital grants related to government grants received from the acquisition of equipment for operating activities undertaken by the Group. There are no unfulfilled conditions or conditions affected to these grants.

A summary of deferred capital grants movement is as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at beginning of the year	646,049	589,482	465,704
Capital grants received during the year	57,775	–	–
Amortised to profit or loss included in other gains (Note 6)	(114,342)	(123,778)	(123,778)
Balance at end of the year	589,482	465,704	341,926
<u>Presented in the consolidated statement of financial position</u>			
Current	123,774	123,777	123,777
Non-current	465,708	341,927	218,149
Total	589,482	465,704	341,926

**27. Trade and other payables**

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Trade payables</u>			
Outside parties and accrued liabilities	2,571,632	2,552,448	5,361,481
Subtotal	2,571,632	2,552,448	5,361,481
<u>Other payables</u>			
Deposits received	13,500	24,200	83,250
Outside parties	76,757	50,440	152
Related party (Note 3D)	–	1	–
Dividend payable to shareholders (Note 3D)	–	–	516,992
Subtotal	90,257	74,641	600,394
Total trade and other payables	2,661,889	2,627,089	5,961,875

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**28. Operating lease payment commitments – as lessee**

At the end of the financial year, the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Not later than 1 year	376,817	409,193	–
Later than 1 year and not later than 5 years	880,747	758,955	–
Later than 5 years	28,992	4,395,953	–
Rental expense for the year	<u>381,368</u>	<u>357,156</u>	<u>–</u>

Operating lease payments represent mainly rentals payables for premise and certain plant and equipment. Also see Notes 15 and 25 on right-of-use assets and lease liabilities.

**29. Operating lease income commitments – as lessor**

At the end of the financial year, the total of undiscounted lease amounts to be received on an annual basis on the operating lease let out is not significant.

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rental income for the year	<u>216,600</u>	<u>219,600</u>	<u>220,296</u>

Operating lease income is for the rental of vehicles. The lease to the outside party tenant is on a yearly basis with no commitment terms.

**30. Capital commitments**

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Capital commitments in respect of:			
– Commitments to purchase plant and equipment <sup>(a)</sup>	–	–	107,282
– Investment in a joint venture <sup>(b)</sup>	–	499,999	450,000

<sup>(a)</sup> Also see Note 20.

<sup>(b)</sup> On 22 July 2020, the shareholders of the joint venture, Delta Bridge Pte. Ltd. (“Delta Bridge”) agreed to make available an unsecured and interest-free advance amounting to \$450,000 each to Delta Bridge in proportion to their respectively shareholdings. The shareholders intend to capitalise the advance into additional equity in Delta Bridge at a later date.

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**31. Events after the end of the financial year**

- (a) On 4 March 2021, the Company declared an interim tax-exempt dividends of an aggregate of \$1,004,441 to the then existing shareholders, name Ong Bee Chip, Ong Chew Yong and Ong Bee Song and which was fully paid on 11 March 2021;
- (b) On 5 April 2021, the Group incorporated a wholly-owned subsidiary, GB Global (Philippines) Corporation (“GB Philippines”). The total number of issued ordinary shares of GB Philippines is 100,000 ordinary shares of Peso 100 each. Due to local requirements in the Philippines, two (2) of the ordinary shares are held by two (2) individuals as nominees for the Group and the remaining 99,998 ordinary shares are directly held by the Group; and
- (c) On 1 June 2021, the Company undertook a share split whereby the Company subdivided its issued and paid-up capital of 14,771,188 shares into 178,652,173 shares.

**32. Financial instruments: information on financial risks**

**32A. Categories of financial assets and liabilities**

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Financial assets</u>			
Financial assets at amortised cost	5,345,780	6,544,369	11,085,625
<u>Financial liabilities</u>			
Financial liabilities at amortised cost	6,060,292	5,780,698	14,679,592

Further quantitative disclosures are included throughout these consolidated financial statements.

There are no significant fair value measurements recognised in the consolidated statement of financial position.

**32B. Financial risk management**

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Group’s operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures Management has certain practices for the management of financial risks. However these are not formally documented in written form.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**32. Financial instruments: information on financial risks (cont’d)**

**32B. Financial risk management (cont’d)**

The guidelines include the following:

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

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

**32C. Fair values of financial instruments**

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

**32D. Credit risk on financial assets**

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

Note 21 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

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**32. Financial instruments: information on financial risks (cont’d)**

**32E. Liquidity risk – financial liabilities maturity analysis**

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days for the financial years 2018, 2019 and 2020. The other payables are with short-term durations. The classification of the financial assets is shown in the consolidated statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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

<b>Non-derivatives financial liabilities</b>	<b>Less than 1 year</b>	<b>2 – 5 years</b>	<b>After 5 years</b>	<b>Total</b>
	\$	\$	\$	\$
<u>2018</u>				
Gross borrowings commitments	1,183,982	1,815,020	589,480	3,588,482
Gross finance lease obligations	357,573	119,516	–	477,089
Trade and other payables	2,648,389	–	–	2,648,389
At end of the year	<u>4,189,944</u>	<u>1,934,536</u>	<u>589,480</u>	<u>6,713,960</u>
<u>2019</u>				
Gross borrowings commitments	1,219,472	1,473,588	427,045	3,120,105
Gross finance lease obligations	149,799	78,319	–	228,118
Trade and other payables	2,602,889	–	–	2,602,889
At end of the year	<u>3,972,160</u>	<u>1,551,907</u>	<u>427,045</u>	<u>5,951,112</u>
<u>2020</u>				
Gross borrowings commitments	1,449,105	3,645,063	447,032	5,541,200
Gross lease liabilities	466,889	1,445,931	4,415,265	6,328,085
Trade and other payables	5,878,625	–	–	5,878,625
At end of the year	<u>7,794,619</u>	<u>5,090,994</u>	<u>4,862,297</u>	<u>17,747,910</u>

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

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**32. Financial instruments: information on financial risks (cont’d)**

**32E. Liquidity risk – financial liabilities maturity analysis (cont’d)**

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

Bank facilities:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Undrawn borrowing facilities	9,721,000	8,826,000	9,335,000

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations.

**32F. Interest rate risk**

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Financial liabilities with interest</u>			
Fixed rates	854,031	1,001,698	3,924,817
Floating rates	2,557,872	2,176,111	4,876,150
Total at end of the year	3,411,903	3,177,809	8,800,967

The floating rate debt instruments are with interest rates that are re-set regular intervals. The interest rates are disclosed in the respective notes.



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**32. Financial instruments: information on financial risks (cont’d)**

**32F. Interest rate risk (cont’d)**

Sensitivity analysis:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	\$	\$	\$
<u>Financial liabilities</u>			
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an effect on pre-tax profit for the year by	25,579	21,761	48,762

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

**32G. Foreign currency risks**

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

Analysis of amounts denominated in non-functional currencies:

	<b>United States Dollar</b>	<b>Euro</b>	<b>Total</b>
	\$	\$	\$
<u>2018</u>			
<u>Financial assets</u>			
Cash and cash equivalents	170,351	144,838	315,189
Total financial assets	170,351	144,838	315,189
<u>Financial liabilities</u>			
Trade and other payables	(35,707)	–	(35,707)
Total financial liabilities	(35,707)	–	(35,707)
Net financial assets at end of the year	134,644	144,838	279,482

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**32. Financial instruments: information on financial risks (cont’d)**

**32G. Foreign currency risks (cont’d)**

	<b>United States Dollar</b>	<b>Euro</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>2019</u>			
<u>Financial assets</u>			
Cash and cash equivalents	76,326	144,066	220,392
Total financial assets	76,326	144,066	220,392
<u>Financial liabilities</u>			
Trade and other payables	(37,011)	(452)	(37,463)
Total financial liabilities	(37,011)	(452)	(37,463)
Net financial assets at end of the year	39,315	143,614	182,929
<u>2020</u>			
<u>Financial assets</u>			
Cash and cash equivalents	328,653	123,473	452,126
Net financial assets at end of the year	328,653	123,473	452,126

This is exposure foreign currency risk as part of its normal business.

Sensitivity analysis:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
A hypothetical 10% strengthening in the exchange rate of the functional currency S\$ against the following currencies with all other variables held constant would have an adverse effect on pre-tax profit of			
– United States Dollar	(13,464)	(3,932)	(32,865)
– Euro	(14,484)	(14,361)	(12,347)

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**32. Financial instruments: information on financial risks (cont’d)**

**32G. Foreign currency risks (cont’d)**

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

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

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

**33. Transition from FRSs to SFRS(I)s, effects of transitioning to SFRS(I)s and changes and adoption of SFRS(I)**

The Group has adopted all the new and revised standards of the SFRS(I) which are effective for annual financial periods beginning on or after 30 June 2018, 2019 and 2020 respectively. The adoption of these standards did not have any effect on the financial performance or position of the Group.

For the purposes of these consolidated financial statements the Group adopted Singapore Financial Reporting Standards (International) (“SFRS(I)s”) on 1 July 2017 with a date of transition to SFRS(I)s of 1 July 2016. The last statutory consolidated financial statements in accordance with previous FRS of the Group were for the year ended 30 June 2019. There were no material adjustments required from the adoption of SFRS(I) 1 First-time Adoption of SFRS(I) 1. The same accounting policies are applied throughout all financial years presented in these consolidated financial statements, subject to the mandatory exception and optional exemption under SFRS(I) 1 (there were none).

SFRS(I) 15 on Revenue from Contracts with Customers was applied retrospectively. There were no adjustments required at the date of initial application (1 July 2017).

The financial reporting standard on leases was effective for annual periods beginning on or after 1 January 2019. Thus, the Group has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the consolidated financial statements. The amount by which each consolidated financial statement line item is impacted (debits/(credits)) in the current financial year 2020 by the application of the new standard on leases are disclosed in the relevant Notes to these consolidated financial statements. The Group elected to apply the modified retrospective approach for this new standard on leases. Under the modified retrospective approach the comparative information is not restated and therefore there is no presentation of a third column for the consolidated statement of financial position.

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**34. New or amended standards in issue but not yet effective**

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

<b>SFRS(I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS (I) 3	Definition of a Business – Amendments	1 January 2020
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to throughout The Conceptual Framework for Financial Reporting	1 January 2020
SFRS (I) 16	Covid-19 Related Rent Concessions – Amendment	30 June 2020

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT ON  
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31 DECEMBER 2020**

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(Registration No: 201505559W)

**Statement by directors and unaudited condensed consolidated interim financial statements**

For the six-month period ended 31 December 2020

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**APPENDIX B – INDEPENDENT AUDITOR’S REVIEW REPORT ON  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Statement by Directors**

The directors of OTS Holdings Limited (the “Company”) are pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the “Group”) for the six-month period ended 31 December 2020.

In the opinion of directors:

- (a) the accompanying unaudited condensed consolidated interim financial statements of OTS Holdings Limited (the “Company”) and its subsidiaries (the “Group”) as at and for the six-month period ended 31 December 2020 are drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting; 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.

On behalf of the board of directors,

.....  
Ong Bee Chip  
Managing Director

.....  
Ong Chew Yong  
Executive Director

8 June 2021

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**Independent Auditor’s Review Report on the Unaudited Condensed Consolidated Interim  
Financial Statements for the Six-Month Period Ended 31 December 2020**

The Board of Directors  
OTS Holdings Limited  
30 Senoko South Road,  
Singapore 758088

Dear Sirs,

**Report on the review of unaudited condensed consolidated interim financial statements**

We have reviewed the accompanying unaudited condensed consolidated interim financial statements of OTS Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set up on page B-4 to B-47, which comprise the unaudited condensed consolidated interim statement of financial position of the Group as at 31 December 2020, the related unaudited condensed consolidated interim statement of profit or loss and other comprehensive income, unaudited condensed consolidated interim statement of changes in equity and unaudited condensed consolidated interim statement of cash flows for the six-month financial period ended 31 December 2020, and other explanatory notes as set out on pages B-9 to B-47. Management is responsible for the preparation and presentation of these unaudited condensed consolidated interim financial statements in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 Interim Financial Reporting. Our responsibility is to express a conclusion on the unaudited condensed consolidated interim financial statements based on our review.

**Scope of review**

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with SFRS(I) 1-34.



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**Independent Auditor’s Review Report on the Unaudited Condensed Consolidated Interim  
Financial Statements for the Six-Month Period Ended 31 December 2020**

**Other matter**

Other than the Group’s consolidated statement of financial position as at 30 June 2020 which has been audited, all other comparative figures have not been audited nor reviewed. The unaudited condensed consolidated interim financial information for the corresponding six-month financial period ended 31 December 2019 is the responsibility of management.

**Restriction on distribution and use**

This report is made solely for the inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of OTS Holdings Limited on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and for no other purpose.

The engagement partner on the review resulting in this independent auditor’s review report is Pang Hui Ting.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

8 June 2021

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income For The Six-Month Period Ended 31 December 2020**

	Note	Six-month period ended 31 December	
		2019	2020
		\$	\$
		(Unaudited)	(Unaudited)
<b>Revenue</b>	5	14,641,025	21,118,246
Cost of sales		(10,490,402)	(14,465,190)
<b>Gross profit</b>		4,150,623	6,653,056
Other income and gains	6	116,765	686,891
Marketing and distribution costs	7	(920,328)	(1,108,323)
Administrative expenses	8	(2,001,180)	(2,333,388)
Finance costs	10	(135,622)	(147,885)
Other losses	6	(27,367)	(159,528)
Share of loss from joint venture		(22,278)	(63,328)
<b>Profit before income tax</b>		1,160,613	3,527,495
Income tax expense	11	(365,202)	(650,329)
<b>Profit for the period</b>		795,411	2,877,166
<b><u>Other comprehensive (loss) income:</u></b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of income tax		(3,251)	7,907
<b>Other comprehensive (loss) income for the period, net of income tax</b>		(3,251)	7,907
<b>Total comprehensive income for the period</b>		792,160	2,885,073
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	12	0.45	1.61

See accompanying notes to the condensed consolidated interim financial statements.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed Consolidated Interim Statement of Financial Position  
As at 31 December 2020**

	Note	30 June 2020	31 December 2020
		\$ (Audited)	\$ (Unaudited)
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	13	11,099,987	11,258,166
Right-of-use assets	14	3,395,226	3,263,517
Intangible assets	15	12	12
Investment in joint venture	16	425,494	359,319
Other non-financial assets	19	50,718	–
<b>Total non-current assets</b>		<b>14,971,437</b>	<b>14,881,014</b>
<b><u>Current assets</u></b>			
Inventories	17	9,954,410	9,166,640
Trade and other receivables	18	6,041,270	7,619,033
Other non-financial assets	19	283,514	781,573
Cash and cash equivalents	20	5,044,355	4,935,918
<b>Total current assets</b>		<b>21,323,549</b>	<b>22,503,164</b>
<b>Total assets</b>		<b>36,294,986</b>	<b>37,384,178</b>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share capital	21	14,771,188	14,771,188
Retained earnings		5,226,416	8,103,582
Foreign currency reserve		(13,129)	(5,222)
<b>Equity, attributable to equity holders of the company, total</b>		<b>19,984,475</b>	<b>22,869,548</b>
<b><u>Non-current liabilities</u></b>			
Deferred tax liabilities	11	240,676	298,409
Provision	22	588,000	588,000
Loans and borrowings	23	3,903,654	3,829,936
Lease liabilities	24	3,278,070	3,113,780
Other non-financial liabilities	25	218,149	156,260
<b>Total non-current liabilities</b>		<b>8,228,549</b>	<b>7,986,385</b>
<b><u>Current liabilities</u></b>			
Income tax payable		139,236	603,929
Trade and other payables	26	5,961,875	4,469,201
Loans and borrowings	23	1,351,756	1,025,616
Lease liabilities	24	267,487	305,720
Other non-financial liabilities	25	361,608	123,779
<b>Total current liabilities</b>		<b>8,081,962</b>	<b>6,528,245</b>
<b>Total liabilities</b>		<b>16,310,511</b>	<b>14,514,630</b>
<b>Total equity and liabilities</b>		<b>36,294,986</b>	<b>37,384,178</b>

See accompanying notes to the condensed consolidated interim financial statements.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed Consolidated Interim Statement of Changes in Equity  
For The Six-Month Period Ended 31 December 2020**

	Total equity	Share capital	Retained earnings	Foreign currency reserves
	\$	\$	\$	\$
<b>Group</b>				
<b><u>31 December 2019</u></b>				
Opening balance at 1 July 2019 (audited)	16,961,646	14,771,188	2,191,694	(1,236)
<u>Changes in equity</u>				
Total comprehensive income for the period	792,160	–	795,411	(3,251)
<b>Closing balance at 31 December 2019 (unaudited)</b>	<b>17,753,806</b>	<b>14,771,188</b>	<b>2,987,105</b>	<b>(4,487)</b>
<b><u>31 December 2020</u></b>				
Opening balance at 1 July 2020 (audited)	19,984,475	14,771,188	5,226,416	(13,129)
<u>Changes in equity</u>				
Total comprehensive income for the period	2,885,073	–	2,877,166	7,907
<b>Closing balance at 31 December 2020 (unaudited)</b>	<b>22,869,548</b>	<b>14,771,188</b>	<b>8,103,582</b>	<b>(5,222)</b>

See accompanying notes to the condensed consolidated interim financial statements.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed Consolidated Interim Statement of Cash Flows  
For The Six-Month Financial Period Ended 31 December 2020**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	1,160,613	3,527,495
Adjustments for:		
Amortisation of deferred capital grants	(55,311)	(61,887)
Depreciation of property, plant and equipment	546,174	490,808
Depreciation of right-of-use assets	128,451	154,806
Interest expense	135,622	147,885
Interest income	(931)	(2,974)
Gain on disposal of plant and equipment	(45,202)	–
Plant and equipment written off	1	3,528
Share of loss from joint venture	22,278	63,328
Net effect of exchange rate changes in consolidating subsidiaries	(2,109)	7,743
Operating cash flows before changes in working capital	1,889,586	4,330,732
Inventories	(699,715)	787,770
Trade and other receivables	(1,678,042)	(1,615,594)
Other non-financial assets, current	205,332	(447,730)
Trade and other payables	957,705	(1,120,577)
Net cash flows from operations before tax	674,866	1,934,601
Income taxes paid	(243)	(127,514)
Net cash flows from operating activities	674,623	1,807,087
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(325,755)	(650,276)
Disposals of plant and equipment	61,001	–
Investment in a joint venture	(300,000)	–
Net movements in amount due from joint venture	–	(200,000)
Interest received	931	2,974
Net cash flows used in investing activities	(563,823)	(847,302)

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**Condensed Consolidated Interim Statement of Cash Flows (Cont’d)  
For The Six-Month Period Ended 31 December 2020**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<b><u>Cash flows from financing activities</u></b>		
Dividend paid to equity owners	–	(516,992)
Increase in new loans and borrowings	590,807	500,000
Repayment of loans and borrowings	(995,272)	(899,858)
Lease liabilities – principal and interest portion paid	(298,960)	(236,821)
Net movements in amount due to related party	–	144,895
Interest paid	(51,030)	(59,446)
Net cash flows used in financing activities	(754,455)	(1,068,222)
<b>Net decrease in cash and cash equivalents</b>	(643,655)	(108,437)
Cash and cash equivalents at beginning of period	2,482,709	5,044,355
<b>Cash and cash equivalents at end of period (Note 20)</b>	<b>1,839,054</b>	<b>4,935,918</b>

See accompanying notes to the condensed consolidated interim financial statements.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the unaudited condensed consolidated interim financial statements  
For the Six-Month period ended 31 December 2020**

**1. General**

**Corporate information**

OTS Holdings Pte. Ltd. (the “Company”) was incorporated on 3 March 2015 under the Companies Act as a private limited company domiciled in Singapore. On 1 June 2021, the Company was converted to a public company limited by shares and changed its name to OTS Holdings Limited.

These unaudited condensed consolidated interim financial statements are expressed in Singapore dollar (“SGD”).

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

The principal activities are the same as the subsidiaries and joint venture disclosed in Notes 1 and 17 to the audited consolidated financial statements, as set out in Appendix A of the Offer Document.

These unaudited condensed consolidated interim financial statements are prepared solely for inclusion in the Offer Document of the Company in connection with the proposed listing of the Company’s shares on the Catalist Board of Singapore Exchange Securities Trading Limited (the “Catalist”).

**Basis of preparation**

The unaudited condensed consolidated interim financial statements for the six-month financial period ended 31 December 2020 have been prepared in accordance with Singapore Financial Reporting Standard (International) 1-34 Interim Financial Reporting (“SFRS (I) 1-34”) as issued by the Singapore Accounting Standards Council.

The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the financial years ended 30 June 2018, 2019 and 2020.

**2. Significant accounting policies and other explanatory information**

**2A. Summary of significant accounting policies**

The accounting policies adopted are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the latest financial year ended 30 June 2020.



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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**2. Significant accounting policies and other explanatory information (cont’d)**

**2B. Critical judgements, assumptions and estimation uncertainties**

The critical judgements and key sources of estimation uncertainty made by management for the Group’s audited consolidated financial statements as at and for the financial years ended 30 June 2018, 2019 and 2020 remained unchanged as set out in Appendix A of the Offer Document.

**3. Related party relationships and transactions**

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

The ultimate controlling shareholders are Ong Bee Chip and Ong Bee Song.

**3A. Related party transactions**

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these unaudited condensed consolidated interim financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these unaudited condensed consolidated interim financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the unaudited condensed consolidated interim financial statements, this item includes the following significant related party transactions:

	<b>Six-month period ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<u>Related party</u>		
Sale of equipment <sup>(a)</sup>	60,000	–
Sale of goods <sup>(a)</sup>	14,032	64,637
Miscellaneous income <sup>(a)</sup>	–	15,210
	–	15,210

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**3. Related party relationships and transactions (cont’d)**

**3A. Related party transactions (cont’d)**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<u>Other related parties – entity with no significant influence over the Group</u>		
Purchase of forklifts and forklift maintenance and repair services <sup>(b)</sup>	30,502	25,862
Sale of goods <sup>(c)</sup>	624,299	641,602

(a) Sale of goods and equipment to a related party, PT Delta Bridge Foods, a subsidiary of the joint venture.

(b) The purchase of forklifts and forklift maintenance and repair services from a related party, Hock Eek Seng Machinery Pte Ltd, a company in which directors have no significant or controlling interest over the vendor.

(c) The related party, Swee Heng Bakery Pte Ltd (“SHB”), is a company in which directors have no significant or controlling interest over the related party.

**3B. Key management compensation**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<u>Remuneration of key management personnel</u>		
Salaries and other short-term employee benefits	260,850	285,529

The above remuneration of key management personnel are included under employee benefits expense.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. The above amounts for key management compensation are for certain directors, controlling shareholder and other key management personnel of the Group.

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**3. Related party relationships and transactions (cont’d)**

**3C. Other receivables and other payables to related parties**

Trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the unaudited condensed consolidated interim financial statements.

Movements in other receivables and other payables to related parties are as follows:

	<b>Joint venture</b>	
	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
<u>Other receivables</u>		
Balance at beginning of the year/period	(1)	–
Amounts paid out and settlement of liabilities on behalf of joint venture	1	200,000
Balance at end of the year/period (Note 18)	–	200,000
	<b>Related party</b>	
	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
<u>Other payables</u>		
Balance at beginning of the year/period	–	–
Amount paid in and settlement of liabilities on behalf of the Group	–	(144,895)
Balance at end of the year/period (Note 26)	–	(144,895)

The related party, PT Delta Bridge Foods, is a subsidiary of the joint venture.

