



ONEAPEX

ANNUAL REPORT 2021



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This annual report has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**") in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Andrew Leo, Chief Executive Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

CORPORATE PROFILE

OneApex Limited (the “**Company**”) was incorporated on 30 September 2010 and was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX**”) on 28 February 2011.

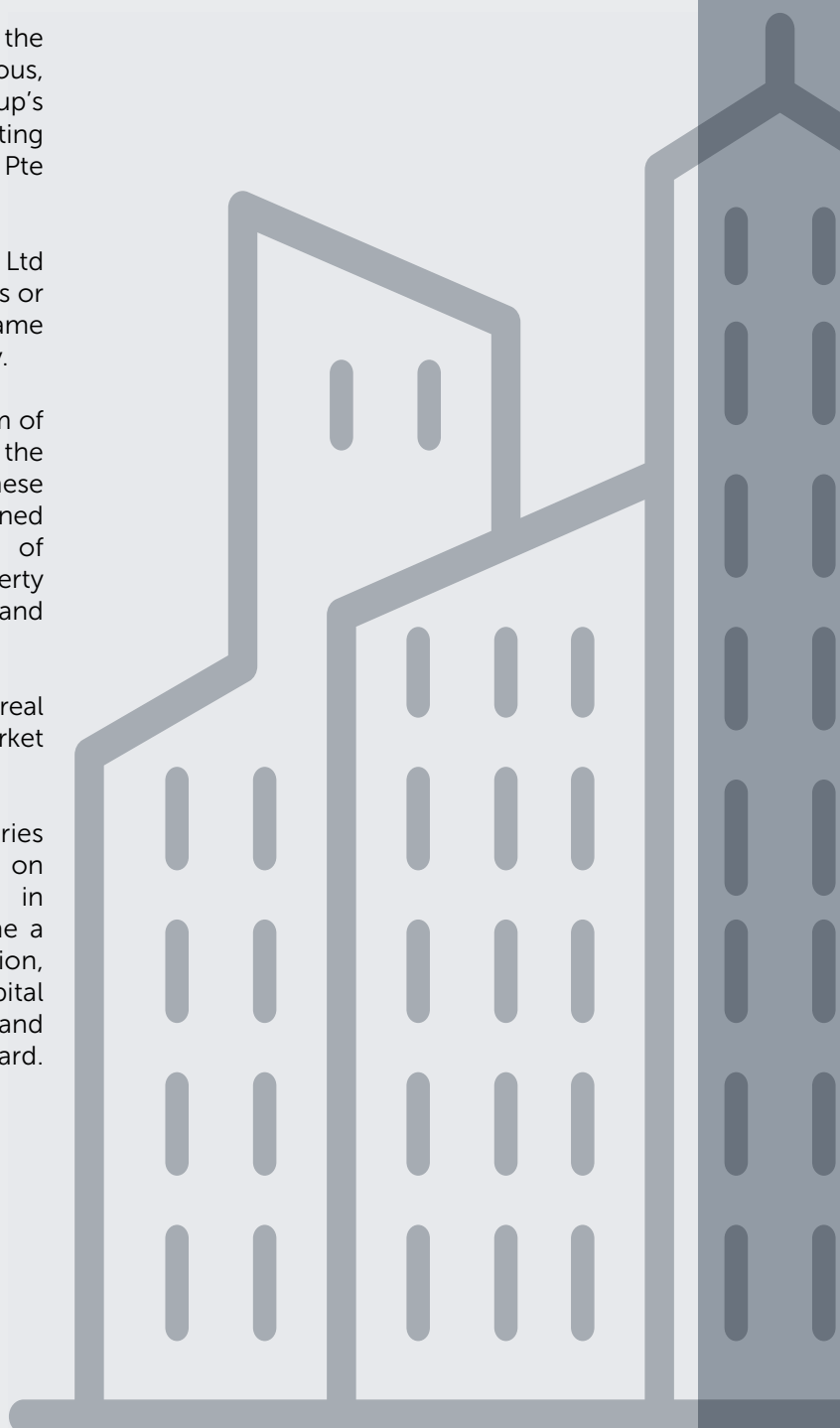
Prior to 2018, the Group specialised in the production of a range of healthy and nutritious, generic and designer eggs under the Group’s brand name, “Chews” through its main operating subsidiary in Singapore, Chew’s Agriculture Pte Ltd.