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**3. Related party relationships and transactions (cont’d)**

**3C. Other receivables and other payables to related parties (cont’d)**

	<b>Shareholders</b>	
	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
<u>Other payables</u>		
Balance at beginning of the year/period	–	(516,992)
Dividend payable	(516,992)	–
Amounts paid out to shareholders	–	516,992
Balance at end of the year/period (Note 26)	<u>(516,992)</u>	<u>–</u>

**4. Segment information**

**4A. Primary analysis by business segment**

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by SFRS (I) 8 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into four (4) major strategic operating segments: Modern Trade, General Trade and Food Services and Others. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The Group distribute and sell their products via following market segments:

- (1) Modern Trade (“MT”) refers to sales generated from major supermarkets.
- (2) General Trade (“GT”) refers to sales generated from convenience stores, provision shops and wholesalers.
- (3) Food Services (“FS”) refers to sales generated from hotels, restaurants, hawker centres, food courts, food and beverages stores, and caterers.

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**4. Segment information (cont’d)**

**4A. Primary analysis by business segment (cont’d)**

- (4) Others (“OT”) refers to sales that are mainly generated from e-commerce platforms and the export markets. The OT segment also includes other income such as vehicle rental income and miscellaneous income.

This is determined by the nature or risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It also represents the basis on which management reports the primary segment information.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment’s operating results comprises two major financial indicators: (1) earnings from operations before interest expenses, income taxes, depreciation and amortisation (called “Recurring EBITDA”) and (2) operating result before income taxes and other unallocated items (called “PBT”).

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each business segment is as follows:

	<b>Six-month period ended</b>	
	<b>31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<b>Revenue by segment:</b>		
Modern Trade (“MT”)	4,251,058	5,216,502
General Trade (“GT”)	5,832,276	10,293,988
Food Services (“FS”)	3,286,762	3,224,088
Others (“OT”)	1,270,929	2,383,668
Total	14,641,025	21,118,246

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**4. Segment information (cont'd)**

**4B. Profit or loss from continuing operations and reconciliations**

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>Six-month period ended</u></b>					
<b><u>31 December 2019</u></b>					
<b>Revenue by segment</b>					
Total revenue by segment	4,251,058	6,163,735	3,286,762	3,520,856	17,222,411
Inter-segment sales	–	(331,459)	–	(2,249,927)	(2,581,386)
Total revenue	4,251,058	5,832,276	3,286,762	1,270,929	14,641,025
Recurring EBITDA	300,739	797,079	538,603	301,406	1,937,827
Depreciation expenses	(175,412)	(240,658)	(135,622)	(122,933)	(674,625)
Amortisation of deferred capital grants	16,084	22,067	12,436	4,724	55,311
Finance costs	(39,439)	(54,108)	(30,493)	(11,582)	(135,622)
Share of loss from joint venture	–	–	–	(22,278)	(22,278)
PBT	101,972	524,380	384,924	149,337	1,160,613
Income tax expense					(365,202)
Profit, net of income tax					795,411

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>Six-month period ended</u></b>					
<b><u>31 December 2020</u></b>					
<b>Revenue by segment</b>					
Total revenue by segment	5,216,502	11,007,703	3,224,088	10,432,617	29,880,910
Inter-segment sales	–	(713,715)	–	(8,048,949)	(8,762,664)
Total revenue	5,216,502	10,293,988	3,224,088	2,383,668	21,118,246
Recurring EBITDA	726,377	1,759,976	836,724	999,358	4,322,435

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**4. Segment information (cont’d)**

**4B. Profit or loss from continuing operations and reconciliations (cont’d)**

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Depreciation expenses	(137,108)	(270,561)	(84,740)	(153,205)	(645,614)
Amortisation of deferred capital grants	15,502	30,590	9,581	6,214	61,887
Finance costs	(37,043)	(73,098)	(22,894)	(14,850)	(147,885)
Share of loss from joint venture	–	–	–	(63,328)	(63,328)
PBT	<u>567,728</u>	<u>1,446,907</u>	<u>738,671</u>	<u>774,189</u>	<u>3,527,495</u>
Income tax expense					<u>(650,329)</u>
Profit, net of income tax					<u><u>2,877,166</u></u>

**4C. Assets and reconciliations**

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>As at 30 June 2020</u></b>					
Segment assets	11,161,867	14,344,238	6,207,735	4,155,652	35,869,492
Investment in joint venture	–	–	–	425,494	425,494
Total assets	<u>11,161,867</u>	<u>14,344,238</u>	<u>6,207,735</u>	<u>4,581,146</u>	<u>36,294,986</u>
Segment liabilities	<u>4,807,942</u>	<u>6,178,739</u>	<u>2,673,964</u>	<u>2,269,954</u>	15,930,599
Deferred tax liabilities					240,676
Income tax payables					139,236
Total liabilities					<u><u>16,310,511</u></u>



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**4. Segment information (cont'd)**

**4C. Assets and reconciliations (cont'd)**

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>As at 31 December 2020</u></b>					
Segment assets	9,095,138	17,947,895	5,621,300	4,360,526	37,024,859
Investment in joint venture	–	–	–	359,319	359,319
Total assets	<u>9,095,138</u>	<u>17,947,895</u>	<u>5,621,300</u>	<u>4,719,845</u>	<u>37,384,178</u>
Segment liabilities	<u>3,224,624</u>	<u>6,363,313</u>	<u>1,992,997</u>	<u>2,031,358</u>	13,612,292
Deferred tax liabilities					298,409
Income tax payables					603,929
Total liabilities					<u>14,514,630</u>

**4D. Other material items and reconciliations**

	<b>MT</b>	<b>GT</b>	<b>FS</b>	<b>OT</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>Expenditure for non-current assets</u></b>					
As at 30 June 2020	167,789	215,628	93,317	550,252	1,026,986
As at 31 December 2020	<u>162,883</u>	<u>321,426</u>	<u>100,671</u>	<u>65,296</u>	<u>650,276</u>

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**4. Segment information (cont'd)**

**4E. Geographical information**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<u>Revenue</u>		
Singapore	11,667,819	12,283,707
Malaysia	2,348,450	7,526,436
Others	624,756	1,308,103
Total	14,641,025	21,118,246
	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
<u>Non-current assets</u>		
Singapore	14,272,527	14,246,011
Malaysia	273,416	275,684
Indonesia	425,494	359,319
Total	14,971,437	14,881,014

The Group operates in three (3) geographical regions such as Singapore, Malaysia, Indonesia and other countries. Other countries mainly comprise of Brunei, Myanmar and Hong Kong.

Revenues are attributed to countries on the basis of the customer’s location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments.

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**4. Segment information (cont’d)**

**4F. Information on major customers**

Customers who individually account for 5% or more of the Group’s revenue is detailed below:

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Customer A	2,647,558	2,167,844
Customer B	976,191	1,410,151
Total	<u>3,623,749</u>	<u>3,577,995</u>

**5. Revenue**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Sale of goods	14,536,493	20,778,490
Rental of vehicles	80,700	111,000
Miscellaneous income	23,832	228,756
Total	<u>14,641,025</u>	<u>21,118,246</u>

The revenue from sale of goods and miscellaneous income are recognised based on at a point in time. The customers are distributors and retailers, local and foreign. Also see Note 4.

The revenue from rental of vehicles is from operating leases and recognised on straight-line basis over the term of the relevant lease.

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**6. Other income and gains and (other losses)**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Amortisation of deferred capital grants	55,311	61,887
Governments grant from job support scheme	–	360,594
Other government grants and rebates	5,892	210,700
Gain on disposal of plant and equipment	45,202	–
Freight income	429	1,673
Foreign exchange adjustments (losses) gains	(27,366)	40,063
Interest income	931	2,974
Listing expenses	–	(156,000)
Miscellaneous income	9,000	9,000
Plant and equipment written off	(1)	(3,528)
<b>Net</b>	<b>89,398</b>	<b>527,363</b>
Presented in profit or loss as:		
Other income and gains	116,765	686,891
Other losses	(27,367)	(159,528)
<b>Net</b>	<b>89,398</b>	<b>527,363</b>

**7. Marketing and distribution costs**

The major components include the following:

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Advertising and promotion	222,651	265,732
Delivery and transportation expenses – sale of goods	613,120	645,447

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**8. Administrative expenses**

The major components include the following:

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Employee benefit expenses (Note 9)	1,523,630	1,783,144
Depreciation expenses		
– property, plant and equipment (Note 13)	89,820	91,823
– right-of-use assets (Note 14)	91,417	116,018

**9. Employee benefits expense**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Salaries, bonuses and other short-term employee benefits	2,566,625	3,402,469
Contributions to defined contribution plan	366,934	384,763
Others	25,770	80,529
Total employee benefits expense	2,959,329	3,867,761
The employee benefits expense is charged under:		
Cost of sales	1,435,699	2,084,617
Administrative expenses (Note 8)	1,523,630	1,783,144
Total	2,959,329	3,867,761

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**10. Finance costs**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Interest expenses		
– loans and borrowings	51,030	59,446
– lease liabilities (Note 24)	84,592	88,439
Total	<u>135,622</u>	<u>147,885</u>

**11. Income tax**

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

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<u>Income tax expense</u>		
Current period tax expense	34,015	592,596
<u>Deferred tax expense</u>		
Deferred tax expense	211,554	57,733
Under provision to tax in respect of prior years	119,633	–
Subtotal	<u>331,187</u>	<u>57,733</u>
Total income tax expense	<u>365,202</u>	<u>650,329</u>

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**11. Income tax (cont’d)**

**11A. Components of tax expense recognised in profit or loss include (cont’d)**

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate where the parent is incorporated. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (31 December 2019: 17%) to profit before income tax as a result of the following differences:

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Profit before income tax	1,160,613	3,527,495
Share of loss from joint venture	22,278	63,328
	<u>1,182,891</u>	<u>3,590,823</u>
Income tax expense at the above rate	201,092	610,440
Effect of different tax rates in different countries	1,675	46,216
Under provision to tax in respect of prior years	119,633	–
Expenses not deductible for tax purpose	58,329	5,198
Utilisation of unabsorbed capital allowance previously not recognised as deferred tax assets in prior years	–	(4,156)
Tax exemption and rebates	(15,527)	(7,369)
Total income tax expense	<u>365,202</u>	<u>650,329</u>

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



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**11. Income tax (cont’d)**

**11B. Deferred tax expense (income) recognised in profit or loss include**

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Excess of net book value of plant and equipment over tax value	352,383	39,592
Unabsorbed capital allowance carryforwards	8,770	25,733
Deferred tax assets unrecognised	(24,661)	–
Others	(5,305)	(7,592)
Total deferred tax expense	<u>331,187</u>	<u>57,733</u>

**11C. Deferred tax balance in the unaudited condensed consolidated interim statement of financial position**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
Excess of net book value of plant and equipment over tax value	(396,878)	(436,470)
Unabsorbed capital allowance carryforwards	141,266	115,533
Others	14,936	22,528
Net balance	<u>(240,676)</u>	<u>(298,409)</u>

It is impracticable to estimate the amount expected to be settled or used within one year.

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**12. Earnings per share**

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each financial year based on the pre-invitation share capital of the Company.

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

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<u>Numerator</u>		
Profit, net of income tax	795,411	2,877,166
<u>Number of ordinary shares</u>		
<u>Denominator</u>		
Basic – Number of ordinary shares	178,652,173	178,652,173

The weighted average number of ordinary shares outstanding during the period ended 31 December 2019 and 31 December 2020 were adjusted for the effect of the sub-division of shares and prior to the issue and allotment of 347,827 ordinary shares in satisfaction of the management fee as the sponsor and issue manager in connection with the proposed listing of the Company.

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective financial periods.

**13. Property, plant and equipment**

Group	Leasehold property	Cold room	Restoration cost	Leasehold improvements	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
<u>Cost</u>						
At 30 June 2019 (audited)	8,493,787	879,836	588,000	2,347,826	12,375,821	24,685,270
Additions	–	–	–	119,688	356,580	476,268
Disposals/written off	–	–	–	–	(281,744)	(281,744)
Foreign exchange adjustments	–	–	–	(444)	(2,121)	(2,565)

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**13. Property, plant and equipment (cont’d)**

Group	Leasehold property	Cold room	Restoration cost	Leasehold improvements	Plant and equipment	Total
	\$	\$	\$	\$	\$	\$
At 30 June 2020 (audited)	8,493,787	879,836	588,000	2,467,070	12,448,536	24,877,229
Additions	–	166,500	–	23,518	460,258	650,276
Disposals/written off	–	–	–	–	(12,170)	(12,170)
Foreign exchange adjustments	–	–	–	471	2,886	3,357
At 31 December 2020 (unaudited)	8,493,787	1,046,336	588,000	2,491,059	12,899,510	25,518,692
<u>Accumulated depreciation</u>						
At 30 June 2019 (audited)	2,604,271	391,047	32,442	1,848,034	8,121,946	12,997,740
Depreciation for the year	171,956	24,517	16,221	82,379	750,043	1,045,116
Disposals/written off	–	–	–	–	(264,487)	(264,487)
Foreign exchange adjustments	–	–	–	(241)	(886)	(1,127)
At 30 June 2020 (audited)	2,776,227	415,564	48,663	1,930,172	8,606,616	13,777,242
Depreciation for the period	109,788	22,655	8,110	35,875	314,380	490,808
Disposals/written off	–	–	–	–	(8,642)	(8,642)
Foreign exchange adjustments	–	–	–	237	881	1,118
At 31 December 2020 (unaudited)	2,886,015	438,219	56,773	1,966,284	8,913,235	14,260,526
<u>Net carrying value</u>						
At 30 June 2019 (audited)	5,889,516	488,789	555,558	499,792	4,253,875	11,687,530
At 30 June 2020 (audited)	5,717,560	464,272	539,337	536,898	3,841,920	11,099,987
At 31 December 2020 (unaudited)	5,607,772	608,117	531,227	524,775	3,986,275	11,258,166

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**13. Property, plant and equipment (cont’d)**

Allocation of the depreciation expense as follows:

	<b>Year ended 30 June 2020</b>	<b>Six-month period ended 31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Cost of sales	865,654	398,985
Administrative expenses	179,462	91,823
Total	<u>1,045,116</u>	<u>490,808</u>

Certain items are under lease liabilities as follows:

	<b>Year ended 30 June 2020</b>	<b>Six-month period ended 31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Net carrying value of plant and equipment:		
– lease liabilities (Note 24)	<u>148,314</u>	<u>138,254</u>

The leasehold property is pledged as security for the bank facilities (Note 23).

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**14. Right-of-use assets**

	<b>Leasehold land and office premise</b>	<b>Motor vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Cost</u>				
At 1 July 2019 – on adoption of SFRS(I) 16 (audited)	2,629,254	–	69,532	2,698,786
Additions	–	982,396	–	982,396
At 30 June 2020 (audited)	2,629,254	982,396	69,532	3,681,182
Additions <sup>(a)</sup>	22,325	–	–	22,325
Foreign exchange adjustments	1,130	–	–	1,130
At 31 December 2020 (unaudited)	2,652,709	982,396	69,532	3,704,637
<u>Accumulated depreciation</u>				
At 1 July 2019 – on adoption of SFRS(I) 16 (audited)	–	–	–	–
Depreciation for the year	101,443	169,662	15,171	286,276
Foreign exchange adjustments	(320)	–	–	(320)
At 30 June 2020 (audited)	101,123	169,662	15,171	285,956
Depreciation for the period	48,981	98,240	7,585	154,806
Foreign exchange adjustments	358	–	–	358
At 31 December 2020 (unaudited)	150,462	267,902	22,756	441,120
<u>Net carrying value</u>				
At 1 July 2019 – on adoption of SFRS(I) 16 (audited)	2,629,254	–	69,532	2,698,786
At 30 June 2020 (audited)	2,528,131	812,734	54,361	3,395,226
At 31 December 2020 (unaudited)	2,502,247	714,494	46,776	3,263,517

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**14. Right-of-use assets (cont’d)**

Allocation of the depreciation expense as follows:

	<b>Year ended 30 June 2020</b>	<b>Six-month period ended 31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Cost of sales	101,443	38,788
Administrative expenses	184,833	116,018
<b>Total</b>	<b>286,276</b>	<b>154,806</b>

The leases are for leasehold land and office premise, motor vehicles and equipment. The right-of-use assets for operating leases in existence at 1 July 2019 do not include initial direct costs.

There are usually no options to purchase; there are no variable payments linked to an index. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The leasehold land is from the JTC Corporation (“JTC”) for thirty (30) years lease term from September 1993 and expiring in September 2023. The Company has complied with the required investment criteria and has been granted an additional term of thirty (30) years commencing from September 2023, although the lease in respect of the additional term of thirty (30) years has not been executed. The annual rent is subject to revision on 16 September of every year based on the market rates at the date of the revision. Rentals are subject to an escalation clause but the amount of the rent increase is not to exceed the contractual rental revision scheme of increment at 7.6% per annum of the annual rent of the immediate preceding year. The contracted rent rate with JTC has been revised and the increased is fixed at 4% per annum with effective from 1 July 2019.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically, the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties, the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

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**14. Right-of-use assets (cont’d)**

- (a) During the current financial period, the Group renegotiated and modified an existing lease contract for an office premise by extending the lease term by another one year at revised lease payment terms. As this extension is not part of the terms and conditions of the original lease contract, it is accounted for as a lease modification with an addition to the right-of-use assets. The corresponding remeasurement to lease liability is recorded under ‘lease liabilities’ (Note 24).

The net carrying value of right-of-use assets are under lease liabilities agreements (Note 24).

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	<b>Leasehold land and office premise</b>	<b>Motor vehicles</b>	<b>Equipment</b>
<u>As at 30 June 2020 (audited)</u>			
Number of right-of-use assets	2	8	1
Remaining term – range (years)	5 – 33	5	3
<u>As at 31 December 2020 (unaudited)</u>			
Number of right-of-use assets	2	8	1
Remaining term – range (years)	4.5 – 32.5	4.5	2.5

**15. Intangible assets**

	<b>Research and development costs</b>	<b>Trademarks</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Cost</u>			
At 1 July 2019 (audited), 30 June 2020 (audited) and 31 December 2020 (unaudited)	93,964	15,074	109,038
<u>Accumulated amortisation</u>			
At 1 July 2019 (audited), 30 June 2020 (audited) and 31 December 2020 (unaudited)	93,960	15,066	109,026



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**15. Intangible assets (cont’d)**

	Research and development costs	Trademarks	Total
	\$	\$	\$
<u>Net carrying value</u>			
At 1 July 2019 (audited), 30 June 2020 (audited) and 31 December 2020 (unaudited)	4	8	12

**16. Investment in joint venture**

	30 June 2020	31 December 2020
	\$ (Audited)	\$ (Unaudited)
<b><u>Delta Bridge Pte. Ltd.</u></b>		
<u>Carrying value in the books of the Company, comprising:</u>		
Unquoted equity shares, at cost	500,000	500,000
Share of loss	(72,888)	(136,216)
Foreign exchange differences	(1,618)	(4,465)
Total, at cost	425,494	359,319
<u>Movements during the year/period. At cost</u>		
At beginning of the year/period	1	425,494
Addition	499,999	–
Share of loss	(72,888)	(63,328)
Foreign exchange differences	(1,618)	(2,847)
At the end of the year/period	425,494	359,319
Share of net book value of joint venture	425,494	359,319

The Group jointly controls the joint venture with other partners under the contractual agreements that require unanimous consent or half of board of directors’ consent for all major decisions over the relevant activities.

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**16. Investment in joint venture (cont’d)**

The summarised financial information of the joint venture and the amounts (and not the Group’s share of those amounts) based on the financial statements are as follows:

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
Revenue	–	40,909
Total comprehensive loss	(47,630)	(126,531)
Interest expense	(505)	(604)
	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
Non-current assets	490,877	1,062,055
Current assets	531,358	469,607
Non-current liabilities	(24,601)	(420,321)
Current liabilities	(136,420)	(384,353)
Non-controlling interests	(10,227)	(8,350)
<u>Reconciliation:</u>		
Net assets of the joint venture	850,987	718,638
Proportion of the Group’s interest in the joint venture	50%	50%
Proportion of the Group’s interest in the joint venture	425,494	359,319

On 12 March 2019, the Company and Hogsworld Pte Ltd agreed to combine their asset management and services activities by establishing a separate vehicle – Delta Bridge Pte. Ltd. (“Delta Bridge”). The parties expect the arrangement to benefit them in processing and manufacturing of Chinese sausages and other meat products (the “Products”) and marketing and distribution of the Products. Delta Bridge’s legal form is that it causes the separate vehicle to be considered in its own right. Each of the Company and the other party holds 50% shareholding interests in Delta Bridge Pte. Ltd. The shareholders’ agreement establishes joint control of the activities of Delta Bridge. The joint arrangement is carried out through a separate vehicle whose legal form confers separation between the parties and the separate vehicle and the parties have rights to the net assets of Delta Bridge. The parties recognise their rights to the net assets of Delta Bridge as investments and account for them using the equity method.

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**17. Inventories**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
Finished goods	2,826,159	3,971,739
Raw materials	7,097,881	4,862,295
Work-in-progress	30,370	332,606
<b>Total</b>	<b>9,954,410</b>	<b>9,166,640</b>
Changes in inventories of finished goods and work-in-progress	280,710	1,447,816
Raw materials and consumable used	18,796,204	11,196,191

There are no inventories pledged as security for liabilities.

**18. Trade and other receivables**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
<u>Trade receivables</u>		
Outside parties	5,821,726	7,255,517
Related party (Note 3)	6,686	163,516
<b>Subtotal</b>	<b>5,828,412</b>	<b>7,419,033</b>
<u>Other receivables</u>		
Government grant receivable <sup>(a)</sup>	210,710	–
Outside parties	2,148	–
Joint venture (Notes 3 and 16)	–	200,000
<b>Subtotal</b>	<b>212,858</b>	<b>200,000</b>
<b>Total trade and other receivables</b>	<b>6,041,270</b>	<b>7,619,033</b>

<sup>(a)</sup> Government grant receivable under the Jobs Support Scheme.

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**18. Trade and other receivables (cont’d)**

The expected credit losses (“ECL”) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets.

The Group’s customers can be credit risk graded individually and these are recorded at inception net of expected lifetime ECL. These receivables are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates (including the impact of the Covid-19 pandemic) are analysed. No loss allowance was necessary. There are no collateral held as security and other credit enhancements for the trade receivables.

The receivables have common risk characteristics as compared to previous period. There were no significant bad debts noticed in the previous period. The Group assesses the credit risk of its customers individually. The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

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

As part of the process of setting customer credit limits, different credit terms are used. The Group’s normal trade credit term ranges from cash to 90 days for the financial year/period ended 30 June 2020 and 31 December 2020. But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivable amounts that are past due after the average credit term of 60 days as at the end of financial year/period but not impaired:

	<b>30 June 2020</b>	<b>31 December 2020</b>
	\$ (Audited)	\$ (Unaudited)
<u>Trade receivables</u>		
61 – 90 days	835,805	630,055
91 – 120 days	545,854	189,222
Over 120 days	1,979,360	63,904
Total	<u>3,361,019</u>	<u>883,181</u>

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**18. Trade and other receivables (cont’d)**

Majority of the Group’s trade receivable amounts that were past due have been settled after the end of the financial year/period ended 30 June 2020 and 31 December 2020. As at the end of the financial year/period, there were no amounts that were impaired.

Concentration of trade receivable customers as at the end of the financial year/period:

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Top 1 customer	1,251,647	1,261,836
Top 2 customers	1,532,115	1,762,357
Top 3 customers	1,791,160	2,120,624

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. No loss allowance is necessary.

**19. Other non-financial assets**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Advance payment to suppliers	111,621	511,545
Income tax recoverable	389	–
Prepayments	56,417	90,579
Prepaid listing expenses	–	62,546
Deposits for purchase of plant and equipment (Note 28)	50,718	–
Deposits to secure services	115,087	116,903
Total	334,232	781,573

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**19. Other non-financial assets (cont’d)**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
<u>Presented in the unaudited condensed consolidated interim statement of financial position</u>		
Current	283,514	781,573
Non-current	50,718	–
Net	<u>334,232</u>	<u>781,573</u>

**20. Cash and cash equivalents**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Not restricted in use	<u>5,044,355</u>	<u>4,935,918</u>

The interest earnings balances are not significant.

**20A. Reconciliation of liabilities arising from financing activities**

	<b>At beginning of the year/ period</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At end of the year/ period</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Period ended 31 December 2019 (unaudited)</u>				
Long-term borrowings	1,791,362	137,467	–	1,928,829
Short-term borrowings	1,166,311	(541,932)	–	624,379
Lease liabilities	220,136	(298,960)	3,771,989 <sup>(a)</sup>	3,693,165
Total liabilities from financing activities	<u>3,177,809</u>	<u>(703,425)</u>	<u>3,771,989</u>	<u>6,246,373</u>

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**20. Cash and cash equivalents (cont’d)**

**20A. Reconciliation of liabilities arising from financing activities (cont’d)**

	At beginning of the year/ period	Cash flows	Non-cash changes	At end of the year/ period
	\$	\$	\$	\$
<u>Period ended 31 December 2020 (unaudited)</u>				
Long-term borrowings	3,903,654	(73,718)	–	3,829,936
Short-term borrowings	1,351,756	(326,140)	–	1,025,616
Lease liabilities	3,545,557	(236,821)	88,439 <sup>(b)</sup> 22,325 <sup>(c)</sup>	3,419,500
Total liabilities from financing activities	8,800,967	(636,679)	110,764	8,275,052

(a) Capitalisation of its existing lease arrangements (except for lease less than 12 months and lease of low-value assets as right-of-use assets and lease liabilities as at 1 July 2019) (See Note 24).

(b) Interest expense.

(c) Modification of lease liability (Note 14).

**21. Share capital**

	Number of shares issued	Share capital \$
<u>Company</u>		
At 1 July 2019 (audited), 30 June 2020 (audited) and 31 December 2020 (unaudited)	14,771,188	14,771,188

On 31 May 2021, the Company authorised and approved the sub-division of the share capital of the Company, which was effected on 1 June 2021. The share capital of the Company was sub-divided in such manner that 14,771,188 ordinary shares in the issued and paid up share capital of the Company were sub-divided into 178,652,173 ordinary shares (the “Sub-division”).

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

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**21. Share capital (cont’d)**

**Capital management**

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

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
<u>Net debt</u>		
All current and non-current borrowings including finance lease and lease liabilities	8,800,967	8,275,052
Less: cash and cash equivalents	(5,044,355)	(4,935,918)
Net debt	3,756,612	3,339,134
<u>Adjusted capital</u>		
Total equity	19,984,475	22,869,548
Debt-to-adjusted capital ratio	18.80%	14.60%

The improvement as shown by the decrease in the debt-to-adjusted capital ratio for the financial period 31 December 2020 resulted primarily from improved retained earnings.



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**22. Provision**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Provision for restoration cost	588,000	588,000

Provision for restoration costs is recognised when the Group enters into a lease agreement for the leasehold land. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the leasehold land, where restoration is required. The leasehold land shall be restored to the condition set up in the lease agreement upon the expiration of the lease agreement.

**23. Loans and borrowings**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
<u>Non-current</u>		
Bank loans (Note 23A)	3,903,654	3,829,936
<u>Current</u>		
Bank loans (Note 23A)	972,496	1,025,616
Bill payables (secured) (Note 23B)	379,260	–
Subtotal	1,351,756	1,025,616
Total	5,255,410	4,855,552

The non-current portion is repayable as follows:

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Due within 2 to 5 years	3,470,776	3,456,516
After 5 years	432,878	373,420
Total	3,903,654	3,829,936

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**23. Loans and borrowings (cont’d)**

**23A. Bank loans**

The bank loans consist of the following:

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
<u>Non-current</u>		
Bank loan 1 (secured)	697,068	555,374
Bank loan 2 (secured)	1,014,013	959,255
Bank loan 3 (unsecured)	1,212,234	1,427,291
Bank loan 4 (unsecured)	980,339	888,016
Subtotal	<u>3,903,654</u>	<u>3,829,936</u>
<u>Current</u>		
Bank loan 1 (secured)	297,505	269,020
Bank loan 2 (secured)	137,229	123,630
Bank loan 3 (unsecured)	287,766	390,442
Bank loan 4 (unsecured)	249,996	242,524
Subtotal	<u>972,496</u>	<u>1,025,616</u>
Total	<u><u>4,876,150</u></u>	<u><u>4,855,552</u></u>

The number of monthly repayments and commencing dates are as follows:

	<b>Number of monthly equal instalments</b>	<b>Commencement date</b>
Bank loan 1 (secured)	120	January 2012
Bank loan 2 (secured)	120	April 2018
Bank loan 3 (unsecured)	60	June 2020
Bank loan 4 (unsecured)	60	May 2020

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**23. Loans and borrowings (cont’d)**

**23A. Bank loans**

The interest rates range between 2.00% and 2.28% (30 June 2020: 2.00% and 2.28%) per annum. All borrowings are interest bearing. The carrying amount of the bank loans is a reasonable approximation of fair values (Level 2).

**1. Bank loans 1 and 2 (secured)**

The loans are secured by legal mortgage over the property at 30 Senoko South Road Singapore 758088; and the existing joint and several personal guarantees from certain directors and controlling shareholder of the Group.

**2. Bank loan 3 and 4 (unsecured)**

The loans are covered by existing joint and several personal guarantees from certain directors and controlling shareholder of the Group.

**23B. Bill payables (secured)**

For the financial year ended 30 June 2020, the interest rates range from 2.68% to 3.33% per annum. The bank credit facilities are secured by legal mortgage over the property at 30 Senoko South Road Singapore 758088; and the existing joint and personal guarantee from certain directors and controlling shareholder of the Group.

**24. Lease liabilities**

Lease liabilities are presented in the unaudited condensed consolidated interim statement of financial position as follows:

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
<u>Presented in the unaudited condensed consolidated interim statement of financial position</u>	(Audited)	(Unaudited)
Current	267,487	305,720
Non-current	3,278,070	3,113,780
Total	<u>3,545,557</u>	<u>3,419,500</u>

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

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**24. Lease liabilities (cont’d)**

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liabilities and the right-of-use assets. The right-of-use assets are disclosed in Note 14.

The weighted average incremental borrowing rates applied to lease liabilities recognised ranged from 3.50% to 5.09% (30 June 2020: 3.50% to 5.09%) per annum.

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

	<b>Minimum payments</b>	<b>Finance charges</b>	<b>Present values</b>
	\$	\$	\$
<u>Minimum lease payments payable</u>			
<u>30 June 2020 (audited)</u>			
Not later than 1 year	466,889	(199,402)	267,487
Between 1 and 2 years	1,445,931	(683,586)	762,345
After 5 years	4,415,265	(1,899,540)	2,515,725
Total	<u>6,328,085</u>	<u>(2,782,528)</u>	<u>3,545,557</u>
<u>Minimum lease payments payable</u>			
<u>31 December 2020 (unaudited)</u>			
Not later than 1 year	470,094	(164,374)	305,720
Between 2 and 5 years	1,289,731	(526,946)	762,785
After 5 years	4,355,939	(2,004,944)	2,350,995
Total	<u>6,115,764</u>	<u>(2,696,264)</u>	<u>3,419,500</u>

Included is lease liability amounting to \$53,918 and \$39,206 for the financial year/period ended 30 June 2020 and 31 December 2020 respectively which is covered by existing joint and personal guarantee from certain directors and controlling shareholder of the Group.

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**24. Lease liabilities (cont’d)**

The following are the amounts recognised in profit or loss:

	<b>Six-month period ended 31 December</b>	
	<b>2019</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
	(Unaudited)	(Unaudited)
<u>Lease under SFRS(I) 16</u>		
Depreciation of right-of-use assets:		
– cost of sales	37,034	38,788
– administrative expenses	91,417	116,018
Interest on lease liabilities	84,592	88,439
Fixed rental expense on short-term leases:		
– cost of sales	241	–
– administrative expenses	8,385	8,345
<b>Total</b>	<b>221,669</b>	<b>251,590</b>

**25. Other non-financial liabilities**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
Deferred grant income (Note 25A)	237,831	–
Deferred capital grant (Note 25B)	341,926	280,039
<b>Total</b>	<b>579,757</b>	<b>280,039</b>
<u>Presented in the unaudited condensed consolidated interim statement of financial position</u>		
Current	361,608	123,779
Non-current	218,149	156,260
<b>Total</b>	<b>579,757</b>	<b>280,039</b>

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**25. Other non-financial liabilities (cont’d)**

**25A. Deferred grant income**

The deferred grant income is for the Job Support Scheme (“JSS”). It is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for a specified period. Income from JSS is recognised over the time period to which it relates or amortised on a systematic basis in accordance with payroll period.

**25B. Deferred capital grant**

Deferred capital grants related to government grants received from the acquisition of equipment for operating activities undertaken by the Group. There are no unfulfilled conditions or conditions affected to these grants.

A summary of deferred capital grants movement is as follows:

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
Balance at beginning of the year/period	465,704	341,926
Amortised to profit or loss included in other gains (Note 6)	(123,778)	(61,887)
Balance at end of the year/period	341,926	280,039
<u>Presented in the unaudited condensed consolidated interim statement of financial position</u>		
Current	123,777	123,779
Non-current	218,149	156,260
Total	341,926	280,039

**26. Trade and other payables**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
<u>Trade payables</u>		
Outside parties and accrued liabilities	5,361,481	4,214,852
Subtotal	5,361,481	4,214,852

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**26. Trade and other payables (cont'd)**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
<u>Other payables</u>		
Deposits received	83,250	91,250
Outside parties	152	18,204
Dividend payable to shareholders (Note 3C)	516,992	–
Related party (Note 3C)	–	144,895
Subtotal	600,394	254,349
Total trade and other payables	5,961,875	4,469,201

**27. Operating lease income commitments – as lessor**

At the end of the financial year, the total of undiscounted lease amounts to be received on an annual basis on the operating lease let out is not significant.

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Rental income for the year/period	220,296	92,500

Operating lease income is for the rental of vehicles. The lease to the outside party tenant is on yearly basis with no commitment terms.

**28. Capital commitments**

Estimated amounts committed at the end of the financial period for future capital expenditure but not recognised in the unaudited condensed consolidated interim financial statements are as follows:

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$ (Audited)</b>	<b>\$ (Unaudited)</b>
Commitments to purchase plant and equipment		
– commitments to purchase plant and equipment <sup>(a)</sup>	107,282	–

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**28. Capital commitments (cont’d)**

	<b>30 June 2020</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
	(Audited)	(Unaudited)
Commitments to purchase plant and equipment (cont’d)		
– investment in a joint venture <sup>(b)</sup>	450,000	250,000

<sup>(a)</sup> Also see Note 19.

<sup>(b)</sup> On 22 July 2020, the shareholders of the joint venture, Delta Bridge Pte. Ltd. (“Delta Bridge”) agreed to make available an unsecured and interest-free advance amounting to \$450,000 each to Delta Bridge in proportion to their respectively shareholdings. The shareholders intend to capitalise the advance into additional equity in Delta Bridge at a later date.

During the financial period ended 31 December 2020, the Group advanced \$200,000 to Delta Bridge (Note 18).

**29. Events after the end of the financial period**

- (a) On 4 March 2021, the Company declared an interim tax-exempt dividends of an aggregate of \$1,004,441 to the then existing shareholders, name Mr Ong Bee Chip, Mdm Ong Chew Yong and Mr Ong Bee Song and which was fully paid on 11 March 2021;
- (b) On 5 April 2021, the Group incorporated a wholly-owned subsidiary, GB Global (Philippines) Corporation (“GB Philippines”). The total number of issued ordinary shares of GB Philippines is 100,000 ordinary shares of Peso 100 each. Due to local requirements in the Philippines, two (2) of the ordinary shares are held by two (2) individuals as nominees for the Group and the remaining 99,998 ordinary shares are directly held by the Group; and
- (c) On 1 June 2021, the Company undertook a share split whereby the Company subdivided its issued and paid-up capital of 14,771,188 shares into 178,652,173 shares.

**30. Changes and adoption of financial reporting standards**

On 1 July 2020, the Group adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior periods.



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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**31. New or amended standards in issue but not yet effective**

For the future financial years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future financial years. None of these are applicable to the Group based on the Group’s current operations.

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020  
AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2020**

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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

(Registration No: 201505559W)

**Unaudited pro forma consolidated interim financial information**

For the Financial Year Ended 30 June 2020 and Six-Month Period Ended 31 December 2020

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020  
AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2020**

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**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED  
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR  
ENDED 30 JUNE 2020 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2020**

The Board of Directors  
OTS Holdings Limited  
30 Senoko South Road  
Singapore 758088

**Report on the compilation of unaudited pro forma consolidated financial information**

We have completed our assurance engagement to report on the compilation of unaudited pro forma consolidated financial information of OTS Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) prepared by management. The unaudited pro forma consolidated financial information of the Group consists of the pro forma consolidated statements of financial position as at 30 June 2020 and 31 December 2020 and pro forma consolidated statement of cash flows for the financial year ended 30 June 2020 and six-month period ended 31 December 2020 and related notes as set out on pages C-5 to C-13 of the Offer Document issued by the Company. The applicable criteria on the basis of which management has compiled the unaudited pro forma consolidated financial information are described in Note 3.

The unaudited pro forma consolidated financial information has been compiled by the management to illustrate the impact of the Significant Event set out in explanatory Note 2 on:

- (i) the unaudited pro forma consolidated financial position of the Group as at 30 June 2020 and 31 December 2020 as if the Significant Event had occurred on 30 June 2020 and 31 December 2020; and
- (ii) the unaudited pro forma consolidated cash flows of the Group for the year/period ended 30 June 2020 and 31 December 2020 as if the Significant Event had occurred on 1 July 2019 and 1 July 2020.

The pro forma adjustments do not have any material effect on the consolidated financial performance of the Group for the financial year ended 30 June 2020 and six-month period ended 31 December 2020. Accordingly, the unaudited pro forma consolidated statements of profit or loss and other comprehensive income for the financial year ended 30 June 2020 and six-month period ended 31 December 2020 have not been presented.

As part of this process, information about the Group’s financial position and cash flows have been extracted by management from the Group’s audited consolidated financial statement for the financial year ended 30 June 2020 and the unaudited condensed consolidated interim financial statements for the six-month period ended 31 December 2020, on which the audit and review reports have been published respectively.

**Management’s responsibility for the unaudited pro forma consolidated financial information**

Management is responsible for compiling the unaudited pro forma consolidated financial information on the basis as described in Note 3.

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED  
FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020  
AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2020**

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**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED  
PRO FORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR  
ENDED 30 JUNE 2020 AND SIX-MONTH PERIOD ENDED 31 DECEMBER 2020**

**Our independence and quality control**

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Auditor’s responsibilities**

Our responsibility is to express an opinion about whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus (“SSAE 3420”), issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma consolidated financial information of the Group on the basis of the applicable criteria as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma consolidated financial information.

The purpose of the unaudited pro forma consolidated financial information included in the Offer Document is solely to illustrate the impact of a Significant Event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma consolidated financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the management in the compilation of the unaudited pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED  
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**Auditor’s responsibilities (cont’d)**

- (i) the related pro forma adjustments give appropriate effect to those criteria; and
- (ii) the unaudited pro forma consolidated financial information of the Group reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor’s judgement, having regard to the auditor’s understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma consolidated financial information of the Group.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the unaudited pro forma consolidated financial information has been compiled:
  - (i) in a manner consistent with the accounting policies adopted by the Group in its latest audited consolidated financial statement for the financial year ended 30 June 2020, which are in accordance with Singapore Financial Reporting Standards (International);
  - (ii) on the basis of the applicable criteria stated in Note 3 of the unaudited pro forma consolidated financial information of the Group; and
- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma consolidated financial information is appropriate for the purpose of preparing such unaudited pro forma financial information.

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED  
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**Restriction of use and distribution**

This report is made solely for inclusion in the Offer Document of the Company to be issued in relation to the proposed offering of the shares of OTS Holdings Limited on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited and for no other purposes.

The engagement partner on the compilation resulting in this independent auditor’s assurance report is Pang Hui Ting.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

8 June 2021

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Unaudited Pro Forma Consolidated Statement of Financial Position  
As At 30 June 2020**

	Audited consolidated statement of financial position	Unaudited pro forma adjustment	Unaudited pro forma consolidated statement of financial position
	\$	\$	\$
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	11,099,987	–	11,099,987
Right-of-use assets	3,395,226	–	3,395,226
Intangible assets	12	–	12
Investment in joint venture	425,494	–	425,494
Other non-financial assets	50,718	–	50,718
<b>Total non-current assets</b>	<b>14,971,437</b>	<b>–</b>	<b>14,971,437</b>
<b><u>Current assets</u></b>			
Inventories	9,954,410	–	9,954,410
Trade and other receivables	6,041,270	–	6,041,270
Other non-financial assets	283,514	–	283,514
Cash and cash equivalents	5,044,355	(1,004,441)	4,039,914
<b>Total current assets</b>	<b>21,323,549</b>	<b>(1,004,441)</b>	<b>20,319,108</b>
<b>Total assets</b>	<b>36,294,986</b>	<b>(1,004,441)</b>	<b>35,290,545</b>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share capital	14,771,188	–	14,771,188
Retained earnings	5,226,416	(1,004,441)	4,221,975
Foreign currency reserve	(13,129)	–	(13,129)
<b>Equity, attributable to equity holders of the Company, total</b>	<b>19,984,475</b>	<b>(1,004,441)</b>	<b>18,980,034</b>
<b><u>Non-current liabilities</u></b>			
Deferred tax liabilities	240,676	–	240,676
Provision	588,000	–	588,000
Loans and borrowings	3,903,654	–	3,903,654
Lease liabilities	3,278,070	–	3,278,070
Other non-financial liabilities	218,149	–	218,149
<b>Total non-current liabilities</b>	<b>8,228,549</b>	<b>–</b>	<b>8,228,549</b>
<b><u>Current liabilities</u></b>			
Income tax payable	139,236	–	139,236
Trade and other payables	5,961,875	–	5,961,875
Loans and borrowings	1,351,756	–	1,351,756
Lease liabilities	267,487	–	267,487
Other non-financial liabilities	361,608	–	361,608
<b>Total current liabilities</b>	<b>8,081,962</b>	<b>–</b>	<b>8,081,962</b>
<b>Total liabilities</b>	<b>16,310,511</b>	<b>–</b>	<b>16,310,511</b>
<b>Total equity and liabilities</b>	<b>36,294,986</b>	<b>(1,004,441)</b>	<b>35,290,545</b>

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Unaudited Pro Forma Condensed Consolidated Interim Statement of Financial Position  
As At 31 December 2020**

	Unaudited condensed consolidated interim statement of financial position	Unaudited pro forma adjustment	Unaudited pro forma condensed consolidated interim statement of financial position
	\$	\$	\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11,258,166	–	11,258,166
Right-of-use assets	3,263,517	–	3,263,517
Intangible assets	12	–	12
Investment in joint venture	359,319	–	359,319
<b>Total non-current assets</b>	<b>14,881,014</b>	<b>–</b>	<b>14,881,014</b>
<b>Current assets</b>			
Inventories	9,166,640	–	9,166,640
Trade and other receivables	7,619,033	–	7,619,033
Other non-financial assets	781,573	–	781,573
Cash and cash equivalents	4,935,918	(1,004,441)	3,931,477
<b>Total current assets</b>	<b>22,503,164</b>	<b>(1,004,441)</b>	<b>21,498,723</b>
<b>Total assets</b>	<b>37,384,178</b>	<b>(1,004,441)</b>	<b>36,379,737</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14,771,188	–	14,771,188
Retained earnings	8,103,582	(1,004,441)	7,099,141
Foreign currency reserve	(5,222)	–	(5,222)
<b>Equity, attributable to equity holders of the Company, total</b>	<b>22,869,548</b>	<b>(1,004,441)</b>	<b>21,865,107</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	298,409	–	298,409
Provision	588,000	–	588,000
Loans and borrowings	3,829,936	–	3,829,936
Lease liabilities	3,113,780	–	3,113,780
Other non-financial liabilities	156,260	–	156,260
<b>Total non-current liabilities</b>	<b>7,986,385</b>	<b>–</b>	<b>7,986,385</b>
<b>Current liabilities</b>			
Income tax payable	603,929	–	603,929
Trade and other payables	4,469,201	–	4,469,201
Loans and borrowings	1,025,616	–	1,025,616
Lease liabilities	305,720	–	305,720
Other non-financial liabilities	123,779	–	123,779
<b>Total current liabilities</b>	<b>6,528,245</b>	<b>–</b>	<b>6,528,245</b>
<b>Total liabilities</b>	<b>14,514,630</b>	<b>–</b>	<b>14,514,630</b>
<b>Total equity and liabilities</b>	<b>37,384,178</b>	<b>(1,004,441)</b>	<b>36,379,737</b>



**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Unaudited Pro Forma Consolidated Statement of Cash Flows  
Year Ended 30 June 2020**

	Audited consolidated statement of cash flows	Unaudited pro forma adjustment	Unaudited pro forma consolidated statement of cash flows
	\$	\$	\$
<b><u>Cash flows from operating activities</u></b>			
Profit before tax	4,390,678	–	4,390,678
Adjustments for:			
Amortisation of deferred capital grants	(123,778)	–	(123,778)
Depreciation of property, plant and equipment	1,045,116	–	1,045,116
Depreciation of right-of-use assets	286,276	–	286,276
Interest expense	261,304	–	261,304
Interest income	(6,886)	–	(6,886)
Gain on disposal of plant and equipment	(78,618)	–	(78,618)
Plant and equipment written off	1,461	–	1,461
Share of loss from joint venture	72,888	–	72,888
Net effect of exchange rate changes in consolidating subsidiaries	(3,563)	–	(3,563)
Operating cash flows before changes in working capital	5,844,878	–	5,844,878
Inventories	(5,276,042)	–	(5,276,042)
Trade and other receivables	(1,768,900)	–	(1,768,900)
Other non-financial assets, current	159,678	–	159,678
Trade and other payables	2,817,795	–	2,817,795
Net cash flows from operations before tax	1,777,409	–	1,777,409
Income taxes refunded	7,724	–	7,724
Net cash flows from operating activities	1,785,133	–	1,785,133
<b><u>Cash flows from investing activities</u></b>			
Purchase of plant and equipment	(476,268)	–	(476,268)
Disposals of plant and equipment	94,414	–	94,414
Other non-financial assets, non-current	(50,718)	–	(50,718)
Investment in joint venture	(499,999)	–	(499,999)
Interest received	6,886	–	6,886
Net cash flows used in investing activities	(925,685)	–	(925,685)

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Unaudited Pro Forma Consolidated Statement of Cash Flows (Cont’d)  
Year Ended 30 June 2020**