On 8 October 2018, Goldhill Trust Pte Ltd (“**Goldhill Trust**”), acquired 57,580,341 shares or 68.14% of the Company’s shares and became the controlling shareholder of the Company.

On 31 January 2019, the Group with its team of new directors and management, changed the Company’s name to OneApex Limited (Chinese name “亿高有限公司”) and has obtained shareholders’ approval for diversification of its business to Property Investment, Property Management, Property Development and Financial Investments Services.

Today, the Group is a Singapore-based real estate developer and holds a Capital Market Service License.

Beginning with the acquisition of KC Industries Pte Ltd in 2020, the Group is focused on growing its property portfolio footprint in Singapore and is forging ahead to become a reputable developer in Singapore. In addition, the Group has set up its first Variable Capital Company in 2021 and will be looking to expand in the area of fund management going forward.





MR. CHIU JOON SUN
(ZHAO JUNSHENG)

MR. TAN PEI HONG, ALEX
(CHEN PEIFENG)

CEO'S STATEMENT AND FINANCIAL REVIEW

DEAR SHAREHOLDERS,

It is my pleasure to present to you OneApex's (the "**Company**" or "**OneApex**" and together with its subsidiaries, the "**Group**") Annual Report and the Group's financial results for the financial year ended 30 September 2021.

REVIEW OF THE FINANCIAL PERFORMANCE OF THE GROUP (FY2021 VS FY2020)

Continuing operations:

The Group's continuing operations comprise the operations of the Company in the property business as well as its financial services division in Singapore.

The Group recorded revenue of approximately \$1.2 million in FY2021 as compared to approximately \$1.1 million in FY2020. The increase of approximately \$0.1 million in revenue was mainly attributed to its financial services business operations as a result of an increase in the revenue generated by the mortgage referral division in FY2021.

Other income increased by approximately \$1.0 million, from approximately \$0.2 million in FY2020 to approximately \$1.2 million in FY2021, mainly due to a reversal of impairment in investment properties amounting to \$0.9 million.

Employee benefits expense decreased by approximately \$0.1 million, from approximately \$2.0 million in FY2020 to approximately \$1.9 million in FY2021, mainly due to senior management taking temporary pay-cuts during the year as well as a reduction in the aggregate remuneration for the directors of the Company attributed to the cessation of the Non-Executive Non-Independent Chairman of the Group in March 2021.

Depreciation expenses remained stable in FY2021 at \$80,000 compared to \$79,000 in FY2020.

Other operating expenses decreased by approximately \$1.0 million, from approximately \$1.7 million in FY2020 to approximately \$0.7 million in FY2021, mainly due to the impairment of the properties located at 14 Kim Chuan Terrace, 16 Kim Chuan Terrace and 18 Kim Chuan Terrace (the "**Investment Properties**") of approximately \$0.9 million recognised in FY2020. The impairment expenses were mainly due to the stamp duties incurred in relation to the acquisition of the Investment Properties. In FY2021, the Group has increased the allowed gross plot ratio for the underlying land of the Investment Properties, which led to an increase in valuation of the Investment

Properties. As a result, the impairment loss is reversed in the current financial year and recognised as other income, and the Investment Properties are carried at its original cost amounting to approximately \$36.2 million.

Finance costs increased by approximately \$0.4 million from approximately \$0.2 million in FY2020 to approximately \$0.6 million in FY2021. Additional loans of approximately \$5.5 million were taken up by the Group for working capital purposes as well as loans taken for the payment of development charge to increase the gross plot ratio of the Group's underlying land of the Investment Properties (the "**Development Charge**"), leading to the increase in finance costs in FY2021.

Share of associates' results increased by approximately \$109,000 from approximately \$31,000 in FY2020 to approximately \$140,000 in FY2021. The associates' results were due solely from the associate, Tuas Seatown Dormitory Pte Ltd ("**TSD**"), which acquired a dormitory in end January 2020. As a result, TSD only generated revenue from February 2020 onwards and thus only had 8 months of revenue in FY2020 as compared to 12 months of revenue in FY2021. In addition, from January 2020 to May 2020, the dormitory was leased out to a third party. TSD took over the management of the dormitory from June 2020 onwards and subsequently generated higher revenue and profits as a dormitory operator.

Income tax expense of approximately \$7,000 for FY2021 (FY2020: \$2,000) was mainly due to higher profits generated from the financial services division of the Group.

As a result of the above, the Group recorded a loss net of tax from its continuing operations of approximately \$0.7 million in FY2021 as compared to a loss net of tax of approximately \$2.6 million in FY2020.

Discontinued operations:

Loss after tax from discontinued operations amounted to \$Nil in FY2021 as compared to approximately \$0.2 million in FY2020. The discontinued operations relate to the egg trading business of Chew's Food International Limited ("**CFIL**"), which was disposed of in June 2020.

REVIEW OF THE FINANCIAL POSITION OF THE GROUP

The Group's total assets increased by approximately \$4.7 million, from approximately \$42.2 million as at 30 September 2020 to approximately \$46.9 million

CEO'S STATEMENT AND FINANCIAL REVIEW

as at 30 September 2021. The Group's current assets as at 30 September 2021 stood at approximately \$8.3 million, which represents a decrease of approximately \$0.3 million from approximately \$8.6 million as at 30 September 2020. The decrease was mainly due to a reduction in other receivables of approximately \$1.0 million as the Group had received the reimbursement of the goods and services tax from Inland Revenue Authority of Singapore for the purchase of 18 Kim Chuan Terrace. The decrease is partially offset by an increase in cash and bank balances amounting to \$0.6 million, as well as an increase in trade receivables amounting to \$0.2 million. The Group's non-current assets stood at approximately \$38.7 million as at 30 September 2021 and consisted mainly of the Investment Properties of approximately \$36.2 million and investment in associated companies of approximately \$2.2 million. The increase in Investment Properties is due to the Group capitalising the Development Charge of approximately \$4.0 million as well as a reversal of the prior year's impairment loss of the investment properties amounting to approximately \$0.9 million.

The Group's total liabilities increased by approximately \$5.4 million, from approximately \$28.0 million as at 30 September 2020 to approximately \$33.4 million as at 30 September 2021, mainly due to the drawdown of additional bank loans amounting to approximately \$5.5 million obtained for the payment of the Development Charges, as well as for working capital purposes.

The Group maintained a positive working capital of approximately \$5.0 million as at 30 September 2021.

REVIEW OF THE STATEMENT OF CASH FLOWS FOR THE GROUP

The Group's cash and cash equivalents increased by approximately \$0.5 million, from approximately \$7.0 million as at 30 September 2020 to approximately \$7.5 million as at 30 September 2021.

The Group recorded net cash used in operating activities of approximately \$0.9 million in FY2021 as compared to net cash used in operating activities of approximately \$1.1 million in FY2020, representing a decrease of approximately \$0.2 million used. The decrease was mainly due to the disposal of the Group's subsidiary, CFIL, that was completed in June 2020, with higher cash used in operations as a result of working capital changes in FY2020, which was partially offset by the increase in finance costs due to additional loans taken up in FY2021.

Net cash used in investing activities amounted to approximately \$4.0 million in FY2021 as compared to net cash used in investing activities of approximately \$30.0 million in FY2020. The \$4.0 million was mainly used in the payment of the Development Charge in FY2021 while the \$30.0 million in FY2020 was mainly used in the acquisition of the Investment Properties.

Net cash generated from financing activities amounted to approximately \$5.4 million in FY2021 as the Group has taken a bank loan of \$3.2 million to finance the payment of the Development Charge as well as a bank loan of \$2.3 million for working capital purposes, as compared to net cash used in financing activities of approximately \$25.0 million in FY2020, which were mainly used for the acquisition of the Investment Properties.

LOOKING AHEAD

The COVID-19 outbreak since early 2020 has brought about additional uncertainties in the general operating environment and across many sectors of the economies around the world.

With the continued uncertainty of the economic recovery from the COVID-19 pandemic, the Group will continue to adopt a prudent approach in managing its cashflows and investment activities. Nevertheless, the Group will continue to monitor the property market for any suitable acquisition and/or investment opportunities, while concentrating on re-developing the Investment Properties that was acquired during the last financial year.