	<b>Audited consolidated statement of cash flows</b>	<b>Unaudited pro forma adjustment</b>	<b>Unaudited pro forma consolidated statement of cash flows</b>
	\$	\$	\$
<b><u>Cash flows from financing activities</u></b>			
Dividend paid to equity owners	–	(1,004,441)	(1,004,441)
Increase in new loans and borrowings	2,750,000	–	2,750,000
Repayment of loans and borrowings	(452,263)	–	(452,263)
Increase in other non-financial liabilities	27,121	–	27,121
Lease payments – principal and interest portion paid	(535,253)	–	(535,253)
Net movements in amount due to related party	(1)	–	(1)
Interest paid	(87,406)	–	(87,406)
Net cash flows from financing activities	1,702,198	(1,004,441)	697,757
<b>Net increase in cash and cash equivalents</b>	2,561,646	(1,004,441)	1,557,205
Cash and cash equivalents at beginning of year	2,482,709	–	2,482,709
<b>Cash and cash equivalents at end of year</b>	5,044,355	(1,004,441)	4,039,914

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Unaudited Pro Forma Condensed Consolidated Interim Statement of Cash Flows  
For The Six-Month Period Ended 31 December 2020**

	Unaudited consolidated statement of cash flows	Unaudited pro forma adjustment	Unaudited pro forma consolidated statement of cash flows
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Profit before tax	3,527,495	–	3,527,495
Adjustments for:			
Amortisation of deferred capital grants	(61,887)	–	(61,887)
Depreciation of property, plant and equipment	490,808	–	490,808
Depreciation of right-of-use assets	154,806	–	154,806
Interest expense	147,885	–	147,885
Interest income	(2,974)	–	(2,974)
Plant and equipment written off	3,528	–	3,528
Share of loss from joint venture	63,328	–	63,328
Net effect of exchange rate changes in consolidating subsidiaries	7,743	–	7,743
Operating cash flows before changes in working capital	4,330,732	–	4,330,732
Inventories	787,770	–	787,770
Trade and other receivables	(1,615,594)	–	(1,615,594)
Other non-financial assets, current	(447,730)	–	(447,730)
Trade and other payables	(1,120,577)	–	(1,120,577)
Net cash flows from operations before tax	1,934,601	–	1,934,601
Income taxes paid	(127,514)	–	(127,514)
Net cash flows from operating activities	1,807,087	–	1,807,087
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	(650,276)	–	(650,276)
Net movements in amount due from joint venture	(200,000)	–	(200,000)
Interest received	2,974	–	2,974
Net cash flows used in investing activities	(847,302)	–	(847,302)

**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Unaudited Pro Forma Condensed Consolidated Interim Statement of Cash Flows (Cont’d)  
For The Six-Month Period Ended 31 December 2020**

	<b>Unaudited consolidated statement of cash flows</b>	<b>Unaudited pro forma adjustment</b>	<b>Unaudited pro forma consolidated statement of cash flows</b>
	\$	\$	\$
<b><u>Cash flows from financing activities</u></b>			
Dividend paid to equity owners	(516,992)	(1,004,441)	(1,521,433)
Increase in new loans and borrowings	500,000	–	500,000
Repayment of loans and borrowings	(899,858)	–	(899,858)
Lease payments – principal and interest portion paid	(236,821)	–	(236,821)
Net movements in amount due to related party	144,895	–	144,895
Interest paid	(59,446)	–	(59,446)
Net cash flows used in financing activities	(1,068,222)	(1,004,441)	(2,072,663)
<b>Net decrease in cash and cash equivalents</b>	(108,437)	(1,004,441)	(1,112,878)
Cash and cash equivalents at beginning of period	5,044,355	–	5,044,355
<b>Cash and cash equivalents at end of period</b>	4,935,918	(1,004,441)	3,931,477

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the unaudited pro forma consolidated financial information for the financial year ended 30 June 2020 and six-month period ended 31 December 2020**

**1. Corporate information**

OTS Holdings Pte. Ltd. (the “Company”) was incorporated on 3 March 2015 under the Companies Act as a private limited company domiciled in Singapore. On 1 June 2021, the Company was converted to a public company limited by shares and changed its name to OTS Holdings Limited.

The registered office and principal place of business of the Company is located at 30 Senoko South Road Singapore 758088.

The principal activity of the Company is those of an investment holding.

**2. Significant Event and pro forma adjustment**

Declaration of interim tax-exempt dividends

Save for the following significant event discussed, the directors, as at the date of this report, are not aware of any other significant event subsequent to 31 December 2020.

On 4 March 2021, OTS Holdings Pte. Ltd., declared an interim tax-exempt dividends of \$0.068 per ordinary share of the Company totalling \$1,004,441 in respect of the financial year ending 30 June 2021 and which was fully paid on 11 March 2021.

For the purpose of preparation of the unaudited pro forma consolidated statement of financial position of the Group as at 30 June 2020 and 31 December 2020, interim dividends declared by the Company are assumed to have been declared and paid on 30 June 2020 and 31 December 2020 respectively. Accordingly, the balances showing cash and cash equivalents decreased by \$1,004,441, dividends paid increased by \$1,004,441 and retained profits decreased by \$1,004,441 as at 30 June 2020 and 31 December 2020.

For the purpose of preparation of the unaudited pro forma consolidated statement of cash flows of the Group for the financial year ended 30 June 2020 and the six-month period ended 31 December 2020, interim dividends amounting to \$1,004,441 declared by the Company are assumed to have been declared and paid on 30 June 2020 and 31 December 2020 respectively. Accordingly, the balances showing the cash and cash equivalents as at 30 June 2020 and 31 December 2020 decreased by \$1,004,441.

**3. Basis of preparation of the unaudited pro forma consolidated financial information**

- 3.1 The unaudited pro forma consolidated financial information of the Group is expressed in Singapore dollar (“\$”).

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the unaudited pro forma consolidated financial information for the financial year ended 30 June 2020 and six-month period ended 31 December 2020 (cont’d)**

**3. Basis of preparation of the unaudited pro forma consolidated financial information (cont’d)**

3.2 The unaudited pro forma consolidated financial information of the Group for the financial year ended 30 June 2020 and six-month period ended 31 December 2020 have been compiled based on:

- (a) the audited consolidated financial statements of the Group for the financial year ended 30 June 2020, which were prepared by management in accordance with the Singapore Financial Reporting Standards (International), and were audited by RSM Chio Lim LLP, in accordance with Singapore Standards on Auditing. The independent auditor’s report relating to the aforementioned audited consolidated financial statements was not subject to any qualification; and
- (b) the unaudited condensed consolidated interim financial statements of the Group for the six-month period ended 31 December 2020, which were prepared by management in accordance with Singapore Financial Reporting Standard (International) 1-34, Interim Financial Reporting (“SFRS(I) 1-34”) and reviewed by RSM Chio Lim LLP, Singapore in accordance with Singapore Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. The auditor’s review report on these condensed consolidated interim financial statements was not subject to any qualification.

3.3 The unaudited pro forma consolidated financial information of the Group for the financial year ended 30 June 2020 and for the six-month period ended 31 December 2020 are prepared for illustrative purposes only. These are prepared based on certain assumptions and after making certain adjustments to show that:

- (a) the unaudited pro forma consolidated statement of financial position of the Group as at 30 June 2020 and 31 December 2020 would have been if the declaration and payment of interim dividends as described in Note 2 had taken place on that date; and
- (b) the unaudited pro forma consolidated statement of cash flows of the Group for the financial year/period ended 30 June 2020 and 31 December 2020 as if the Significant Event had occurred on 1 July 2019 and 1 July 2020 respectively.

The unaudited pro forma consolidated financial information of the Group, because of its nature, is not necessarily indicative of the cash flow and financial position or the related effects that would have been attained had the Significant Event actually occurred earlier. Save as disclosed in Note 2, the management, for the purpose of preparing this set of unaudited pro forma consolidated financial information of the Group, has not considered the effects of other events.

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**APPENDIX C – INDEPENDENT AUDITOR’S ASSURANCE REPORT  
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**OTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the unaudited pro forma consolidated financial information for the financial year ended 30 June 2020 and six-month period ended 31 December 2020 (cont’d)**

**4. Significant accounting policies**

The unaudited pro forma consolidated financial information of the Group has been prepared using the same accounting policies and methods of computation as disclosed in Note 2 in the preparation of the audited consolidated financial statements of the Group for the financial year ended 30 June 2020.

The unaudited pro forma consolidated financial information of the Group has been prepared for inclusion in the Offer Document in connection with the offering of the shares of the Company on the Catalist and should be read in conjunction with the audited consolidated financial statements of the Group for the financial years ended 30 June 2018, 2019 and 2020 as set out in Appendix A of the Offer Document and the unaudited condensed consolidated interim financial statements for the six-month period ended 31 December 2020 as set out in Appendix B of the Offer Document.

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## APPENDIX D – SUMMARY OF OUR CONSTITUTION

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The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution. Where portions of our Constitution are reproduced below, defined terms bear the meanings ascribed to them in our Constitution. Our Constitution is a document available for inspection.

### SUMMARY OF OUR CONSTITUTION

#### 1. Directors

##### (a) Ability of interested Directors to vote

A Director shall not vote in regard to any contract or proposed contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly, and shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

##### (b) Remuneration

The ordinary remuneration of our non-executive Directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. The ordinary remuneration of our Directors shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting and shall (unless such resolution otherwise provides) be divisible among our Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of our Directors are outside the scope of the ordinary duties of a Director, may be paid extra remuneration by way of salary, commission or otherwise as the Directors may determine, provided that such extra remuneration shall not be by way of commission on or a percentage of turnover.

The remuneration of a Chief Executive Officer or Managing Director shall from time to time be fixed by our Directors and may, subject to our Constitution, be by way of salary or commission or participation in profits or any or all of these modes but shall not under any circumstances be by a commission on or a percentage of turnover.

Our Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director for the time being holding any executive office and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.



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## APPENDIX D – SUMMARY OF OUR CONSTITUTION

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### **(c) Borrowing**

Subject to the provisions of the Statutes, our Directors may exercise all the powers of our Company to borrow money, to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

### **(d) Retirement or non-retirement of a Director under an age limit requirement**

There is no specific provision in our Constitution relating to the retirement or non-retirement of a Director under an age limit requirement.

### **(e) Shareholding qualification of a Director**

There is no shareholding qualification for Directors in our Constitution.

## **2. Share rights and restrictions**

We currently have one class of shares, namely, ordinary shares. Only persons who are registered in our register of members are recognised as our Shareholders. In cases where the person so registered is the Depository, the Depositors on behalf of whom the Depository holds the shares are recognised as our Shareholders.

### **(a) Dividends and distribution**

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. We must pay all dividends out of profits available for distribution. Our Directors may (i) capitalise and apply the amount standing to the credit of any of our Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as our Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the relevant ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the relevant ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the relevant ordinary shares on such basis.

Subject to any rights or restrictions attached to any shares or class of shares, all dividends in respect of shares must be paid in proportion to the number of shares held by a Shareholder, but where shares are partly paid, all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares and all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each Shareholder at his registered address. Notwithstanding the foregoing, the payment by our Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made to the Depository, discharge our Company from any liability to the Depositor in respect of that payment.

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## APPENDIX D – SUMMARY OF OUR CONSTITUTION

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The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a Share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends remaining unclaimed after one (1) year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of our Company, and any dividend or any such monies unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to our Company, provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or monies to our Company, the relevant Depositor shall not have any right or claim in respect of such dividend or monies against our Company if a period of six (6) years has elapsed from the date of the declaration of such dividend or the date on which such other monies are first payable.

The Directors may retain any dividend or other monies payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

### **(b) Voting rights**

A holder of our ordinary shares is entitled to attend and vote at any general meeting, in person or by proxy. A proxy need not be a Shareholder of our Company. A Depositor shall only be entitled to attend any general meeting and to speak and vote thereat if his name appears on the Depository Register maintained by the Depository 72 hours before the general meeting as a Depositor on whose behalf the Depository holds shares in our Company. Except as otherwise provided in our Constitution, two (2) or more Shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every Shareholder present in person and by proxy shall have one vote, and on a poll, every Shareholder present in person or by proxy shall have one vote for each ordinary share which he holds or represents. A poll may be demanded in certain circumstances, including by the Chairman of the meeting or by any Shareholder present in person or by proxy and representing not less than 5.0% of the total voting rights of all Shareholders having the right to attend and vote at the meeting or by any two (2) Shareholders present in person or by proxy and entitled to vote. In the case of a tie vote, whether on a show of hands or a poll, the Chairman of the meeting shall be entitled to a casting vote.

### **3. Change in capital**

Changes in the capital structure of our Company (for example, consolidation, cancellation, sub-division or conversion of our Company's share capital) require Shareholders to pass an ordinary resolution, except for conversion of one class of shares to another class of shares which requires Shareholders to pass a special resolution.

General meetings at which ordinary resolutions are proposed to be passed shall be called by at least 14 days' notice in writing (excluding the date of notice and the date of meeting), and general meetings at which a special resolution is proposed to be passed shall be called by at least 21 days' notice in writing (excluding the date of notice and the date of meeting).

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## APPENDIX D – SUMMARY OF OUR CONSTITUTION

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The notice may be served on or delivered to any Shareholder by our Company either personally or by sending it through the post in a prepaid cover addressed to such Shareholder at his Singapore registered address appearing in the register of members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to our Company, or (as the case may be) to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid or by electronic communication in such manner as may be prescribed by any other Regulations.

The notice must specify the place, day and hour of the meeting. The reduction of our Company's share capital or any other undistributable reserve in any manner is subject to the conditions prescribed by law.

#### **4. Variation of rights of existing shares or classes of shares**

Whenever the share capital of our Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Companies Act, only be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst our Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting, all the provisions of our Constitution relating to general meetings of our Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two (2) or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy and that any holder of shares of the class present in person or by proxy may demand a poll, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two (2) months of such general meeting, shall be as valid and effectual as a special resolution carried at such general meeting.

The relevant provision of the Constitution does not impose more significant conditions than the Companies Act in this regard.

#### **5. Limitations on foreign or non-resident shareholders**

There are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or exercise voting rights on their shares.

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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The following is a summary of the main laws and regulations of Singapore that are relevant to our business as at the Latest Practicable Date. For more information on the licences and permits that our Group has obtained, please see the section “General Information on our Group – Licences, Permits and Government Regulations” of this Offer Document.

### 1. Sale of Food Act, Chapter 283 of Singapore

#### *Licence to Operate a Food Establishment*

Under the SoF Act, a person must not carry on a non-retail food business except in accordance with a licence (“**Licence to Operate a Food Establishment**”) from the Director-General, Food Administration (“**DGFA**”).

A “non-retail food business” means a food business that is not a retail food establishment or a catering establishment and not a primary food production business, but includes a food business a component of which is a business, an undertaking or activity carried out for the purpose of a retail food establishment or a catering establishment. Without limiting the above definition, a non-retail food business includes, among others:

- a factory, plant or other premises where meat products or fish products are processed for sale to wholesalers or retail food businesses, or for export;
- the manufacturing, preparing or packing of chilled, frozen and shelf-stable meals, condiments or prepared foods for sale to wholesalers or retail food businesses, or for export; and
- the manufacturing, preparing (including by cutting, mincing, boning, drying, smoking or fermentation after slaughter or harvesting) or packing of meat, poultry or fish products for the purpose of sale to wholesalers or retail food businesses, or for export.

A “food business” means a business, undertaking or activity that involves (in whole or part) the handling of food intended for sale, the sale of food, or primary food production, regardless of whether it is of a commercial, charitable or community nature, or whether it involves the handling or sale of food on one occasion only, and whether part of a non-retail food business or a retail food business.

Under the SoF Act, the DGFA may require any licensee, his employees or his assistants to submit to medical examination and/or immunisation against any infectious disease, and any person found or suspected to be suffering from or carrying an infectious disease may be required to undergo treatment. The DGFA has the discretion to revoke or suspend any licence if (among other things) the licensee is suffering from an infectious disease or knowingly employs a person who is or is suspected to be suffering from an infectious disease.

The Sale of Food (Non-Retail Food Business) Regulations (“**SF Regulations**”) (which were promulgated under the SoF Act) requires a licensee holding a Licence to Operate a Food Establishment to exhibit such licence in a conspicuous position within the licensed food establishment. A licensee must ensure that no alteration or change is made to the buildings or premises of his licensed food establishment unless the plans of the alteration or change have been approved by the DGFA or an authorised officer before the commencement of such alteration or change. The SF Regulations also requires that licensees adhere to certain requirements in relation to (among others) storage and packing of food, transportation of

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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food, proper maintenance of the licensed food establishment, and personal cleanliness of persons engaged in the preparation of food.

The Food Regulations (which were promulgated under the Sale of Food Act) provide that before any prepacked food can be imported, advertised, manufactured, sold, consigned or delivered, it must bear a label containing all the particulars required under the Food Regulations. Such label must be marked on or securely attached in a prominent and conspicuous position to the package, containing clear and legible particulars, statements, information and words in the English language as required by the SoF Act and the Food Regulations.

The label must set out the following, among others:

- the common name, or where a suitable common name is unavailable, a description sufficient to indicate the true nature of the food;
- the appropriate designation of each ingredient for foods containing two (2) or more ingredients to be specified in descending order of the proportions by weight in which they are present (unless the quantity or proportion of each ingredient is specified);
- the net quantity of food in the wrapper or container;
- the name and address of the manufacturer, packer or local vendor for foods of local origin, and the name and address of the local importer, distributor or agent and the name of the country of origin of the food for imported foods;
- foods and ingredients in the food that are known to cause hypersensitivity; and
- such other particulars that are set out in the Food Regulations for specific types of foods.

### *Grading of Food Establishments*

The Singapore Food Agency conducts annual on-site audit assessments on licensed local food establishments to determine their grading status.

All licensed food establishments in Singapore are categorised into four (4) grades: A (Excellent), B (Good), C (Average) and D (Pass), based on their food hygiene and food safety standards. Each food establishment is graded annually prior to the expiry of its licence. Based on the Singapore Food Agency website, the areas of audit assessment of food establishments cover premises (general cleanliness and housekeeping), food storage, food processing equipment and facilities, pest control program, food handling and staff facilities, product identification and traceability, dispatch and transport, product inspection and lab testing, foreign body control, rework, management of allergen, implementation of quality control programs, staff competency and food hygiene training, documentation and records and violation records.

As at the Latest Practicable Date, each of Golden Bridge and Ellaziq Singapore holds a Licence to Operate a Food Establishment which is valid until 31 August 2021 and 28 February 2022 respectively, and has the 'A' grade under the Singapore Food Agency grading system for certain types of processing such as retort canning, sausage and ham processing.

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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### *Registration to Import Processed Food and Food Appliances*

The import of processed food products and food appliances is regulated by the Singapore Food Agency. Any person who imports processed food and food appliances is required to register with the Singapore Food Agency to obtain a registration to import processed food products and food appliances.

Based on the Singapore Food Agency website, processed food refers to all food products and supplements of food nature that are not grouped as meat products, fish products or fresh fruits and fresh vegetables, and food appliances refer to any item that is meant to come into contact with food and beverages and does not require electricity to function.

As at the Latest Practicable Date, each of Golden Bridge and Ellaziq Singapore has been registered to import processed food products and food appliances, and such registration is valid until 30 September 2021 and 28 February 2022, respectively.

## **2. Wholesome Meat and Fish Act, Chapter 349A of Singapore (“WMF Act”)**

### *Licence to operate a processing establishment or a cold store*

Under the WMF Act, no person shall use any premises or permit any premises to be used as a processing establishment or a cold store for meat products or fish products except under and in accordance with the conditions of a licence granted by the DGFA.

A “processing establishment” means any factory, plant or other premises where meat products or fish products are processed for distribution to wholesalers or retailers or for export. A “cold store” means any chiller, freezer, cold room or other refrigerated facility used for the storage of meat products or fish products and includes any refrigerated conveyance used for transportation of meat products or fish products in the course of any trade or business.

Under the Wholesome Meat and Fish (Processing Establishments and Cold Stores) Rules (which were promulgated under the WMF Act), a licensee is required to exhibit his licence in a conspicuous position in the processing establishment or cold store in respect of which the licence has been granted. A licensee must ensure that no alteration or change is made to the buildings or premises of his licensed processing establishment or cold store unless plans of the alteration or change have been submitted to and approved by the DGFA or an authorised officer.

Further, no licensee shall employ or permit any person to work in his licensed processing establishment or cold store if he knows or has reasonable grounds for suspecting that such person is suffering from or is a carrier of any disease or other condition or is afflicted with any infected wound or sore, that is likely to contaminate any meat product or fish product in the processing establishment or cold store or infect any other person employed therein.

A licensee must cause every person employed in his licensed processing establishment or cold store to be examined by a medical practitioner at the time of his appointment and at least once a year thereafter and obtain from the medical practitioner a certificate of fitness in respect of every such person who is found fit by the medical practitioner to be employed at the processing establishment or cold store. Such certificate of fitness of every person employed at the licensed processing establishment or cold store must be kept at the processing establishment or cold store, and be readily available for inspection by the DGFA or an authorised officer when so required. The DGFA or an authorised officer may, from time to time, require a licensee to subject the persons employed by him in his licensed processing establishment or cold store to such additional medical examinations or such other medical tests or vaccinations as the DGFA or authorised officer thinks necessary.



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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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### *Import, Export and Transshipment Licence*

Under the WMF Act, no person shall import, export or tranship any meat product or fish product except under and in accordance with the conditions of a licence (“**Import, Export and Transshipment Licence**”) granted by the DGFA.

In addition, an Import, Export and Transshipment Licence holder must obtain additional permits from the DGFA to (among other things) import any consignment of meat or fish products for sale, supply or distribution in Singapore, export any consignment of meat or fish products from Singapore to any country, territory or place or tranship any consignment of meat or fish products in Singapore.

For the import and export of meat and fish products, the whole consignment must, among other requirements, conform to the description contained in the permit obtained and be packaged and labelled in the prescribed manner.

Under the Wholesome Meat and Fish (Import, Export and Transshipment) Rules (“**Import, Export and Transshipment Rules**”) (promulgated under the WMF Act), every basic packaging unit, and every carton containing one or more of such basic packaging units, of meat or fish products are required to be labelled in accordance with the Import, Export and Transshipment Rules. In addition, any consignment of meat or fish products imported into Singapore is subject to examination in accordance with the procedures under the Import, Export and Transshipment Rules.

As at the Latest Practicable Date, each of Golden Bridge and Ellaziq Singapore holds an Import, Export and Transshipment Licence which is valid until 30 April 2022 and 30 September 2021, respectively.

### **3. Administration of Muslim Law Act, Chapter 3 of Singapore (“AML Act”)**

The AML Act provides for the grant of halal certificates in relation to any product, service or activity and the regulation of the holders of such certificates to ensure that the requirements of Muslim law are complied with in the production, processing, marketing or display of that product, the provision of that service or the carrying out of that activity.

A “halal certificate” is defined in the AML Act to mean, in relation to any product, service or activity, a certificate to the effect that the requirements of Muslim law are complied with in the production, processing, marketing, display or carrying out, as the case may be, of that product, service or activity. The relevant regulatory body that issues halal certificates is Majlis Ugama Islam Singapura (MUIS), also known as the Islamic Religious Council of Singapore, which is constituted under the AML Act.

Based on the Halal Certification Conditions in respect of the Product/Whole Plant Scheme issued by MUIS effective from 1 December 2017 (“**Halal Certification Conditions**”), a halal certificate may be issued in respect of specified products that are manufactured or partly processed/packed in Singapore or manufacturing facility (including all products manufactured in it) in Singapore. An applicant will have to undergo an assessment process that includes, among other things, a site audit by MUIS before a halal certificate is issued. The holder of a halal certificate is required to comply with the Halal Certification Conditions. The halal certificate may be suspended or revoked by MUIS in the event of, among other things, breach of the Halal Certification Conditions.

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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The holder of a halal certificate is permitted to use the MUIS halal certification mark on the certified products in accordance with the Halal Certification Conditions. The display of the MUIS halal certification mark on the products will signify that the products are halal certified and therefore permitted for Muslim consumption.

As at the Latest Practicable Date, Ellaziq Singapore has obtained halal certification under the Product Scheme in respect of specified products (please refer to the section “General Information on our Group – Certifications, Accreditations and Awards” of this Offer Document for further details).

#### 4. Workplace Safety and Health Act, Chapter 354A of Singapore (“WSH Act”)

##### *General duties*

Under the WSH Act, every employer has the duty to take, so far as is reasonably practicable, measures that are necessary to ensure the safety and health of his employees at work, as well as persons who may be affected by any undertaking carried on by him in the workplace. The measures necessary to ensure the safety and health of persons at work include:

- providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work;
- ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons;
- ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace, or near their workplace and under the control of the employer;
- developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and
- ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

In addition, a person who erects, installs or modifies any machinery or equipment for use at work must ensure, so far as is reasonably practicable, that the machinery or equipment is erected, installed or modified in such a manner that it is safe, and without risk to health, when properly used.

A “workplace” means any premises where a person is at work or is to work, for the time being works, or customarily works, and includes a factory. A “factory” means any premises specified in the Fourth Schedule of the WSH Act and within which persons are employed in processes such as the handling, sorting, packing, storing, altering, repairing, construction, processing or manufacturing of any goods or product, the handling, sorting, packing, storing, processing, manufacturing or use of any hazardous substances, the repair, construction or manufacturing of any vessel or vehicle, any building operation or work of engineering construction, and the operation or maintenance of any facility or system related to the provision of any public utility. Under the Fourth Schedule of the WSH Act, workplaces specified as factories include, among others, any premises using an assembly-line manufacturing process in connection with the manufacturing, for the purposes of trade or gain, of any goods or products using mechanical power, not being a restaurant or kitchen.



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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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The Commissioner for Workplace Safety and Health (“CWSH”) may serve a remedial or stop-work order under the WSHA if he is satisfied that:

- the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any work or process carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work;
- any person has contravened any duty imposed by the WSH Act; or
- any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work.

The remedial order shall direct the person served with the order to take such measures, to the satisfaction of the CWSH, to remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, or to comply with any duty imposed under the WSHA, or to do or refrain from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The stop-work order shall direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work at the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The Workplace Safety and Health (General Provisions) Regulations (“**WSH General Regulations**”) sets out more specific duties of employers regarding workplace safety and health. For example, employers have the duty to take effective measures to protect persons in the workplace from overcrowding, excessive heat or cold and harmful radiations, or exposure to infectious agents or biohazardous material. Employers must also ensure that there is sufficient ventilation, lighting, floor drainage and sanitary conveniences at the workplace.

### *Regulation of use of certain equipment*

Under the WSH General Regulations, the following equipment are, among other things, required to be tested and examined by an authorised examiner before they can be used and thereafter, at specified intervals:

- hoists or lifts, lifting gears and lifting appliances and lifting machines; and
- steam boilers, steam receivers, air receivers and refrigerating plant pressure receiver.

The occupier of the workplace is also required to keep a register containing particulars with respect to lifting gears, lifting appliances and lifting machines.

As at the Latest Practicable Date, our Group has obtained the relevant examination reports for our equipment.

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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### *Factories*

Under the Workplace Safety and Health (Registration of Factories) Regulations 2008 (“**WSH Factories Regulations**”), any person who occupies or uses any premises as a factory not falling within any of the classes of factories described in the First Schedule of the WSH Factories Regulation must, before the commencement of operation of the factory, submit a notification to the CWSH informing the CWSH of his intention to occupy or use those premises as a factory. The notification is not subject to any renewal requirements.

As at the Latest Practicable Date, each of Golden Bridge and Ellaziq Singapore had submitted the relevant notification in respect of its factory premises.

Under the WSH Act and the Workplace Safety and Health (Workplace Safety and Health Officers) Regulations (“**WSHO Regulations**”), certain prescribed workplaces as set out in the Second Schedule of the WSHO Regulations are required to appoint a workplace safety and health officer or a workplace safety and health co-ordinator. Further, under the WSH Act and the Workplace Safety and Health (Workplace Safety and Health Committee) Regulations (“**WSHC Regulations**”), certain prescribed workplaces as set out in section 3 of the WSHC Regulations are required to appoint a workplace safety and health committee.

As at the Latest Practicable Date, our Company had appointed a workplace safety and health officer as well as a workplace safety and health committee.

### *Noise*

The Workplace Safety and Health (Noise) Regulations 2011 (“**WSH Noise Regulations**”) set out the duties of employers in respect of workplaces where a person is exposed or is likely to be exposed to excessive noise caused by any machinery or equipment used in the workplace, or any process, operation or work carried out in the workplace.

Under the WSH Noise Regulations, the occupier of such workplace has a duty to take, so far as is reasonably practicable, such measures to reduce or control the noise from any machinery or equipment used, so that no person at work in the workplace is exposed or is likely to be exposed to excessive noise. Where it is not practicable to reduce the noise, the occupier of such workplace has a duty to limit the duration of time persons at work in the workplace are exposed to the noise so that such persons are not exposed to excessive noise. Further, the employer has a duty to provide suitable hearing protectors to every person in the workplace who is exposed or is likely to be exposed to excessive noise.

Under the WSH Noise Regulations, where there are 10 or more persons (who are exposed or are likely to be exposed to excessive noise) employed or working in a workplace, it shall be the duty of the occupier of the workplace to cause noise monitoring to be carried out at least once every 3 years; where there are 50 or more persons (who are exposed or are likely to be exposed to excessive noise) employed or working in a workplace, it shall be the duty of the occupier of the workplace to appoint a competent person to advise on all proper noise control measures.

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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### 5. **Work Injury Compensation Act, Chapter 354 of Singapore (“WIC Act”)**

Under the WIC Act, an employer is liable to pay compensation in accordance with the provisions thereof for any personal injury caused to an employee by an accident arising out of and in the course of employment.

The WIC Act applies to any person who has entered into or works under a contract of service or apprenticeship with an employer, subject to certain prescribed exclusions.

The amount of compensation in respect of any personal injury of an employee caused by accident arising out of and in the course of employment is computed in accordance with the provisions of the WIC Act, taking into account, among other things, the age of the employee and type of personal injuries suffered.

Employers are also required to insure and maintain insurance against all liabilities that they may incur under the WIC Act.

### 6. **Environment Protection and Management Act, Chapter 94A of Singapore (“EPM Act”)**

The EPM Act seeks to control the levels of pollution in Singapore by regulating the activities of various industries and regulates, among other things, air pollution, water pollution, land pollution and noise control. It prohibits, among other things: (a) the use or burning of any or any class of combustible material, fuel burning equipment or industrial plant within such area as prescribed by the National Environment Agency; (b) the discharge of any trade effluent, oil, chemical, sewage or other polluting matters into any drain or land without a requisite licence; and (c) the discharge of any toxic or hazardous substances into inland waters. Under the provisions of the EPM Act, we are subject to periodic inspections by the National Environment Agency to ensure that the proper measures of pollution control in relation to water and air pollution are duly complied with.

### 7. **Employment Act, Chapter 91 of Singapore (“Employment Act”)**

The Employment Act is the main legislation governing employment in Singapore, and is administered by the Ministry of Manpower (“**MOM**”). With effect from 1 April 2019, the Employment Act covers every employee who is under a contract of service with an employer, including persons employed in managerial and executive positions, except for domestic workers, seafarers and any person belonging to any other class of persons whom the MOM may, from time to time by notification in the Gazette, declare not to be employees for the purposes of the Employment Act.

Part IV of the Employment Act, which applies only to (a) workmen earning basic monthly salaries of not more than S\$4,500; and (b) employees (other than workmen or persons employed in managerial or executive positions) earning basic monthly salaries of not more than S\$2,600, sets out requirements relating to, among other things, working hours, overtime, rest days, payment of retrenchment benefit, priority of retirement benefit, annual wage supplement and other conditions of work or service. This includes the requirement that an employee shall not be permitted to work overtime for more than 72 hours a month.

A workman is defined under the Employment Act as including, among others, (i) any person, skilled or unskilled, who has entered into a contract of service with an employer in pursuance of which he is engaged in manual labour, including any artisan or apprentice, but excluding any seafarer or domestic worker, (ii) any person employed partly for manual labour and partly for the purpose of supervising in person any workman in and throughout the performance of his work and (iii) any person specified in the First Schedule (which lists, among other persons, machine operators and assemblers as workmen).

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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### 8. Employment of Foreign Manpower Act, Chapter 91A of Singapore (“EFM Act”)

The EFM Act provides that no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM, which allows the foreign employee to work for him.

In relation to the employment of semi-skilled or skilled foreign workers, employers must ensure that such persons apply for a “Work Permit”. In relation to the employment of foreign mid-level skilled workers, employers must ensure that such persons apply for a “S Pass”. The S Pass is intended for mid-level skilled foreigners who earn a monthly fixed salary of at least S\$2,500.

In relation to the employment of foreign professionals, employers must ensure that such persons apply for an “Employment Pass”. The Employment Pass is intended for professionals who earn a monthly fixed salary of at least S\$4,500.

In the employment of foreign workers, employers are restricted by, among other things, the foreign worker quota (which is known as the Dependency Ratio Ceiling (“**DRC**”)), the countries of origin, the age and the qualifications of the foreign employees, which differ from sector to sector. The DRC limits the number of foreign workers that an employer may employ based on the type of work pass held by the foreign employee, and the number of local employees currently in the employer’s employment. Currently, the DRCs for the services, manufacturing, construction, process and marine shipyard sectors stand at 35%, 60%, 87.5%, 87.5% and 77.8% respectively.

Foreign worker levies are payable when employing foreign workers, with the quantum varying based on several factors, such as the type of business activity, the skill level of the foreign employees and the proportion of the employer’s workforce that are made up of foreign employees. For example, the monthly levies payable for basic skilled foreign employees working in the manufacturing sector are S\$370, S\$470 and S\$650 if the foreign employees make up to 25%, 25% to above 50% and above 50% to 60% of the employer’s workforce respectively.

### 9. Electricity Act, Chapter 89A of Singapore (“Electricity Act”)

Under the Electricity Act, and the Electricity (Electrical Installations) Regulations 2002, the use and operation of electrical and supply installations require licensing by Energy Market Authority (“**EMA**”) to ensure that they are operated and maintained by licensed electrical workers, and are safe to use. The grant or renewal of the licence may be subject to such conditions as EMA determines. EMA may in its discretion reject an application for the licence or its renewal from any person whose licence was previously cancelled or suspended.

As at the Latest Practicable Date, Golden Bridge holds an electrical installation licence which is valid until 23 January 2022.

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## APPENDIX E – SUMMARY OF APPLICABLE SINGAPORE LAWS

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### 10. Fire Safety Act, Chapter 109A of Singapore (“FS Act”)

Under the FS Act, a person must not occupy or use a building or permit a building owned or managed by the person to be occupied or used, unless there is a fire certificate authorising the occupation or use. For the purpose of this requirement, a “building” includes an industrial building that has: (a) an occupant load of 1,000 persons or more; (b) a floor area or site area of 5,000 square metres or more; or (c) a habitable height of more than 24 metres.

Under the FS Act, any person for whom any fire safety works had been carried out and completed shall apply to the commissioner and obtain a fire safety certificate in respect of the completed fire safety works. Under section 2 of the FS Act, “fire safety works” means any fire protection works, the installation, provision or removal of, or addition or alteration to, any fire safety measure, relevant pipeline works or relevant works, and “relevant works” means (a) the erection, extension, alteration, addition or repair of a building (i) that involves the use of combustible materials; or (ii) that affects the means of escape from the building or the effectiveness of fire safety measures; (b) the provision, extension or alteration of any air-conditioning service or ventilating system in or in connection with a building; or (c) the provision, extension or alteration of any system for the delivery of liquefied petroleum gas from a cylinder to the point of use, in or in connection with any building that is used for a non-residential purpose.

As at the Latest Practicable Date, each of Golden Bridge and Ellaziq Singapore has obtained a fire certificate in respect of the buildings at our premises which is valid until 25 August 2021.

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## APPENDIX F – SUMMARY OF APPLICABLE MALAYSIA LAWS

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The following is a summary of the main laws and regulations of Malaysia that are relevant to our business as at the Latest Practicable Date. For more information on the licences and permits that our Group has obtained, please see the section “General Information on our Group – Licences, Permits and Government Regulations” of this Offer Document.

### 1. Food Act 1983

#### *Licence to Operate a Food Premises*

Under the Food Hygiene Regulations 2009 (“**FH Regulations**”) (which were made pursuant to the Food Act 1983), no person shall use any food premises for the purpose of, or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food except premises registered under these FH Regulations.

“Food premises” means premises used for or in connection with the preparation, preservation, packaging, storage, conveyance, distribution or sale of any food or the relabelling, reprocessing or reconditioning of any food including the following:

- all food premises involved in the manufacturing of food;
- all food premises involved in catering or mass catering of food;
- all premises where food is prepared, processed, stored or served for sale; and
- all vehicles from which ready-to-eat food is sold.

The proprietor, owner or occupier of the food premises shall conspicuously display a certificate of registration of food premises in the food premises. Under the FH Regulations, the proprietor, owner or occupier of food premises shall maintain and be made available for inspection all records pertaining to cleaning, packaging, processing, storing and distributing of food.

#### *Labelling of Food Products*

The general rule is that no person shall prepare or advertise for sale or sell any food contained in a package, if the package does not bear on it a label containing all the particulars required under the Food Regulations 1985 (which were made pursuant to the Food Act 1983). Such label must be marked on or securely attached in a prominent and conspicuous position to the package, containing clear and legible particulars, statements, information and words in Bahasa Malaysia in the case of food produced, prepared or packaged in Malaysia, or in Bahasa Malaysia or English in the case of imported good, and in either case may include translation thereof in any other language as required under the Food Regulations 1985.

The label must set out the following, among others:

- the appropriate designation of each ingredient for foods containing the common name of its principal ingredients or if there is no common name of its principal ingredients, an appropriate descriptive term of the food which is not misleading;

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## APPENDIX F – SUMMARY OF APPLICABLE MALAYSIA LAWS

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- either in conjunction with or in close proximity to the name of the food, such additional words in regards to the true nature and physical condition of the food;
- the minimum net weight or volume or number of the content of the package;
- in the case of food locally manufactured or packed, the name and business address of the manufacturer or packer, or the owner of the rights of manufacture or packing or the agent of any of them; and in the case of imported food, the name and business address of manufacture, or the agent of any of them, and the name and business address of the importer in Malaysia and the name of the country of origin of the food;
- foods and ingredients in the food that are known to cause hypersensitivity; and
- such other particulars that are set out in the Food Regulations 1985 for specific types of foods.

### 2. Guidelines on Foreign Participation in Distributive Trade Services in Malaysia

#### *Wholesale and Retail Trade (“WRT”) Licence*

A WRT licence is required by all companies that are in the wholesale, retail, trading, import or export and restaurant business which have foreign shareholding. The guidelines and rules issued by the Ministry of Domestic Trade and Consumer Affairs set out the requirements and approvals required for foreign business operators to engage in distributive trade services in Malaysia.

All distribution businesses with foreign equity must be incorporated locally under the Companies Act 2016, and the minimum capital investment in terms of a company's shareholders fund, including paid-up capital, is RM1,000,000.00.

### 3. Trade Descriptions Act 2011

#### *Halal Certification*

The Trade Descriptions (Certification and Marking of Halal) Order 2011 (“**Certification and Marking of Halal Order**”) under the Trade Descriptions Act 2011 provides for the certification of halal food or goods in accordance with the Trade Descriptions (Definition of Halal) Order 2011.

All food and goods shall not be described as halal or be described in other manner to indicate that the food or goods can be consumed or used by a Muslim unless it is certified as halal by the Department of Islamic Development Malaysia (JAKIM) and the Islamic Religious Council in the respective states of Malaysia, and marked with the halal certified logo specified in the Certification and Marking of Halal Order (“**Logo**”).

The holder of a halal certificate is permitted to use the Logo on the food or goods themselves or anything in, or with which the food or goods are supplied. The display of the Logo on the products will signify that the products are halal certified and may therefore be consumed by Muslims.



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## APPENDIX F – SUMMARY OF APPLICABLE MALAYSIA LAWS

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### 4. Occupational Safety and Health Act 1994 (“OSHA”)

#### *General duties*

Under OSHA, every employer and every self-employed person has the duty to ensure, so far as is practicable, the safety, health and welfare at work of all his employees. These measures include:

- the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of his employees;
- so far as is practicable, as regards any place of work under the control of the employer or self-employed person, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and
- the provision and maintenance of a working environment for his employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.

#### *Noise*

The Occupational Safety and Health (Noise Exposure) Regulations 2019 (“**OSH Regulations**”) set out the duties of employers in respect of workplaces where a person is exposed or is likely to be exposed to excessive noise caused by any machinery or equipment used in the workplace, or any process, operation or work carried out in the workplace.

Under the OSH Regulations, the employer has a duty to take, so far as is reasonably practicable, such measures to reduce or control the noise from any machinery or equipment used, so that no person at work in the workplace is exposed or is likely to be exposed to excessive noise. Where it is not practicable to reduce the noise, the employer has a duty, amongst others, to provide personal hearing protectors to every person in the workplace who is exposed or is likely to be exposed to such excessive noise.

### 5. Workmen’s Compensation Act 1952 (“WCA 1952”)

Under WCA 1952, an employer is liable to pay compensation in accordance with the provisions thereof for any personal injury caused to an employee by accident arising out of and in the course of employment. The WCA 1952 applies to any person who has entered into or works under a contract of services or apprenticeship with an employer.

The amount of compensation in respect of any personal injury of an employee caused by accident arising out of and in the course of employment is computed in accordance with the provisions of the WCA 1952, taking into account, among other things, the type of permanent total disablement suffered.

Employers are also required to insure and maintain insurance against all liabilities that he may incur under the WCA 1952.



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## APPENDIX F – SUMMARY OF APPLICABLE MALAYSIA LAWS

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### 6. Employment Act 1955 (“EA 1955”)

The EA 1955 is the legislation governing employment in Peninsular Malaysia and Federal Territory of Labuan. The EA 1955 is only applicable to amongst others, (i) any person, irrespective of his occupation, who has entered into a contract of service with an employer under which such person’s wages do not exceed RM2,000, (ii) any person who irrespective of the amount of wages he earns in a month, has entered into a contract of service with an employer in pursuance of which (A) he is engaged in manual labour including such labour as an artisan or apprentice, (B) he is engaged in the operation or maintenance of any mechanically propelled vehicle operated for the transport of passengers or goods or for reward or for commercial purposes, or (C) he is engaged as a domestic servant.

The EA 1955 sets out requirements relating to, amongst others, working hours, overtime, rest days, termination, lay-off and retirement benefits, maternity protection and other conditions of work or service. This includes the requirement that an employee shall not be permitted to work overtime for more than a total of 104 hours a month.

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## APPENDIX G – SUMMARY OF APPLICABLE INDONESIA LAWS

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The following is a summary of the main laws and regulations of Indonesia that are relevant to our business as at the Latest Practicable Date.

### 1. Government Regulation No. 24 of 2018 on Online Single Submission

*Business Identification Number (Nomor Induk berusaha or “NIB”)*

On 21 June 2018, the Government of the Republic of Indonesia issued Government Regulation No. 24 of 2018 on Online Single Submission (“**GR No. 24/2018**”). Pursuant to the implementation of GR No. 24/2018 on 9 July 2018, the Coordinating Ministry of Economic Affairs has launched the Online Single Submission (“**OSS**”) system that can be accessed through <http://oss.go.id/oss/>. Any limited liability company, including local companies and foreign investment companies, whether it is an existing or a newly established company shall register on the OSS system.

The OSS authority will issue an NIB which will be valid as long as the relevant company conducts its business activities. The NIB also serves as evidence of the following licenses:

- Certificate of Company Registration (*Tanda Daftar Perusahaan* or “**TDP**”);
- Import Identification Number (*Angka Pengenal Importir* or “**API**”); and
- Custom Identification Number (*Nomor Induk Kepabeanan* or “**NIK**”).

GR No. 24/2018 requires all companies to have: (i) a Business License (*Izin Usaha*) for the preparation stage of their business activities and/or; (ii) an Operational/Commercial License (*Izin Operasional/Komersial*) for commercial operations of their business activities.

*Trading Business License*

As the implementing regulation of GR No. 24/2018, every Business Actor, which is defined as individuals or non-individuals who carry out business and/or activities in certain fields, who conducts business and/or activities in the trading sector must obtain a Business License pursuant to the Regulation of the Minister of Trade No. 08 of 2020 on Electronic Integrated Business Licensing Services in the Field of Trading as amended by Regulation of the Minister of Trade No. 64 of 2020 on the Amendment to the Regulation of the Minister of Trade No. 08 of 2020 on Electronic Integrated Business Licensing Services in the Field of Trading (“**Regulation 08/2020**”).

The OSS authority, on behalf of the Minister of Trade, issues the Business License based on the commitments through the OSS system. The commitments include the infrastructure licensing commitment and/or any other requirements that must be fulfilled by Business Actors in accordance with the provisions of laws and regulations.

*Industrial Business License*

Every industrial company must obtain an Industrial Business License pursuant to the Regulation of the Minister of Industry No. 15 of 2019 on Issuance of Industrial Business License and Expansion License in the Framework of Electronic Integrated Business Licensing Services as amended by Regulation of the Minister of Industry No. 30 of 2019 on the Amendment to the Regulation of the Minister of Industry No. 15 of 2019 on Issuance of Industrial Business License and Expansion License in the Framework of Electronic Integrated Business Licensing Services (“**Regulation 15/2019**”).

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## APPENDIX G – SUMMARY OF APPLICABLE INDONESIA LAWS

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The OSS authority, on behalf of the Minister of Industry, issues the Industrial Business License based on the commitments through the OSS system. The commitments include the following:

- (a) registered in National Industrial Information System (*Sistem Informasi Industri Nasional* or SIINas);
- (b) located in industrial area or a statement letter from the relevant authority explaining that the company is exempted from this obligation;
- (c) submit industrial data; and
- (d) technical verification.

### 2. **Law No. 32 of 2009 on Conservation and Management of the Environment as amended by Law No. 11 of 2020 on Job Creation (“Environmental Law”)**

#### *Environmental Management Efforts and Environmental Monitoring Efforts*

The Environmental Law as well as its implementing regulations stipulate that certain business activities, a company whose business and/or activity brings significant impact to the environment as specified in the Environmental Law must obtain and maintain an Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan* or “AMDAL”). Other businesses and/or actions that are not required to maintain an AMDAL as stipulated in the Environmental Law must conduct environmental management efforts and environmental monitoring efforts through the preparation of Environmental Management Efforts (*Upaya Pengelolaan Lingkungan* or “UKL”) and Environmental Monitoring Efforts (*Upaya Pemantauan Lingkungan* or “UPL”) documents (collectively as “UKL/UPL Documents”). Other businesses and/or actions that are not required to maintain UKL/UPL must maintain a Statement Letter of Environment Management (*Surat Pernyataan Pengelolaan Lingkungan* or “SPPL”).