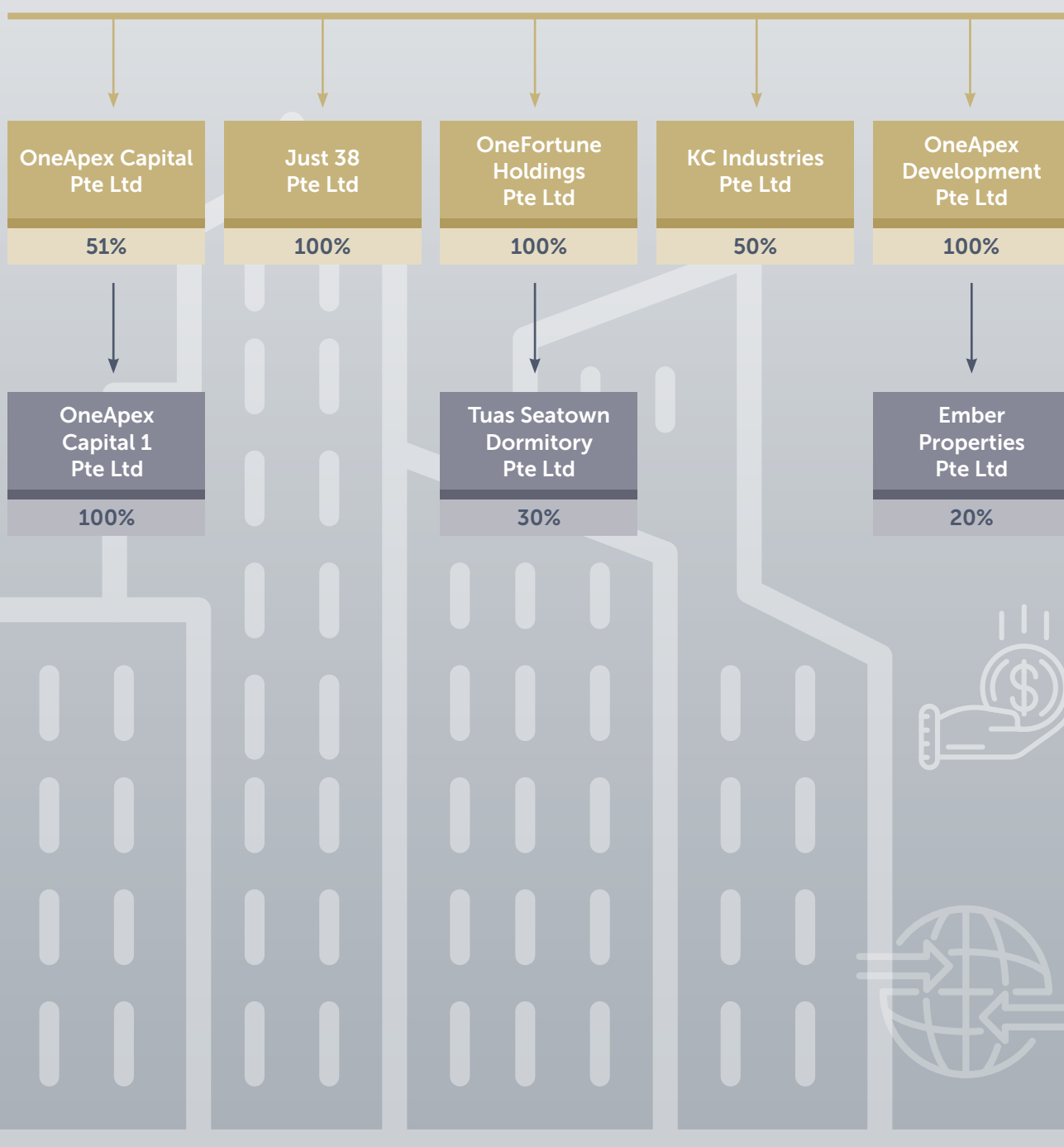
In respect of the financial investment business division, the Group is keen on seeking out opportunities for acquisitions and/or joint ventures with strategic business partners in the fund management space, with a view of growing its fund management business.