UKL/UPL documents are reference documents that are used to determine the environmental impact when conducting businesses and/or activities. An SPPL is a form of undertaking from a company, which would normally include an assurance from the company that it will take the necessary measures to ensure compliance with the prevailing environmental obligations.

#### *Environmental Permit*

Pursuant to Environmental Law, every business and/or activities that are required to obtain AMDAL or UKL-UPL must obtain an environmental permit (*Izin Lingkungan*) issued by the Minister of Environmental Affairs, relevant Governor, Mayor, or Regent (as applicable), in addition to the requirement to obtain an Environment Feasibility Decision for AMDAL or a recommendation on the UKL-UPL. However, the implementing regulation stipulates that every environmental document that has been approved prior to the enactment of implementing regulation shall be valid and deemed as equal to an environmental permit.

Following the issuance of GR No. 24/2018 and Ministry of Environmental and Forestry Regulation No. P.26/Menlhk/Setjen/Kum.1/7/2018 on the Guidelines for the Preparation, Assessment and Examination of Environmental Documents in the Implementation of OSS, the environmental permit will be issued by the Indonesian Investment Coordinating Board (*Badan Koordinasi Penanaman Modal* or BKPM), acting as the OSS authority on behalf of the Minister of Environment and Forestry, governor or mayor/regent (in accordance with their respective authorities) through the OSS system.

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## APPENDIX G – SUMMARY OF APPLICABLE INDONESIA LAWS

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The holder of an environmental permit is required to submit periodic reports on the implementation of requirements and obligations in its environmental permit to the Minister of Environmental Affairs, the relevant governor, or regent/mayor once every six (6) months. Failure to comply with this provision will result in the company being subject to administrative sanctions which may lead to revocation of the environmental permit.

### 3. Regulation Pertaining to Food Control

#### *Certificate of Good Manufacturing Practices*

Based on Regulation of Head of National Agency of Drug and Food Control No. 11 of 2014 regarding Certificate of Good Manufacturing Practice (“**Regulation 11/2014**”), processed food produced and circulated in the territory of Indonesia is obliged to meet food safety requirements in accordance with the provisions of laws and regulations, among others, by carrying out production in accordance with a Certificate of Good Manufacturing Practices.

The Certificate of Good Manufacturing Practices are given to Producers (which is defined as individuals or legal entities that own facilities and manufacture, process, change forms, preserve, repackage processed food for distribution) who have met the requirements of the Good Manufacturing Practices based on an audit. Certificates are given to Producers in accordance with the type of processed food produced in accordance with Indonesia law and regulations.

The Certificate of Good Manufacturing Practices is valid for five (5) years provided that the processed food production facility concerned is still producing and meets the requirements in accordance with the provisions of Indonesia law and regulations. The certificate can be re-evaluated in accordance with the development of science and technology.

#### *Distribution Permit*

Pursuant to Head of Indonesian National Agency of Drug and Food Control Regulation No. 27 of 2017 on Processed Food Registration, a company is required to obtain a Distribution Permit to trade any processed food (either produced locally or imported). Distribution Permits are valid for five (5) years and can be extended via re-registration. Processed food whose Distribution Permit has expired is prohibited from being produced and/or distributed.

Any company which is found to be in violation of the provisions in the above regulation shall be subject to administrative sanctions in the form of:

- (a) revocation of the Distribution Permit;
- (b) suspension of Processed Food Registration; and/or
- (c) prohibition to register its products for three (3) years.

### 4. Regulation Pertaining to Lifting and Hauling Device

#### *Authorisation to Use Lifting and Hauling Device*

According to Regulation of Minister of Manpower No. 05/Men/1985 on Lifting and Hauling Device (“**Regulation 05/1985**”), every planning of use of lifting and hauling device must have confirmation from the authorised official.

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## APPENDIX G – SUMMARY OF APPLICABLE INDONESIA LAWS

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In the event of non-compliance of Regulation 05/1985 regarding Lifting and Hauling Device with regard to the absence of authorisation to operate lifting and hauling device, the management of our Company shall be subject to imprisonment of up to three (3) months or of a fine of up to IDR 100,000.

### *Occupational Health and Safety Certificate and Workbook for Operator of Lifting and Hauling Device*

Under Regulation of Minister of Manpower No. 09/MEN/VII/2010 on Operator of Lifting and Hauling Device ("**Regulation 09/2010**"), any company is prohibited from employing operators and/or officers of lifting and hauling devices who do not have an Occupational Health and Safety Certificate and Workbook. Any lifting and hauling device must be operated by an operator who has an Occupational Health and Safety Certificate and Workbook according to its type and qualifications.

In the event of non-compliance of Regulation 09/2010, the management of our Company shall be subject to imprisonment of up to three (3) months or of a fine of up to IDR 100,000.

## 5. Regulation Pertaining to Manpower

In general, manpower issues in Indonesia are governed under Law No. 13 of 2003 on Manpower as amended by Law No. 11 of 2020 on Job Creation ("**Manpower Law**").

### *Employment Agreement*

According to the Manpower Law, a written employment agreement must at least state/contain the following:

- (a) the name and address of the company;
- (b) the business of the company;
- (c) the name, gender, age, and address of the employee;
- (d) the position or type of the work;
- (e) the work place;
- (f) the amount of the salary;
- (g) the procedure for the payment of the salary;
- (h) the terms and conditions of work;
- (i) the employer's rights and obligations;
- (j) the employee's rights and obligations;
- (k) the commencement date of the agreement;
- (l) the nature of the term of the agreement (definite or indefinite); and
- (m) the signatures of the parties.

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## APPENDIX G – SUMMARY OF APPLICABLE INDONESIA LAWS

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The employment agreement must be made in two (2) equally legally binding originals, to be kept respectively by the employer and the employee. An employment agreement may be made for a definite or indefinite term.

The definite term employment agreement has the following restrictions:

- (i) It must be made in writing and in the Indonesian language by using the Latin alphabet.
- (ii) It cannot contain a probation clause.
- (iii) It can only be made for a maximum period of five (5) years, with a possibility of extension, provided that the total period of the definite term employment agreement and its extension do not exceed a period of five (5) years.
- (iv) It can only be entered into for jobs which are (A) estimated to be done in short time, (B) seasonal, and (C) related to new products, new activities, or additional products that are still on trial or experiment.

A definite term employment agreement must be registered online within three (3) working days from the date of signing of the agreement.

### *Company Regulation*

An employer with more than 10 employees is required to have a Company Regulation (*Peraturan Perusahaan*). For it to be effective, the draft Company Regulation must be submitted to the Minister of Manpower for legalisation. Under the regulation, the office of the Minister must process the legalisation application within 30 days as of its submission, but in practice the legalisation process takes longer than 30 days. Upon its legalisation, a Company Regulation is valid for a period of two (2) years as of the legalisation date, at the end of which the employer may submit an application for its renewal.

A Company Regulation must at least regulate the following:

- (a) rights and obligations of the employer and the employee;
- (b) employment conditions;
- (c) rules of conduct; and
- (d) validity period of the Company Regulation.

### *Mandatory Manpower Reports*

Pursuant to Law No. 7 of 1981 concerning Mandatory Manpower Reporting, companies are required to submit annual Mandatory Manpower Reports (*Wajib Laport Tenaga Kerja*) to the manpower agency of the respective region. The first report must be submitted at the latest 30 days as of the establishment of the company, to be followed with the subsequent report approximately one year after the first report. The report contains information regarding, among others, the number of the employees, the wages and types of the employment relationship.

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## APPENDIX G – SUMMARY OF APPLICABLE INDONESIA LAWS

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The Ministry of Manpower is introducing a fully online procedure for the mandatory manpower reporting by issuing Regulation No. 18 of 2017 concerning Manner and Procedure for Online Mandatory Manpower Reporting by Companies (“**Regulation 18/2017**”).

The new procedure introduced by Regulation 18/2017 is a fully online procedure. It requires companies to submit their manpower reports via the Ministry’s website: <http://wajiblapor.kemnaker.go.id>. It also requires all reports which were manually submitted to be re-submitted within one year as of the effective date of Regulation 18/2017.

### *Employee Social Security*

Employers are required to register their employees, whether local or foreign, for participation in the Employee Social Security program of *Badan Usaha Penyelenggara Jaminan Sosial Ketenagakerjaan* (“**BPJS**”). The BPJS program provides coverage for the following:

- (a) work accident;
- (b) death;
- (c) old Age;
- (d) retirement/pension;
- (e) job Loss; and
- (f) medication.

The contribution/premium for the program is paid together by the employer and the employee concerned, except for job loss security as the contribution will be managed by the government. The employee’s part of the contribution is calculated from the employee’s base salary and fixed allowances, and the percentage is to be determined on the basis of the company’s business activities.

### *Expatriate Employees*

The general rule is that expatriate employees are welcome to work in Indonesia, provided that the work to be performed cannot be performed by Indonesian nationals. This requirement is generally applied in a lenient fashion, subject to specific requirements in a number of industries. Foreign Investment Companies are allowed to employ expatriates after obtaining Foreign Worker Utilization Plan (*Rencana Penggunaan Tenaga Kerja Asing* or “RPTKA”, save for positions relating to personnel and human resources.

In addition to the above applicable regulations, we would like to highlight the issuance of Law No. 11 of 2020 on Job Creation (“**Job Creation Law**”) on 2 November 2020. There are 76 laws being amended under the Job Creation Law which are aimed to boost investments and create more jobs in Indonesia. Among others, the Job Creation Law introduces (i) provisions to simplify business licensing procedures; and (ii) changes to the existing manpower law. The Indonesian government will issue implementing regulations of the Job Creation Law, thus certain licensing procedures mentioned above may vary subject to issuance of the implementing regulations by the Indonesian government.



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## APPENDIX H – OPINION OF THE INDEPENDENT FINANCIAL ADVISER

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8 June 2021

**OTS HOLDINGS LIMITED**

30 Senoko South Road  
Singapore 758088

Attention: The Audit Committee

Dear Sirs

**ADOPTION OF GENERAL MANDATE FOR RECURRENT INTERESTED PERSON TRANSACTIONS**

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meaning as defined in the offer document of OTS Holdings Limited dated 8 June 2021 (the “**Offer Document**”).*

**1. INTRODUCTION**

This letter (this “**IFA Letter**”) has been prepared solely for the inclusion in the Offer Document of OTS Holdings Limited (the “**Company**”, together with its subsidiaries (excluding subsidiaries listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) or an approved exchange) and its associated companies (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company and its subsidiaries (the “**Group**”), or the Group and its interested person(s), has or have control, the “**EAR Group**”) in relation to the adoption of a general mandate for recurrent interested person transactions (the “**IPT General Mandate**”) between the EAR Group and Swee Heng Bakery Pte Ltd (“**Swee Heng**” or the “**Mandated Interested Person**”).

The sister and brother-in-law of the Company’s controlling shareholders and/or executive directors collectively hold 80.0% shareholding interest in the capital of Swee Heng. Accordingly, Swee Heng is an ‘interested person’ and transactions with Swee Heng constitute ‘interested person transactions’ under Chapter 9 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST (the “**Catalist Rules**”).

Under Chapter 9 of the Catalist Rules, a listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.

The Company anticipates that the EAR Group would, following the admission of the Company to the Catalist Board of the SGX-ST, in the ordinary course of business, continue to sell food products, including but not limited to raw materials and ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised, to the Mandated Interested Person (the “**Mandated Transactions**”). It is likely that such Mandated Transactions will occur frequently. In view of the time-sensitive and/or recurrent nature of the Mandated Transactions, the Company is adopting the IPT General Mandate to enable the EAR Group to enter into the Mandated Transactions in its normal course of business, provided that an independent financial adviser (“**IFA**”) opines that the guidelines and review procedures set out in the IPT General Mandate are sufficient to ensure that all such Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.



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## APPENDIX H – OPINION OF THE INDEPENDENT FINANCIAL ADVISER

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Pursuant to Rule 920(2) of the Catalist Rules, the Company may treat the IPT General Mandate as having been given, for the EAR Group to enter into the Mandated Transactions with the Mandated Interested Person, as long as the information required under Rule 920(1)(b) of the Catalist Rules is included in the Offer Document.

To comply with the requirements of Chapter 9 of the Catalist Rules, Xandar Capital Pte. Ltd. (“**Xandar Capital**”) has been appointed as the IFA to provide an opinion on whether the guidelines and review procedures as set out in the section entitled “Interested Person Transactions – General Mandate For Interested Person Transactions” of the Offer Document are sufficient to ensure that the Mandated Transactions between the EAR Group and the Mandated Interested Person will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

This IFA Letter sets out our evaluation of the IPT General Mandate and our opinion thereof. This IFA Letter has been prepared for the use of the Audit Committee of the Company, whose members are, as at the date of the Offer Document, considered to be independent for the purpose of the IPT General Mandate and forms part of the Offer Document.

### 2. TERMS OF REFERENCE

Xandar Capital has been appointed to opine on whether the guidelines and review procedures for the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

We are and were not involved in any aspect of the negotiations pertaining to the IPT General Mandate or the Mandated Transactions contemplated under the IPT General Mandate, nor were we involved in the deliberations leading to the Company’s decision to adopt the IPT General Mandate and to enter into the Mandated Transactions contemplated under the IPT General Mandate. We do not, by this IFA Letter, make any representation or warranty in relation to the merits of the IPT General Mandate or the transactions contemplated under the IPT General Mandate.

Our terms of reference do not require us to evaluate or comment on the rationale for legal, strategic or commercial merits and/or risks of the IPT General Mandate and the Mandated Transactions contemplated under the IPT General Mandate. We have also not conducted any review of the business, operations or financial condition of the Company and the Group, and we have not relied on any financial projections or forecasts in respect of the Company or the Group, nor did we have access to their business plans, financial projections and forecasts. We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group pursuant to the adoption of the IPT General Mandate or making the Mandated Transactions contemplated under the IPT General Mandate. We are also not expressing any view herein as to the prices at which the shares of the Company may trade with or without the IPT General Mandate. Such evaluation shall remain the sole responsibility of the directors of the Company (the “**Directors**”).

We were also not required or authorised to obtain, and we have not obtained, any quotation or transacted price from third parties for products or services similar to those which are to be covered by the IPT General Mandate, and are therefore not able to, and will not comment on the Mandated Transactions.

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## APPENDIX H – OPINION OF THE INDEPENDENT FINANCIAL ADVISER

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In the course of our evaluation, we have held discussions with certain executive Directors of the Company (the “**Executive Directors**”) and management of the Group and have examined information provided and representations made to us by the aforesaid parties, including information in the Offer Document. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy and reliability of the information.

We have relied upon the assurance of the Directors that they collectively and individually accept full responsibility for the accuracy of the information given in the Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, the Offer Document constitutes full and true disclosure of all material facts about the IPT General Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in the Offer Document misleading. Where information in the Offer Document has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Offer Document in its proper form and context. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Company, the Group and the IPT General Mandate are to the best of their knowledge and belief, fair and accurate in all material aspects. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us as described above.

**The Company has been separately advised by its own advisers in the preparation of the Offer Document (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Offer Document (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Offer Document (other than this IFA Letter).**

Whilst a copy of this IFA Letter may be reproduced in the Offer Document, save for the purpose of any matter relating to the IPT General Mandate, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes at any time and in any manner without our prior written consent in each specific case. Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document.

### 3. THE IPT GENERAL MANDATE

Information on the IPT General Mandate is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions” of the Offer Document.

#### 3.1 NAME OF THE MANDATED INTERESTED PERSON

Information on the name of the Mandated Interested Person is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Name of the Mandated Interested Person” of the Offer Document.

We note that there is only one Mandated Interested Person being Swee Heng, and Swee Heng is principally engaged in the business of manufacturing bakery products and operating retail stores for such bakery products.

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## APPENDIX H – OPINION OF THE INDEPENDENT FINANCIAL ADVISER

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### 3.2 CATEGORIES OF MANDATED TRANSACTIONS

Information on the categories of Mandated Transactions is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Categories of Mandated Transactions” of the Offer Document.

We note that there is only one category of Mandated Transactions which is selling food products, including but not limited to raw materials and ready-to-eat and ready-to-cook meat products, such as ham, sausages and floss products that may be customised, to the Mandated Interested Person.

### 3.3 RATIONALE FOR AND BENEFITS OF THE IPT GENERAL MANDATE

Information on the rationale for and benefits of the Mandated Transactions is set out in the section entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Rationale for and benefits of the IPT General Mandate” of the Offer Document.

We note that the Mandated Transactions are recurrent transactions of a revenue nature.

We calculate the revenue generated by the Group from Swee Heng accounted for approximately 3.7%, 4.3%, 3.5% and 3.0% of the Group’s revenue for the financial year ended 30 June (“FY”) 2018, FY2019, FY2020 and the half year ended 31 December 2020 respectively.

### 3.4 GUIDELINES AND REVIEW PROCEDURES FOR THE MANDATED TRANSACTIONS WITH THE MANDATED INTERESTED PERSON

Detailed information on the guidelines and review procedures is set out in the sections entitled “Interested Person Transactions – General Mandate for Interested Person Transactions – Guidelines and Review Procedures for Mandated Transactions with the Mandated Interested Person”, “Interested Person Transactions – General Mandate for Interested Person Transactions – Approval threshold for Mandated Transactions with the Mandated Interested Person” and “Interested Person Transactions – General Mandate for Interested Person Transactions – Additional review procedures for Mandated Transactions with the Mandated Interested Person” of the Offer Document.

We note that the guidelines and review procedures include, *inter alia*, the following:

(a) Adoption of the Price List (as defined herein)

In relation to the sale of ready-to-eat and ready-to-cook meat products to the Mandated Interested Person, prices shall be determined in advanced with the Mandated Interested Person (the “**Price List**”) and approved by the Group Financial Controller or such other senior executive (who must have no interest, direct or indirect, in the Mandated Transaction) (the “**Senior Executive**”) to be appointed by the Audit Committee, and all sale to the Mandated Interested Person shall adhere to the Price List. The price of such products shall generally not be more favourable to the Mandated Interested Person as compared to at least two (2) other recently completed transactions with unrelated third parties, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records as well as preferential rates/discounts offered for bulk purchases.

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## APPENDIX H – OPINION OF THE INDEPENDENT FINANCIAL ADVISER

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In relation to the sale of customised ready-to-eat and ready-to-cook meat products to the Mandated Interested Person which generally do not have similar completed transactions with unrelated third parties as comparison, the Price List shall be determined based on the cost of manufacturing of such customised products such that the Group will always generate a positive gross margin from such sale. The gross margin from the sale shall be comparable to the gross margins generated by the Group from at least two (2) recently completed transactions with unrelated third parties of similar nature, taking into account all pertinent factors, including but not limited to minimum quantity per order, delivery notice and schedule, credit terms, payment track records, availability of production capacity as well as preferential rates/discounts offered for bulk purchases.

The Price List (and its supporting documents) shall be approved by the Group Financial Controller or the Senior Executive to be appointed by the Audit Committee and shall be reviewed and endorsed by the Audit Committee prior to its effective date. The Price List shall also be reviewed at least once every six (6) months or any other period deemed appropriate by the Audit Committee to ensure that the Price List are updated taking into consideration changes to the Group's cost of sales.

- (b) In relation to the sale of raw materials to the Mandated Interested Person, prices for such sale shall be determined with reference to prices of at least two (2) other completed comparable transactions with unrelated third parties, the terms of which shall not be more favourable to the Mandated Interested Person, after taking into account all pertinent factors, including but not limited to the cost of such raw materials, the availability of such raw materials, delivery notice and schedule, credit terms and payment track records.
- (c) In the event where price comparison may not be practicable or possible, the Group Financial Controller or the Senior Executive to be appointed by the Audit Committee will assess whether the prices and terms offered to the Mandated Interested Person are fair and reasonable and in accordance with the Group's usual business practices and pricing policies or industry norms, taking into account historical prices charged by the Group for such products and gross margin to be generated from such sale.
- (d) In relation to approval authorities and thresholds, given the low value of each Mandated Transaction (the highest transactional value for the period from 1 July 2017 to the Latest Practicable Date being less than S\$20,000) and the regular frequency of the Mandated Transactions, all Mandated Transactions will be tabled to the Audit Committee for review and endorsement as and when the cumulative value of the Mandated Transactions during the same financial year (excluding those which have already reviewed and endorsed or approved by the Audit Committee) exceeds 3.0% of the latest audited net tangible assets of the Group.
- (e) The Company will also implement other monitoring and review procedures, including a separate file maintained for the Mandated Transactions, monthly review of the file relating to the Mandated Transactions by the Group Financial Controller, semi-annual review of the Mandated Transactions by the Audit Committee, and annual review of the Mandated Transactions by internal auditors.

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### 3.5 VALIDITY PERIOD OF THE IPT GENERAL MANDATE

Pursuant to Catalist Rule 920(2), the IPT General Mandate will be effective until the earlier of the following: (a) the conclusion of the first annual general meeting following the Company's admission to Catalist, or the date by which the next annual general meeting of the Company is required by law to be held; or (b) the first anniversary of the date of the Company's admission to Catalist.

Approval from independent shareholders will be sought for the renewal of the IPT General Mandate at each subsequent annual general meeting ("**AGM**") or the date by which the next AGM of the Company is required by law to be held, subject to the satisfactory review by the Audit Committee of its continued application to the Mandated Transactions. In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, interested persons and their associates shall abstain from voting on resolutions approving interested person transactions involving themselves and the Group. Furthermore, such interested persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the appointing shareholder.

We note that Ong Bee Chip (the controlling shareholder through his shareholding interest in BCS Development Pte. Ltd. ("**BCS**") and Managing Director), Ong Chew Yong (the Executive Director and substantial shareholder) and BCS (the controlling shareholder of the Company) and their respective associates will abstain from voting on the resolutions approving the renewal of the IPT General Mandate.

### 3.6 ROLE OF THE AUDIT COMMITTEE IN RELATION TO THE IPT GENERAL MANDATE

We note that the Audit Committee will:

- (a) appoint the Senior Executive, who shall be responsible for the approval of the Price List prior to seeking the Audit Committee's endorsement and the assessment of Mandated Transactions where price comparison may not be practicable or possible, in the absence of the Group Financial Controller;
- (b) review and endorse the Price List before the effective date of the Price List;
- (c) review the Price List every six (6) months or any other period deemed appropriate by the Audit Committee to ensure that the prices in the Price List are updated taking into consideration changes to the Group's cost of sales;
- (d) review and endorse the Mandated Transactions when the cumulative value of the Mandated Transactions during the same financial year (excluding those which have already reviewed and endorsed or approved by the Audit Committee) exceeds 3.0% of the latest audited net tangible assets of the Group;
- (e) review the interested person transactions of the Group on a semi-annual basis (or at such frequency as the Audit Committee may deem necessary);
- (f) review the document file in relation to the Mandated Transactions on a semi-annual basis (or at such frequency as the Audit Committee may deem necessary);
- (g) review the annual internal audit reports submitted by the internal auditors in relation to the Mandated Transactions; and
- (h) during these reviews, determine if the guidelines and review procedures established under the IPT General Mandate continues to be appropriate or sufficient in ensuring that the Mandated Transactions are not prejudicial to the interests of the Company and its

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## APPENDIX H – OPINION OF THE INDEPENDENT FINANCIAL ADVISER

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minority shareholders. If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, it will take such action as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, seek a fresh Shareholders' general mandate for the Mandated Transactions), to ensure that the Mandated Transactions will be conducted on arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

### 4. OUR OPINION

In arriving at our opinion in respect of the IPT General Mandate, we have considered, *inter alia*, (i) the guidelines and review procedures set up by the Company include determination of pricing and approval thresholds; (ii) the frequency of review by the Group Financial Controller, the Audit Committee and the internal auditors; (iii) the role of the Audit Committee in relation to the IPT General Mandate; and (iv) the rationale for and benefits of the IPT General Mandate.