APPRECIATION

On behalf of the Board, I would like to extend my appreciation and gratitude to all shareholders, customers, suppliers, business associates, bankers, Directors and our staff for their unwavering support to OneApex Limited.

TAN PEI HONG, ALEX (CHEN PEIFENG)
EXECUTIVE CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

CORPORATE STRUCTURE



BOARD OF DIRECTORS



MR. TAN PEI HONG, ALEX (CHEN PEIFENG), 35

Mr. Alex Tan is the Executive Chairman and Chief Executive Officer of the Company (re-designated with effect from 31 March 2021) and was appointed to the Board on 20 November 2018. He is also the Chairman of the Risk Committee and a member of our Nominating Committee. He is responsible for the overall management, operations, strategic planning and business expansion of the Group and oversees the day-to-day operations for the Group.

Mr. Alex Tan was the General Manager of Yi Kai Development Pte Ltd ("Yi Kai"), a business owned by his family. Yi Kai has been established in Singapore since 1985 and is engaged in providing real estate development services, specialising in both commercial and residential property developments in Singapore. Through his family business, he has gained in-depth knowledge and built a vast network in the property market in Singapore. Prior to this appointment, Mr. Alex Tan was the Chief Operation Officer of Prime Asia Asset Management Pte. Ltd., a Registered Fund Management Company approved by the Monetary Authority of Singapore, where he set up the wealth management department. Mr. Alex Tan has also held several positions with international hotel chains which include The Pan Pacific Hotels Group, The St. Regis Singapore and Raffles Hotel, Beijing, where he was exposed to both operational and management roles of the hospitality industry during the initial years of his career.

Mr. Alex Tan holds a Bachelor of Business Administration in Hospitality Management from the Glion Institute of Higher Education in Switzerland and a Diploma in Information Technology from the Republic Polytechnic of Singapore.



MR. CHIU JOON SUN (ZHAO JUNSHENG), 42

Mr. Chiu is an Executive Director of the Company and was appointed to the Board on 29 December 2018. He is also a member of our Nominating Committee and Risk Committee. He is responsible for the overall management, operations, strategic planning and business expansion of the Group and heads the Financial Investments Services division of the Group.

Prior to joining the Group, Mr. Chiu held a number of senior financial positions in major financial institutions including Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited, UBS Group AG and Nomura Singapore Limited. Over the past 15 years, he has accumulated extensive knowledge and experience in the Singapore financial markets covering diverse activities such as banking, capital markets, corporate finance, securities brokerage and investment portfolio management for the ultra-high net-worth individuals.

Mr. Chiu holds a Bachelor of Engineering (Mechanical and Production Engineering) from the Nanyang Technological University of Singapore.

BOARD OF DIRECTORS



MR. CHEE TECK KWONG PATRICK, PBM, 67

Mr. Chee is the Lead Independent Director of the Company and was appointed to the Board on 20 November 2018 and re-elected on 29 January 2020. Mr. Chee currently chairs the Remuneration Committee and is a member of our Audit Committee, Nominating Committee and Risk Committee.

Mr. Chee holds a Bachelor of Law (Hons) from the National University of Singapore (formerly known as The University of Singapore). He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the Senior Courts of England and Wales. He has been in private legal practice since 1980. He is now a Senior Legal Consultant with Withers KhattarWong LLP, an international law firm. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions and listing of companies. He has advised on property law and has handled several landmark development projects in Singapore, Indonesia, Malaysia and China. He also conducts civil litigation and arbitration proceedings. He had initiated and was instrumental to the setting up of a full licensed KhattarWong's law practice in Vietnam.

Mr. Chee is a Notary Public and a Commissioner for Oaths. He is a member of the Singapore Institute of Arbitrators and the Singapore Institute of Directors. He had served several years in the sub-committee of the National Crime Prevention Council and worked with the National Productivity Board in developing and seeing the successful launch of some well-known franchises in Singapore in the early 1990s. From 2002 to 2013, Mr. Chee was the Organising Chairman of the "National Street Soccer League – Lee Hsien Loong Challenge Trophy".

Mr. Chee is currently an Independent Director of China International Holdings Limited, QAF Limited, Noel Gifts International Ltd, Sheng Siong Group Ltd, all listed on the Main Board of the SGX-ST and MeGroup Ltd., a company listed on the Catalist of the SGX-ST.