Having regard to the considerations set out in this IFA Letter and the information available to us as at the Latest Practicable Date, Xandar Capital is of the opinion that the guidelines and review procedures for determining the prices of the Mandated Transactions, if adhered to strictly, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms, and will not be prejudicial to the interests of the Company and the minority shareholders of the Company.

### 5. THIS IFA LETTER

**This IFA Letter is addressed to the Audit Committee in connection with and for the purposes of their consideration of the IPT General Mandate and for inclusion in the Offer Document. Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this IFA Letter and the section entitled "Interested Person Transactions – General Mandate for Interested Person Transactions" of the Offer Document.**

Whilst a copy of this IFA Letter may be reproduced in the Offer Document, save for the purpose of any matter relating to the IPT General Mandate, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly  
For and on behalf of  
**XANDAR CAPITAL PTE. LTD.**

LOO CHIN KEONG  
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN  
HEAD OF CORPORATE FINANCE

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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You are invited to apply to subscribe for and/or purchase the Invitation Shares at the Invitation Price for each Invitation Share subject to the following terms and conditions set out below and in the Application Forms or, as the case may be, the Electronic Applications:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 1,000 INVITATION SHARES OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF INVITATION SHARES WILL BE REJECTED.**
2. Your application for Public Offer Shares may be made by way of printed **WHITE** Public Offer Shares Application Forms or by way of Electronic Applications through the ATMs of the Participating Banks ("**ATM Electronic Applications**"), or through the Internet Banking ("**IB**") websites of the relevant Participating Banks or the online portals of the Participating Agent (collectively, "**Internet Electronic Applications**"), or through the mobile banking ("**mBanking**") interface of DBS Bank and UOB ("**mBanking Applications**", which together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as "**Electronic Applications**").

Your application for the Placement Shares (other than the Reserved Shares) may only be made by way of printed **BLUE** Placement Shares Application Forms or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deems appropriate.

Your application for the Reserved Shares may only be made by way of printed **PINK** Reserved Shares Application Forms or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deems appropriate.

### **YOU MAY NOT USE CPF FUNDS TO APPLY FOR THE INVITATION SHARES.**

3. **You (not being an approved nominee company) are allowed to submit only one (1) application in your own name for the Public Offer Shares. If you submit an application for Public Offer Shares by way of a Public Offer Shares Application Form, you MAY NOT submit another application for Public Offer Shares by way of an Electronic Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent.**

**If you submit an application for Public Offer Shares by way of an ATM Electronic Application, you MAY NOT submit another application for Public Offer Shares by way of an Internet Electronic Application, or mBanking Application and *vice versa*. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent.**

**If you (not being an approved nominee company), have submitted an application for Public Offer Shares in your own name, you should not submit any other application for Public Offer Shares, whether by way of a Public Offer Shares Application Form or by way of an Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and may be rejected at the discretion of our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent.**



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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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Joint or multiple applications for the Public Offer Shares may be rejected at the discretion of our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent. If you submit or procure submissions of multiple applications for the Public Offer Shares, you may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the SFA, and your applications may be referred to the relevant authorities for investigation.

Multiple applications or those appearing to be or suspected of being multiple applications, except in the case of applications by approved nominee companies where such applications are made on behalf of a different beneficiaries, may be rejected at the discretion of our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent. By submitting an application for the Invitation Shares, you declare that you do not possess more than one individual direct Securities Account with CDP.

4. Multiple applications may be made in the case of applications by a person for (i) the Placement Shares only (whether by way of Placement Shares Application Forms or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may in its absolute discretion deem appropriate) or (ii) the Placement Shares together with a single application for the Public Offer Shares (whether by way of a Public Offer Shares Application Form or an Electronic Application).
5. We will not accept applications from any person under the age of eighteen (18) years, undischarged bankrupts, sole-proprietorships, partnerships, or non-corporate bodies, joint Securities Account holders of CDP and from applicants whose addresses (as furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks and/or the Participating Agent, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
6. We will not recognise the existence of a trust. Any application by a trustee or trustees must therefore be made in his/her/their own name(s) and without qualification or, where the application is made by way of an Application Form by a nominee, in the name(s) of an approved nominee company or companies after complying with paragraph 7 below.
7. **WE WILL NOT ACCEPT APPLICATIONS FROM NOMINEES EXCEPT THOSE MADE BY APPROVED NOMINEE COMPANIES ONLY.** "Approved nominee companies" are defined as banks, merchant banks, finance companies, insurance companies and licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.
8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account with CDP in your own name at the time of your application, your application will be rejected (if you apply by way of an Application Form), or you will not be able to complete your Electronic Application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars such as name, NRIC/passport number, CDP

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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Securities Account number, nationality and permanent residence status provided in your Application Form or in the case of an Electronic Application, contained in records of the relevant Participating Bank and/or the Participating Agent at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one (1) individual direct Securities Account with CDP, your application shall be rejected.

9. If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank and/or the Participating Agent, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from CDP will be sent to your address last registered with CDP.
10. Our Company and the Vendor, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to reject any application which does not conform strictly to the instructions set out in the Application Forms and in this Offer Document or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Document or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance or improper form of remittance or which is not honoured upon its first presentation.

Our Company and the Vendor, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, further reserve the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Application Forms or the instructions for Electronic Applications or the terms and conditions of this Offer Document, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of our Company and the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent, as agent of our Company and the Vendor, has been authorised to accept, for and on behalf of our Company and the Vendor, such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deems appropriate.

11. Our Company and the Vendor, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of our Company and the Vendor with regards thereto will be entertained. This right applies to applications made by way of Application Forms, by way of Electronic Applications and by such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in consultation with our Company and the Vendor, deem appropriate. In deciding the basis of allotment, which shall be at the discretion of our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent, due consideration will be given to the desirability of allotting the Invitation Shares to a reasonable number of applicants with a view to establishing an adequate market for the Invitation Shares.

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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12. Subject to your provision of a valid and correct CDP Securities Account number, share certificates in respect of the Invitation Shares will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within fifteen (15) Market Days after the close of the Application List, and subject to the submission of valid applications and payment for the Invitation Shares, a statement of account stating that your Securities Account has been credited with the number of Invitation Shares allotted and/or allocated to you if your application is successful. This will be the only acknowledgement of application monies received and is not an acknowledgement by our Company, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent. You irrevocably authorise CDP to complete and sign on your behalf, as transferee or renounee, any instrument of transfer and/or other documents required for the issue and/or transfer of the Invitation Shares allotted and/or allocated to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.
13. In the event that we lodge a supplementary or replacement offer document (“**Relevant Document**”) pursuant to the SFA or any applicable legislation in force from time to time prior to the close of the Invitation, and the Invitation Shares have not been issued and/or transferred to you, we (for our Company as well as on behalf of the Vendor) will (as required by law and subject to the SFA), at our Company’s and the Vendor’ sole and absolute discretion, either:
- (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
  - (b) within seven (7) days from the date of lodgement of the Relevant Document give you a copy of Relevant Document and provide you with an option to withdraw your application; or
  - (c) treat your application as withdrawn and cancelled, in which case the application shall be deemed to have been withdrawn and cancelled, and we (for our Company as well as on behalf of the Vendor) shall, within seven (7) days from the date of lodgement of the Relevant Document, return all monies paid by you on account of your application for the Invitation Shares, without interest or any share of revenue or benefit arising therefrom and at your own risk.

Where you have notified us within 14 days from the date of lodgement of the Relevant Document of your wish to exercise your option under Paragraph 13(a) or 13(b) above to withdraw your application, we (for our Company as well as on behalf of the Vendor) shall return to you all application monies paid by you on account of your application for the Invitation Shares without interest or any share of revenue or other benefit arising therefrom and at your own risk, within seven (7) days from the receipt of such notification and you will not have any claim against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or our or their advisers or agents.

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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In the event that at the time of the lodgement of the Relevant Document, the Invitation Shares have already been issued and/or transferred but trading has not commenced, we (for our Company as well as on behalf of the Vendor) will (as required by law and subject to the SFA), at our Company's and the Vendor' sole and absolute discretion, either:

- (d) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to us (for our Company as well as on behalf of the Vendor) the Invitation Shares which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document;
- (e) within seven (7) days from the date of lodgement of the Relevant Document give you a copy of the Relevant Document and provide you with an option to return to our Company and/or the Vendor the Invitation Shares which you do not wish to retain title in; or
- (f) treat the issue and/or transfer of the Invitation Shares as void, in which case the issue and/or transfer of the Invitation Shares shall be deemed as void, and we (for our Company as well as on behalf of the Vendor) shall:
  - (i) if documents purporting to evidence title to the Invitation Shares (“**title documents**”) have been issued to you, within seven (7) days from the date of lodgement of the Relevant Document, inform you to return the title documents to us (for our Company as well as on behalf of the Vendor) within 14 days from the date of lodgement of the Relevant Document, and within seven (7) days from the date of receipt of the title documents or the date of lodgement of the Relevant Document, whichever is the later, pay to you all monies paid by you for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk; or
  - (ii) if no title documents have been issued to you, within seven (7) days from the date of lodgement of the Relevant Document, pay to you all monies paid by you for the Invitation Shares, without interest or any share of revenue or other benefits arising therefrom and at your own risk,

and you shall not have any claim against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or our or their advisers or agents.

If you wish to exercise your option under paragraph 13(d) or 13(e) above to return the Invitation Shares issued and/or transferred to you, you shall, within 14 days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those Invitation Shares to us, whereupon we (for our Company as well as on behalf of the Vendor) shall, subject to compliance with applicable laws and the Constitution of our Company, within seven (7) days from the receipt of such notification and documents, if any, return to you all monies paid by you for the Invitation Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk, and the Invitation Shares issued and/or transferred to you shall be void. You

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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shall not have any claim whatsoever against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or our or their advisers or agents.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw your application or return the Invitation Shares allotted and/or allocated to you, may be found in such Relevant Document.

14. In the event of an under-subscription for the Public Offer Shares as at the close of the Application List, that number of Public Offer Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for the Placement Shares to the extent that there is an over-subscription for Placement Shares as at the close of the Application List.

In the event of an under-subscription for Placement Shares as at the close of the Application List, that number of Placement Shares not subscribed for and/or purchased shall be made available to satisfy excess applications for Public Offer Shares to the extent that there is an over-subscription for Public Offer Shares as at the close of the Application List.

In the event that any of the Reserved Shares are not subscribed for and/or purchased, they will be made available to satisfy excess applications for the Placement Shares (excluding the Reserved Shares) to the extent that there is an over-subscription for the Placement Shares (excluding the Reserved Shares) as at the close of the Application List, or, in the event of an under-subscription for the Placement Shares (excluding the Reserved Shares) as at the close of the Application List, to satisfy excess applications made by members of the public for the Public Offer Shares to the extent that there is an over-subscription for the Public Offer Shares as at the close of the Application List.

In the event of an over-subscription for Public Offer Shares as at the close of the Application List and the Placement Shares are fully subscribed or over-subscribed as at the close of the Application List, the successful applications for the Public Offer Shares will be determined by ballot or otherwise as determined by our Company and the Vendor, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent and approved by the SGX-ST (if required).

In all the above instances, the basis of allotment and/or allocation of the Invitation Shares as may be decided by our Directors and the Vendor in ensuring a reasonable spread of shareholders of our Company, shall be made public as soon as practicable through an announcement on the SGX-ST website at <http://www.sgx.com> and through an advertisement in a local English newspaper.

You hereby consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent residency status, CDP Securities Account number and shares application amount from your account with the relevant Participating Bank and Participating Agent to the Share Registrar and Share Transfer Agent, SCCS, SGX-ST, CDP, our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent.

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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15. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Invitation Shares allotted and/or allocated to you pursuant to your application, to our Company, the Vendor, and the Sponsor, Issue Manager, Underwriter and Placement Agent and any other parties so authorised by the foregoing persons. None of our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent, the Participating Banks and Participating Agent or the CDP shall be liable for any delays, failures, or inaccuracies in the recording, storage, transmission or delivery of data relating to your Electronic Applications.
  
16. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Public Offer Shares by way of a **WHITE** Public Offer Shares Application Form or by way of an Electronic Application, or applying for the Placement Shares (other than Reserved Shares) through the Placement Agent by way of a **BLUE** Placement Shares Application Form, or applying for the Reserved Shares through the Placement Agent by way of a **PINK** Reserved Shares Application Form or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent may, in consultation with our Company and the Vendor, deem appropriate.
  
17. By completing and delivering an Application Form and in the case of (i) an ATM Electronic Application by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM, and (ii) Internet Electronic Application or mBanking Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or “OK” or any other relevant button on the IB website screens of the relevant Participating Bank or the online portal screens of the Participating Agent or the mBanking interface of DBS Bank and UOB in accordance with the provisions therein, you:
  - (a) irrevocably offer, agree and undertake to subscribe for and/or purchase the number of Invitation Shares specified in your application (or such smaller number for which the application is accepted) at the Invitation Price for each Invitation Share and agree that you will accept such Invitation Shares as may be allotted and/or allocated to you, in each case on the terms of, and subject to the conditions set out in this Offer Document and the Constitution of our Company;
  
  - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Offer Document and those set out in the IB websites or ATMs of the relevant Participating Banks or the online portals of the Participating Agent or the mBanking interface of DBS Bank and UOB, the terms and conditions set out in this Offer Document shall prevail;
  
  - (c) agree that the aggregate Invitation Price for the Invitation Shares applied for is due and payable to our Company and/or the Vendor upon application;
  
  - (d) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent in determining whether to accept your application and/or whether to allot and/or allocate any Invitation Shares to you;



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- (e) (i) consent to the collection, use, processing and disclosure of your name/NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, CPF Investment Account number (if applicable), share application amount, share application details and other personal data (“**Personal Data**”) by the Share Registrar and Share Transfer Agent, CDP, SCCS, SGX-ST, the Participating Banks, the Participating Agent, our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or other authorised operators (“**Relevant Parties**”) for the purpose of facilitating and processing your application for the Invitation Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules and/or guidelines (collectively, “**Purposes**”) and warrant that such Personal Data is true, accurate and correct; (ii) consent that the Relevant Parties may disclose or share the Personal Data with third parties who provide necessary services to the Relevant Parties, such as service providers working for them and providing services such as hosting and maintenance services, delivery services, handling of payment transactions, and consultants and professional advisers; (iii) consent that the Relevant Parties may transfer Personal Data to any location outside of Singapore in order for them to provide the requisite support and services in connection with the Invitation Shares; (iv) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties for the Purposes, you have obtained the consent of the beneficial owner(s) to paragraphs 17(e)(i), (ii) and (iii) and that any disclosure of the Personal Data to the Relevant Parties is in compliance with all applicable laws; (v) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, such disclosure is in compliance with the applicable laws; (vi) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if our Company, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and (vii) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, “**Personal Data Privacy Terms**”);
- (f) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and neither our Company, our Directors, the Vendor, nor the Sponsor, Issue Manager, Underwriter and Placement Agent will infringe any such laws as a result of the acceptance of your application; and
- (g) agree and confirm that for the purposes of Rule 422(3) of the Catalist Rules, you are not connected to the Sponsor, Issue Manger, Underwriter and Placement Agent.
18. Our acceptance of applications will be conditional upon, among others, our Company, the Vendor and the Sponsor, Issue Manager, Underwriter and Placement Agent being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for quotation for all our existing Shares (including the Vendor Shares), the SAC Capital Shares, and the New Shares on Catalist;

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- (b) the Sponsorship and Management Agreement and the Underwriting and Placement Agreement referred to in the section “Sponsorship, Management, Underwriting and Placement Arrangements” of this Offer Document have become unconditional and have not been terminated or cancelled prior to such date as our Company and the Vendor may determine; and
  - (c) the Authority has not issued a Stop Order to our Company which directs that no or no further shares to which this Offer Document relates be allotted, issued, sold and/or transferred.
19. In the event that a Stop Order in respect of the Invitation Shares is issued and applications to subscribe for and/or purchase the Invitation Shares have been made prior to the Stop Order, then to the extent permissible under applicable laws:
- (a) where the Invitation Shares have not been issued and/or transferred, we will (as required by law and subject to the SFA), deem all applications withdrawn and cancelled and we (for our Company as well as on behalf of the Vendor) shall refund all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you within 14 days from the date of the Stop Order; or
  - (b) where the Invitation Shares have already been issued and/or transferred to you but trading has not commenced, the issue and/or transfer of the Invitation Shares shall be deemed to be void and we (for our Company as well as on behalf of the Vendor) shall:
    - (i) if documents purporting to evidence title to the Invitation Shares have been issued to you, within seven (7) days from the date of the Stop Order, inform you to return such documents to us within 14 days from that date, and within seven (7) days from the date of receipt of those documents or the date of the Stop Order, whichever is the later, pay to you all monies paid by you for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk); or
    - (ii) if no such documents have been issued to you, within seven (7) days from the date of the Stop Order, refund all monies paid on account of your application for the Invitation Shares (without interest or any share of revenue or other benefit arising therefrom and at your own risk),
- and you shall not have any claim whatsoever against our Company, our Directors, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent. This shall not apply where only an interim Stop Order has been served.
20. In the event that an interim Stop Order in respect of the Invitation Shares is served, no Invitation Shares shall be issued and/or transferred to you during the time when the interim Stop Order is in force.
21. The Authority may not serve a Stop Order in respect of the Invitation Shares if the Invitation Shares have been issued and listed on the SGX-ST and trading in the Invitation Shares has commenced.



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22. In the event of any changes in the closure of the Application List or the time period during which the Invitation is open, we will publicly announce the same through a SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com> and through a paid advertisement in a local English newspaper.
23. We will not hold any application in reserve.
24. We will not allot and/or allocate Shares on the basis of this Offer Document later than six (6) months after the date of registration of this Offer Document by the SGX-ST, acting as agent on behalf of the Authority.
25. Additional terms and conditions for applications by way of Application Forms are set out under the section “Additional Terms and Conditions for Applications Using Application Forms” below.
26. Additional terms and conditions for applications by way of Electronic Applications are set out under the section “Additional Terms and Conditions for Applications For Electronic Applications” below.
27. All payments in respect of any application for the Invitation Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Invitation does not proceed for any reason, shall be made in Singapore dollars.
28. CDP shall not be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to the Electronic Applications.

### ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to, the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below as well as those set out in this Appendix I, as well as the Constitution of our Company.

1. Your application must be made using the **WHITE** Public Offer Shares Application Forms and **WHITE** official envelopes “A” and “B” for Public Offer Shares, the **BLUE** Placement Shares Application Forms for Placement Shares (other than Reserved Shares) or the **PINK** Reserved Shares Application Forms for Reserved Shares, accompanying and forming part of this Offer Document or such other forms of application as the Sponsor, Issue Manager, Underwriter and Placement Agent deems appropriate without prejudice to the rights of our Company and the Vendor. **ONLY ONE APPLICATION** should be enclosed in each envelope.

We draw your attention to the detailed instructions contained in the respective Application Forms and this Offer Document for the completion of the Application Forms which must be carefully followed. **Our Company and the Vendor, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Offer Document or to the terms and conditions of this Offer Document or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.

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3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority.

If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Constitution or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Company’s Share Registrar and Share Transfer Office. Our Company, the Vendor, and the Sponsor, Issue Manager, Underwriter and Placement Agent, reserve the right to require you to produce documentary proof of identification for verification purposes.

5.
  - (a) You must complete Sections A and B and sign on page 1 of the Application Form.
  - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
  - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether you are an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

If you are an approved nominee company, you are required to declare whether the beneficial owner of the Invitation Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.

7. Your application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Invitation Shares applied for, in the form of a **BANKER’S DRAFT** or **CASHIER’S ORDER** drawn on a bank in Singapore, made out in favour of “**OTS HOLDINGS LIMITED SHARE ISSUE A/C**” crossed “**A/C PAYEE ONLY**”, and with your name, address and CDP Securities Account number written clearly on the reverse side. **Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted.** No combined Banker’s Draft or Cashier’s Order for

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different CDP Securities Accounts shall be accepted. We will reject remittances bearing “**NOT TRANSFERABLE**” or “**NON-TRANSFERABLE**” crossings. No acknowledgement of receipt will be issued by our Company, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent for applications and application monies received.

8. Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of balloting of applications at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days after the close of the Application List, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and application monies have been received in the designated share issue account. In the event that the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within five (5) Market Days of the termination of the Invitation. In the event that the Invitation is cancelled by us following the issuance of a Stop Order, the application monies received will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 days from the date of the Stop Order.
9. Capitalised terms used in the Application Forms and defined in this Offer Document shall bear the meanings assigned to them in this Offer Document.
10. You irrevocably agree and acknowledge that your application is subject to risks of fires, acts of God and other events beyond the control of our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or any other party involved in the Invitation, and if, in any such event, our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent do not receive your Application Form, you shall have no claim whatsoever against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or any other party involved in the Invitation for the Invitation Shares applied for or for any compensation, loss or damage.
11. By completing and delivering the Application Form, you agree that:
  - (a) in consideration of our Company and the Vendor having distributed the Application Form to you and agreeing to close the Application List at **12.00 noon on 15 June 2021** or such other time or date as our Company and the Vendor may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide, subject to any limitation under all applicable laws and regulations and the rules of the SGX-ST and by completing and delivering the Application Form:
    - (i) your application is irrevocable; and
    - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
  - (b) neither our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent nor any other party involved in the Invitation shall be

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liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to your application to us or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;

- (c) all applications, acceptances and contracts resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
- (d) in respect of the Invitation Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (f) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
- (g) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;
- (h) you consent to the collection, use and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, and share application amount to our Share Registrar, CDP, SCCS, SGX-ST, our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or other authorised operators; and
- (i) you irrevocably agree and undertake to subscribe for and/or purchase the number of Invitation Shares applied for as stated in the Application Form or any smaller number of such Invitation Shares that may be allotted to you in respect of your application. In the event that our Company decides to allot and/or allocate a smaller number of Invitation Shares or not to allot and/or allocate any Invitation Shares to you, you agree to accept such decision as final.

### Applications for Public Offer Shares

1. Your application for Public Offer Shares **MUST** be made using the **WHITE** Public Offer Shares Application Form and **WHITE** official envelopes “A” and “B”. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. You must:
  - (a) enclose the **WHITE** Public Offer Shares Application Form, duly completed and signed, together with the correct remittance in accordance with the terms and conditions of this Offer Document in the **WHITE** official envelope “A” provided;
  - (b) in the appropriate spaces on **WHITE** official envelope “A”:
    - (i) write your name and address;

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- (ii) state the number of Public Offer Shares applied for;
  - (iii) tick the relevant box to indicate the form of payment; and
  - (iv) affix adequate Singapore postage;
- (c) seal the **WHITE** official envelope “A”;
- (d) write, in the special box provided on the larger **WHITE** official envelope “B” addressed to **OTS Holdings Limited c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898**, the number of Public Offer Shares for which the application is made; and
- (e) insert **WHITE** official envelope “A” into **WHITE** official envelope “B”, seal **WHITE** official envelope “B”, affix adequate Singapore postage on **WHITE** official envelope “B” (if despatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND**, at your own risk to **OTS Holdings Limited c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898**, to arrive by **12.00 noon on 15 June 2021 or such other date and time as our Company and the Vendor may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion, decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

### **Applications for Placement Shares (other than Reserved Shares)**

1. Your application for Placement Shares (other than Reserved Shares) **MUST** be made using the **BLUE** Placement Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **BLUE** Placement Shares Application Form and the correct remittance in full in respect of the number of Placement Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name, address and CDP Securities Account number written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **OTS Holdings Limited c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898**, to arrive by **12.00 noon on 15 June 2021 or such other date and time as our Company and the Vendor may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

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### Applications for Reserved Shares

1. Your application for Reserved Shares **MUST** be made using the **PINK** Reserved Shares Application Form. **ONLY ONE APPLICATION** should be enclosed in each envelope.
2. The completed and signed **PINK** Reserved Shares Application Form and the correct remittance in full in respect of the number of Reserved Shares applied for (in accordance with the terms and conditions of this Offer Document) with your name, address and CDP Securities Account number written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. You must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST OR DELIVERED BY HAND** at your own risk to **OTS Holdings Limited c/o Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898**, to arrive by **12.00 noon on 15 June 2021 or such other date and time as our Company and the Vendor may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide. Local Urgent Mail or Registered Post must NOT be used.** No acknowledgement of receipt will be issued for any application or remittance received.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or which are not honoured upon their first presentation are liable to be rejected.

### ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks and the online portal screens of the Participating Agent (in the case of Internet Electronic Applications), and the mBanking interface of DBS Bank and UOB (in the case of mBanking Applications). Currently, DBS Bank, OCBC and UOB are the Participating Banks and iFAST Financial Pte Ltd (through its FSMOne, iFAST Global Markets, iFAST Central and iFAST Global Prestige Portals) is the Participating Agent through which Internet Electronic Applications may be made and DBS Bank and UOB are the Participating Banks through which mBanking Applications may be made. For illustration purposes, the procedures for Electronic Applications through ATMs and the IB website of UOB are set out respectively in the “Steps for an ATM Electronic Application for the Public Offer Shares through ATMs of UOB” and the “Steps for an Internet Electronic Application through the IB website of UOB” (collectively, “**Steps**”) appearing below.

The Steps set out the actions that you must take at an ATM or on the IB website of UOB to complete an Electronic Application. Please read carefully the terms of this Offer Document, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section “Additional Terms and Conditions for Electronic Applications” and the Steps shall refer to you making an application for Public Offer Shares through an ATM or the IB website of a relevant Participating Bank or the online portals of the Participating Agent.

Applicants applying for the Public Offer Shares by way of Electronic Applications may incur an administrative fee and/or such related charges as stipulated by the respective Participating Banks and the Participating Agent from time to time.



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You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs. An ATM card issued by one (1) Participating Bank cannot be used to apply for Public Offer Shares at an ATM belonging to other Participating Banks. For an Internet Electronic Application, you must have an existing bank or cash account with an IB User Identification (“**User ID**”) and a Personal Identification Number/Password (“**PIN**”) given by the relevant Participating Bank and the Participating Agent. The Steps set out the actions that you must take at ATMs or the IB website of UOB to complete an Electronic Application. The actions that you must take at ATMs or on the IB websites of other Participating Banks, or the online portals of the Participating Agent are set out on the ATM screens or on the IB website screens of the relevant Participating Banks, or the online portal screens of the Participating Agent. Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. Upon completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or the online portals of the Participating Agent or your mBanking Application through the mBanking interface of DBS Bank and UOB, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed for your record. The Transaction Record or your printed record of the Confirmation Screen is for your retention and should not be submitted with any Application Form.

**You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or if you do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.**

You must ensure, when making an Internet Electronic Application or mBanking Application, that your mailing address for the account selected for the application is in Singapore and the application is being made in Singapore and you will be asked to declare accordingly. Otherwise your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time when you make the application.

You shall make an Electronic Application in accordance with and subject to the terms and conditions of this Offer Document including but not limited to the terms and conditions appearing below and those set out in this Appendix I as well as the Constitution of our Company.

1. In connection with your Electronic Application for Public Offer Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:
  - (a) that you have received a copy of this Offer Document (in the case of ATM Electronic Applications only) and have read, understood and agreed to all the terms and conditions of application for Public Offer Shares and this Offer Document prior to effecting the Electronic Application and agree to be bound by the same;
  - (b) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document;

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- (c) that, for the purpose of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company, of your Personal Data from your records with the relevant Participating Bank and the Participating Agent to the Relevant Parties in accordance with the Personal Data Privacy Terms; and
- (d) where you are applying for the Public Offer Shares, that this is your only application for Public Offer Shares and it is made in your own name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction at the ATM or on the IB website or the online portal or mBanking interface unless you press the “Enter” or “Confirm” or “Yes” or “OK” or any other relevant key at the ATMs of the Participating Banks or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screens of the Participating Banks or the online portal screens of the Participating Agent or the mBanking interface of DBS Bank and UOB. By doing so, you shall be treated as signifying your confirmation of each of the above four (4) statements. In respect of statement 1(b) above, such confirmation shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act (Chapter 19) of Singapore to the disclosure by the relevant Participating Bank of the Personal Data relating to your account(s) with that Participating Bank and the Participating Agent.

2. **BY MAKING AN ELECTRONIC APPLICATION, YOU CONFIRM THAT YOU ARE NOT APPLYING FOR PUBLIC OFFER SHARES AS A NOMINEE OF ANY OTHER PERSON AND THAT ANY ELECTRONIC APPLICATION THAT YOU MAKE IS THE ONLY APPLICATION MADE BY YOU AS THE BENEFICIAL OWNER.**

**YOU SHALL MAKE ONLY ONE (1) ELECTRONIC APPLICATION FOR PUBLIC OFFER SHARES AND SHALL NOT MAKE ANY OTHER APPLICATION FOR PUBLIC OFFER SHARES, WHETHER AT THE ATMS OR IB WEBSITES OF ANY OF THE PARTICIPATING BANKS OR THE ONLINE PORTALS OF THE PARTICIPATING AGENT OR THE MBANKING INTERFACE OF DBS BANK OR UOB, AS THE CASE MAY BE, OR BY WAY OF AN APPLICATION FORMS. IF YOU HAVE MADE AN APPLICATION FOR PUBLIC OFFER SHARES OR PLACEMENT SHARES BY WAY OF AN APPLICATION FORM, YOU SHALL NOT MAKE AN ELECTRONIC APPLICATION FOR PUBLIC OFFER SHARES AND VICE VERSA.**

3. You must have sufficient funds in your bank account with the relevant Participating Bank or your cash account with the Participating Agent, at the time you make your Electronic Application, failing which your Electronic Application will not be completed or accepted. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Document or on the screens of the ATM or IB website of the relevant Participating Bank, or the online portals of the Participating Agent, or the mBanking interface of DBS Bank or UOB, as the case may be, through which your Electronic Application is being made shall be rejected.**



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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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You may apply and make payment for your application for the Public Offer Shares in Singapore currency only. You may apply and make payment for your application in Singapore currency through any ATM or IB website of the relevant Participating Bank or the online portal of the Participating Agent, or the mBanking interface of DBS Bank or UOB (as the case may be), by authorising such Participating Bank or such Participating Agent to deduct the full amount payable from your account(s) with such Participating Bank or such Participating Agent (as the case may be).

4. You irrevocably agree and undertake to subscribe for and/or purchase and/or accept the number of Public Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of Public Offer Shares that may be allotted and/or allocated to you in respect of your Electronic Application.

In the event that our Company and the Vendor decide to allot and/or allocate any lesser number of such Public Offer Shares or not to allot and/or allocate any Public Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATMs of the Participating Banks or clicking “Submit” or “Continue” or “Yes” or “Confirm” or “OK” or any other relevant button on the IB website screens of the Participating Banks or the online portal screens of the Participating Agent or the mBanking interface of DBS Bank or UOB) of the number of Public Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Public Offer Shares that may be allotted and/or allocated to you and your agreement to be bound by the Constitution of our Company. You also irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or documents required for the issue and/or transfer of the Public Offer Shares that may be allotted and/or allocated to you.

5. **Our Company and the Vendor will not keep any applications in reserve.** Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, our Directors, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by being automatically credited to your account with the relevant Participating Bank or the Participating Agent within 24 hours of balloting of the applications provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

**Trading on a “WHEN ISSUED” basis, if applicable, is expected to commence after such refund has been made.**

Where your Electronic Application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom and at your own risk) to you by being automatically credited to your account with the relevant Participating Bank or Participating Agent within 14 days after the close of the Application List provided that the remittance in respect of such application which has been presented for payment or other processes have been honoured and the application monies have been received in the designated share issue account.

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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If the Invitation does not proceed for any reason, the full amount of the application monies received will be refunded (without interest or any share of revenue arising therefrom, at your own risk and without any right or claim against our Company, our Directors, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent) to you by being automatically credited to your account with the relevant Participating Bank or Participating Agent within five (5) Market Days of the termination of the Invitation.

**Responsibility for timely refund of application monies from unsuccessful or partially successful Electronic Applications lies solely with the respective Participating Banks or the Participating Agent.**

Therefore, you are strongly advised to consult the relevant Participating Bank or the Participating Agent as to the status of your Electronic Application and/or the refund of any monies to you from unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Shares allotted and/or allocated to you before trading the Public Offer Shares on Catalist. You may also call CDP Phone at 6535 7511 to check the provisional results of your application by using your T-pin (issued by CDP upon your application for the service) and keying in the stock code (that will be made available together with the results of the allotment and/or allocation via an announcement through the SGX-ST website at <http://www.sgx.com> and by advertisement in a generally circulating daily press). To sign up for the service, you may contact CDP customer service officers. Neither the SGX-ST, the CDP, the SCCS, the Participating Banks, the Participating Agent, our Company, our Directors, the Vendor, nor the Sponsor, Issue Manager, Underwriter and Placement Agent assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

6. **If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Banks. The Participating Agent will send you a notification in the event of an unsuccessful Electronic Application**

If you make Electronic Applications through the ATMs, or the IB websites of the following Participating Banks or the online portals of the Participating Agent, you may check the provisional results of your Electronic Applications as follows:

Bank/Agent	Telephone	Other Channels	Operating Hours	Service Expected From
UOB	1800 222 2121	ATM (Other Transactions – “IPO Results Enquiry”)/ Phone Banking/Internet Banking/UOB Mighty mobile application <a href="http://www.uobgroup.com">http://www.uobgroup.com</a> <sup>(1)</sup>	24 hours a balloting day	Evening of the balloting day
DBS Bank	1800 339 6666 (for POSB account holders)	Internet Banking <a href="http://www.dbs.com">http://www.dbs.com</a> <sup>(2)</sup>	24 hours a day	Evening of the balloting day

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<b>Bank/Agent</b>	<b>Telephone</b>	<b>Other Channels</b>	<b>Operating Hours</b>	<b>Service Expected From</b>
	1800 111 1111 (for DBS account holders)			
OCBC	1800 363 3333	ATM/Phone Banking/ Internet Banking <a href="http://www.ocbc.com">http://www.ocbc.com</a> <sup>(3)</sup>	24 hours a day	Evening of the balloting day
iFAST	6557 2853	<a href="http://www.fsmone.com">www.fsmone.com/</a> <a href="http://www.ifastigm.com.sg">www.ifastigm.com.sg/</a> <a href="http://www.ifastfinancial.com.sg">www.ifastfinancial.com.sg/</a> <a href="http://www.ifastgp.com.sg">www.ifastgp.com.sg</a> <sup>(4)</sup> Stocks > Subscribe for IPOs > Allotment Results	24 hours a day	Evening of the balloting day

**Notes:**

- (1) If you have made your Electronic Application through the ATMs, IB website or mBanking Application through the mBanking interface of UOB, you may check the results of your application through the channels listed in the table above.
  - (2) If you have made your Electronic Application through the ATMs, IB website or mBanking Application through the mBanking interface of DBS Bank, you may check the results of your application through the channels listed in the table above.
  - (3) If you have made your Electronic Application through the ATMs or IB website of OCBC, you may check the results of your application through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking Services.
  - (4) If you have made your Electronic Application through any of the online portals of iFAST, you may check the results of your application through the websites or online applications of iFAST.
7. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks and the Participating Agent, our Company, the Vendor, and the Sponsor, Issue Manager, Underwriter and Placement Agent and if, in any such event, our Company, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank or the Participating Agent do not receive your Electronic Application, or data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent and/or the relevant Participating Bank and Participating Agent for Public Offer Shares applied for or for any compensation, loss or damage.
- CDP shall not be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to the electronic application.
8. **Electronic Applications shall close at 12.00 noon on 15 June 2021 or such other date and time as our Company and the Vendor may, in consultation with the Sponsor, Issue Manager, Underwriter and Placement Agent, in their absolute discretion decide.**

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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Subject to the paragraph above, all Internet Electronic Applications and mBanking Applications are deemed to be received when it enters the designated information system of the relevant Participating Bank and the Participating Agent, that is, when there is an onscreen confirmation of the application.

9. You are deemed to have irrevocably requested and authorised our Company and the Vendor to:
  - (a) register the Public Offer Shares allotted and/or allocated to you in the name of CDP for deposit into your Securities Account;
  - (b) send the relevant share certificate(s) by ordinary post, at your own risk, to CDP;
  - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom, at your own risk and without any right or claim against our Company, our Directors, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent) the application monies, should your Electronic Application be unsuccessful, by automatically crediting your bank account with the relevant Participating Bank or your cash account with the Participating Agent with the relevant amount within twenty-four (24) hours of the balloting of applications or within five (5) Market Days of the termination of the Invitation if the Invitation does not proceed for any reason (as the case may be); and
  - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom, at your own risk and without any right or claim against our Company, our Directors, the Vendor or the Sponsor, Issue Manager, Underwriter and Placement Agent) the balance of the application monies, should your Electronic Application be accepted in part only, by automatically crediting your bank account with the relevant Participating Bank or cash account with the Participating Agent with the relevant amount within fourteen (14) days after the close of the Application List.
10. Our Company and the Vendor do not recognise the existence of a trust. Any Electronic Application by a trustee or trustees must be made in his/her/their own name and without qualification. Our Company and the Vendor will reject any application by any person acting as nominee except those made by approved nominee companies only after complying with paragraph 7 above.
11. All your particulars in the records of the relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the time of the making of your Electronic Application, you shall promptly notify the relevant Participating Bank.
12. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank and/or the Participating Agent are correct and identical, or otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and/or allocation will be sent to your address last registered with CDP before the close of the Invitation.

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## APPENDIX I – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATIONS AND ACCEPTANCES

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13. By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) in consideration of our Company and the Vendor making available the Electronic Application facility, through the Participating Banks and the Participating Agent as the agents of our Company, at the ATMs and IB websites of the relevant Participating Banks, and the online portals of the Participating Agent, and the mBanking interface of DBS Bank and UOB (as the case may be):
    - (i) your Electronic Application is irrevocable; and
    - (ii) your Electronic Application, our acceptance and the contract resulting therefrom under the Invitation shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
  - (b) neither our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent, the Participating Banks and the Participating Agent nor CDP shall be liable for any delays, failures or inaccuracies in the recording or storage or in the transmission or delivery of data relating to your Electronic Application to our Company, CDP or SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond our respective controls;
  - (c) in respect of Public Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and the Vendor, and not otherwise, notwithstanding any payment received by or on behalf of our Company and the Vendor;
  - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
  - (e) in making your application, reliance is placed solely on the information contained in this Offer Document and that none of our Company, our Directors, the Vendor, the Sponsor, Issue Manager, Underwriter and Placement Agent or any other person involved in the Invitation shall have any liability for any information not so contained;
  - (f) you accept and agree to the Personal Data Privacy Terms set out in this Offer Document; and
  - (g) you irrevocably agree and undertake to subscribe for and/or purchase the number of Invitation Shares applied for as stated in your Electronic Application or any smaller number of such Invitation Shares that may be allotted and/or allocated to you in respect of your application. In the event that our Company and the Vendor decide to allot and/or allocate a smaller number of Invitation Shares or not to allot and/or allocate any Invitation Shares to you, you agree to accept such decision as final.

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### Steps for Electronic Applications through ATMs and the IB website of UOB

The instructions for Electronic Applications will appear on the ATM screens and the IB website screens (if any) of the respective Participating Banks, and the online portals of the Participating Agent For illustrative purposes, the steps for making an Electronic Application through the ATMs or IB website of UOB are shown below. Instructions for Electronic Applications appearing on the ATM screens and the IB website screens (if any) of the relevant Participating Banks (other than UOB), and the online portals of the Participating Agent may differ from that represented below.

Owing to space constraints on UOB's ATM screens, the following terms will appear in abbreviated form:

“CDP”	:	THE CENTRAL DEPOSITORY (PTE) LIMITED
“CPF”	:	CENTRAL PROVIDENT FUND
“IC/PASSPORT”	:	NRIC or PASSPORT NUMBER
“PR”	:	PERMANENT RESIDENT
“REGISTRARS”	:	SHARE REGISTRARS
“SCCS”	:	SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD

### Steps for an ATM Electronic Application for the Public Offer Shares through ATMs of UOB

Step 1: Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number.

- 2: Select “**OTHER TRANSACTIONS**”.
- 3: Select “**RETAIL SECURITIES/BONDS APPLICATION**”.
- 4: Select the share counter which you wish to apply for.

5: Read and understand the following statements which will appear on the screen:

– **IMPORTANT:**

Read the offer document before subscribing for the securities. Obtain the offer documents from our bank branches, website or via QR code. Please call 1800 222 2121 if you have issues accessing the offer documents. To continue your application after scanning the QR code, please press enter.

(Press “**ENTER**” key to continue)

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– WARNING:

All investments come with risks. You can lose money on your investment. Invest only if you understand and can monitor your investment.

(Press “**ENTER**” key to continue)

- The application of securities will need to be made in the manner set out in the offer documents. You agree to enter into this transaction on your own accord and the availability of this application services shall not be construed as a recommendation or advice from UOB to enter into this transaction. You may wish to seek prior advice from a qualified adviser as to the transaction suitability.

(Press “**ENTER**” key to continue)

– RISK WARNING FOR EQUITIES

The issuer may not always pay you dividends. You will likely lose money if the issuer gets into financial difficulties. If the issuer is wound up, shareholders will be the last to be paid off.

(Press “**ENTER**” key to continue)

- You have read, understood and agreed to all terms of the prospectus/offer information statement/product highlights sheet/simplified disclosure document/profile stamen/relevant document and this electronic application.

(Press “**ENTER**” key to continue)

- You consent to disclose your Name, IC/Passport, Nationality, Address, Application Amount, CPF Investment Account Number and CDP Account Number from your Accounts to CDP, CPF, SCCS, Share Registrars, SGX-ST and Issuer/Vendor(s). This is your only Fixed Price Application and is in your name and at your risk.

(Press “**ENTER**” key to confirm)

6: Screen will display:

**NRIC/Passport No. XXXXXXXXXXXXX**

**IF YOUR NRIC NO/PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.**

(Press “**CANCEL**” or “**CONFIRM**”)

- 7: Select Cash Account type to debit (i.e. “**CURRENT ACCOUNT**” or “**SAVINGS ACCOUNT**”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.



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- 8: After you have selected the account, your CDP Securities Account number will be displayed for you to confirm or change (This screen with your CDP Securities Account number will be shown if your CDP Securities Account number is already stored in the ATM system of UOB). If this is the first time you are using UOB's ATM to apply for Shares, your CDP Securities Account number will not be stored in the ATM system of UOB, and the following screen will be displayed for your input of your CDP Securities Account number.
- 9: Key in your CDP Securities Account number (12 digits) and press the **"ENTER"** key.
- 10: Select your nationality status.
- 11: Read and understand the following statements which will appear on the screen:
  - WARNINGS:  
  
Diversify your investments. Avoid investing a large portion of your money in a single issuer.  
  
(Press **"Enter"** key to continue)
- 12: Key in the number of Shares you wish to apply for and press the **"ENTER"** key.
- 13: Check the details of your Electronic Application on the screen and press the **"ENTER"** key to confirm your Electronic Application.
- 14: Select **"NO"** if you do not wish to make any further transactions and remove the Transaction Record.

You should keep the Transaction Record for your own reference only.

### **Steps for an Internet Electronic Application through the IB website of UOB**

Owing to space constraints on UOB's IB website screen, the following terms will appear in abbreviated form:

"CDP"	:	The Central Depository (Pte) Limited
"CPF"	:	The Central Provident Fund
"NRIC"	:	National Registration Identity Card
"PR"	:	Permanent Resident
"S\$"	:	Singapore Dollars
"SCCS"	:	Securities Clearing & Computer Services (Pte) Ltd
"SGX-ST"	:	Singapore Exchange Securities Trading Limited



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- Step 1: Connect to UOB's Personal Internet Banking page at <https://pib.uob.com.sg>.
- 2: Enter your Username and Password and click "**Login**".
  - 3: Click on Investment – Securities. Click on "**Click to request OTP via SMS**".
  - 4: You will receive a SMS One-Time Password. Enter the SMS One-Time Password and click "**Submit**".
  - 5: Read and understand the following statements which will appear on the screen:
    - Investors to take note:
      - (a) All investments come with risk, including the risk that the investor may lose all or part of his investment;
      - (b) You are responsible for your own investment decisions;
      - (c) You should read the prospectus, offer information statement and product highlights sheet (as applicable) before making the application to subscribe for the securities
- (Click "**Proceed**")
- 6: Click on the "**INITIAL PUBLIC OFFERING**" tab.
  - 7: Click on the "+" Add button on the top right corner.
  - 8: Check all boxes in the Declaration pop-up and click "**Proceed**".
  - 9: Select your country of residence (you must be residing in Singapore to apply), and click "**Continue**".
  - 10: Select the "Securities Counter" from the drop list (if there are concurrent IPOs) and click "**Submit**".
  - 11: Check the "Securities Counter", select the mode of payment and account number to debit and click on "**Submit**".
  - 12: Read the important instructions and click on "**Continue**" to confirm that:
    1. **You have read, understood and agreed to all the terms of this application and Prospectus/Offer Document or Supplementary Document.**
    2. **For the purposes of facilitating your application, you consent to disclose your name, NRIC/passport number, CDP Securities Account Number, CPF investment account number, application details and other personal data and disclosing the same from our records to CDP, CPF, SCCS, share registrars, SGX-ST & Issuer/Vendor(s), the Sponsor, Issue Manager, Underwriter and Placement Agent.**

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3. This application is made in your own name, for your own account and at your own risk.
  4. For **FIXED/MAX** price securities application, this is your only application. For **TENDER** price shares application, this is your only application at the selected tender price.
  5. For **FOREIGN CURRENCY** securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S\$, based on the Bank's exchange rate, or application monies may be debited and refunds credited in S\$ at the same exchange rate.
  6. For **1ST-COME-1ST-SERVE** securities, the number of securities applied for may be reduced, subject to the availability at the point of application.
- 13: Check your personal details, details of the share counter you wish to apply for and account to debit:
- Select (a) Nationality;
- Enter (b) your CDP Securities Account Number; and
- (c) the number of shares applied for.
- 14: Check the details of your application, your NRIC/Passport number, CDP Securities Account Number and the number of shares applied for, share counter, payment mode and account to debit.
- 15: Click **“Submit”**, **“Clear”** or **“Home”** as applicable.
- 16: Print the Confirmation Screen (optional) for your own reference and retention only.

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## OTS HOLDINGS LIMITED

(Company Registration Number: 201505559W)  
(Incorporated in the Republic of Singapore on 3 March 2015)