He is also the Honorary Legal Advisor to Hospitality Purchasing Association Singapore, Singapore Foochow Association, Foochow Restaurant and Bar Merchants Association, Singapore, and Rong Lian Physical Association. Mr. Chee is the recipient of the National Day Awards 2003 – "The Public Service Medal (Pingat Bakti Masyarakat)" from the President of the Republic of Singapore.

BOARD OF DIRECTORS



MR. WAN TAI FOONG, 53

Mr. Wan is an Independent Director of the Company and was appointed to the Board on 20 November 2018 and re-elected on 28 January 2021. Mr. Wan currently chairs the Audit Committee and is a member of our Nominating Committee, Remuneration Committee and Risk Committee. Mr. Wan is currently an Independent Director of New Toyo International Holdings Ltd, a company listed on the Main Board of the SGX-ST.

Mr. Wan is currently the Chief Executive Officer of Qi Capital Pte. Ltd., a boutique advisory firm that advises private corporates on mergers and acquisitions and fund-raising transactions. Mr. Wan has more than 20 years of experience in investment banking, with varied and in-depth exposure and experience to all aspects of mergers and acquisitions, restructuring and fund-raising transactions in different sectors. To date, Mr. Wan has advised on over USD 3 billion of mergers and acquisitions transactions. Prior to setting up Qi Capital, Mr. Wan held a number of senior positions in major financial institutions including Rabobank Singapore Branch, KBC Bank (Singapore) Limited, Kim Eng Corporate Finance Pte. Ltd. and N M Rothschild & Sons (Singapore) Limited. Mr. Wan started his career with Arthur Andersen Singapore.

Mr. Wan holds a Bachelor of Commerce from Murdoch University and has been a member of the Certified Public Accountant Australia since 2010.



MR. LOW CHIN PARN ERIC, 60

Mr. Low is an Independent Director of the Company and was appointed to the Board on 20 November 2018 and re-elected on 28 January 2021. Mr. Low currently chairs the Nominating Committee and is a member of our Audit Committee, Remuneration Committee and Risk Committee. Mr. Low is currently an Independent Director of NutryFarm International Limited, a company listed on the Main Board of the SGX-ST.

Mr. Low has more than 20 years of experience in the finance and banking industry where he was previously the Vice President of Product and Advisory in CIMB Securities (Singapore) Pte. Ltd.

He began his career at ANZ Bank as a regional treasury analyst before joining the fixed income sales and trading desk of a Japanese brokerage house. Following his role as the Head of Fixed Income Sales and Trading, he worked in various business development roles in DBS Asset Management, Standard Chartered Bank and OCBC Asset Management, where he led the expansion of distribution channels before moving to the insurance industry based in Singapore and Hong Kong.

Prior to working in CIMB Securities, he worked at OCBC Bank where he held Consumer Banking roles including Head of Wealth Management OCBC China based in Shanghai, Head of Treasury Product and OCBC Private Bank Investment Advisory, where he has extensive experience in product development and management, marketing and investment banking.

Mr. Low holds a Master of Business Administration from Washington State University in the United States of America.

EXECUTIVE OFFICERS



MR. LOI LUP SHENG, RON, 43

Mr. Loi is our Chief Financial Officer who joined the Group in July 2019. He is also the Joint Company Secretary and the Chief Risk Officer of the Company. He has more than 15 years of experience in management and finance related fields covering logistics, property, hospitality, entertainment and retail industries.

He is responsible for all financial and management reporting, taxation, regulatory compliance and corporate secretarial matters of the Group and oversees the human resource and information technology functions of our Company. Prior to joining the Group, Ron was the Chief Financial Officer of Scorpio East Holdings Ltd. and KOP Limited which are companies listed on the Catalist of the SGX-ST, and Koon Holdings Limited which is listed on the Main Board of the SGX-ST.

Mr. Loi is a non-practising member of the Institute of Singapore Chartered Accountants and graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University.



SUSTAINABILITY REPORT

The Group's Board and senior management provide strategic direction and consider sustainability issues as part of our strategic formulation. To implement our sustainability efforts, a Sustainability Task Force (the "**Task Force**") comprising key management personnel and chaired by the Chief Financial Officer has been established to oversee the sustainability performance of the Group.

The Board approves the material economic, environmental, social and governance factors identified by the Task Force, and ensures that the factors identified are managed and monitored.

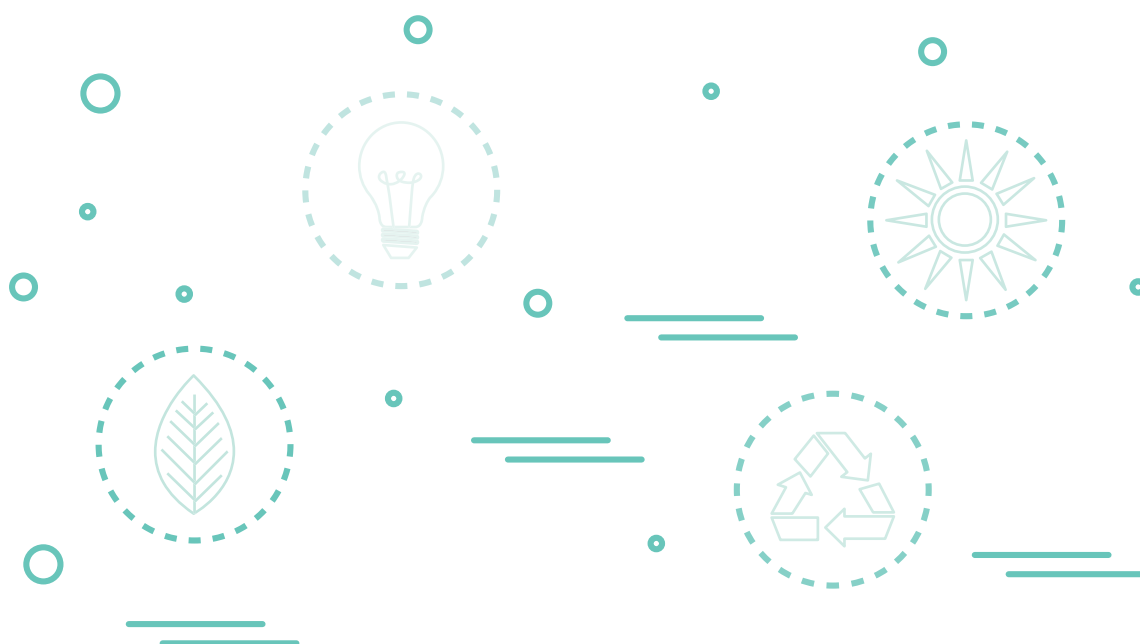
As we seek to expand and diversify our business, we will endeavour to identify and prioritise sustainability aspects (environmental, social, economic and governance) that have a material impact on the Group, as well as integrate such sustainability features into our business operations.

We will also work towards incorporating environmental sustainability into our property business which comprises property investment, management and development, and to ensure compliance with local environmental and social regulations.

Below is a summary table of the key topics that are relevant to the Group and our stakeholders.

| ECONOMIC | ENVIRONMENTAL | SOCIAL |
|--|---|---|
| Anti-corruption Indirect Economic Impacts | Energy Environmental Compliance Supplier Environmental Assessment | Employment Occupational Health and Safety Training and Education Diversity and Equal Opportunity Supplier Social Assessment Customer Health and Safety Customer Privacy Socioeconomic Compliance |

We will be issuing our Sustainability Report 2021 by 28 February 2022.



CORPORATE INFORMATION

BOARD OF DIRECTORS:

Tan Pei Hong, Alex (Chen Peifeng)
(Executive Chairman and Chief Executive Officer)
Chiu Joon Sun (Zhao Junsheng)
(Executive Director)
Chee Teck Kwong Patrick
(Lead Independent Director)
Wan Tai Foong
(Independent Director)
Low Chin Parn Eric
(Independent Director)

AUDIT COMMITTEE:

Wan Tai Foong (Chairman)
Chee Teck Kwong Patrick
Low Chin Parn Eric

REMUNERATION COMMITTEE:

Chee Teck Kwong Patrick (Chairman)
Wan Tai Foong
Low Chin Parn Eric

NOMINATING COMMITTEE:

Low Chin Parn Eric (Chairman)
Chee Teck Kwong Patrick
Wan Tai Foong
Tan Pei Hong, Alex (Chen Peifeng)
Chiu Joon Sun (Zhao Junsheng)

RISK COMMITTEE:

Tan Pei Hong, Alex (Chen Peifeng) (Chairman)
Chiu Joon Sun (Zhao Junsheng)
Chee Teck Kwong Patrick
Wan Tai Foong
Low Chin Parn Eric

COMPANY SECRETARY:

Loi Lup Sheng, Ron
Leong Chuo Ming

REGISTERED ADDRESS:

80 Raffles Place
#25-01 UOB Plaza 1
Singapore 048624
Tel: 65 6535 6844
Fax: 65 6534 4892

PRINCIPAL PLACE OF BUSINESS:

38 Jalan Pemimpin
#06-06 Singapore 577178
Tel: 65 6817 9118
Fax: 65 6253 5658

COMPANY REGISTRATION NO:

201020806C

AUDITORS:

Ernst & Young LLP
One Raffles Quay, North Tower
Level 18, Singapore 048583
Partner-in-charge: Mr. Adrian Koh
(Appointed with effect from financial year ended
September 30, 2020)

SPONSOR:

Novus Corporate Finance Pte. Ltd.
7 Temasek Boulevard
#18-03B Suntec Tower 1
Singapore 038987

SHARE REGISTRAR:

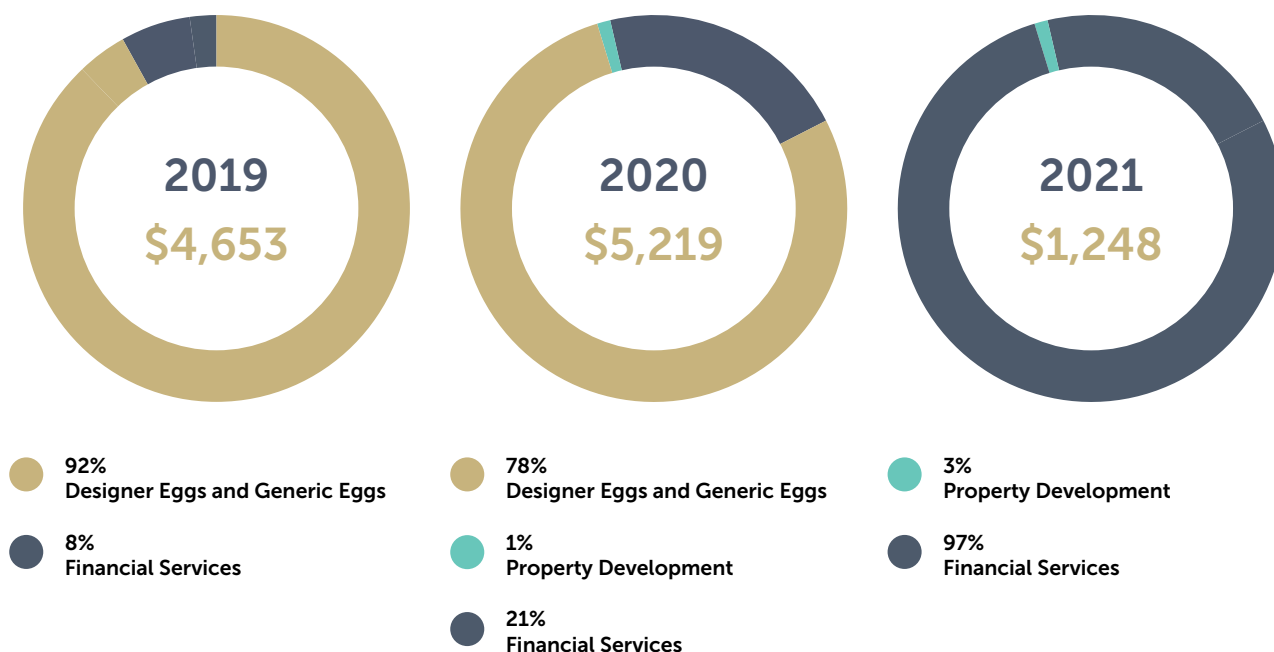
Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00
Singapore 068898

PRINCIPAL BANKERS:

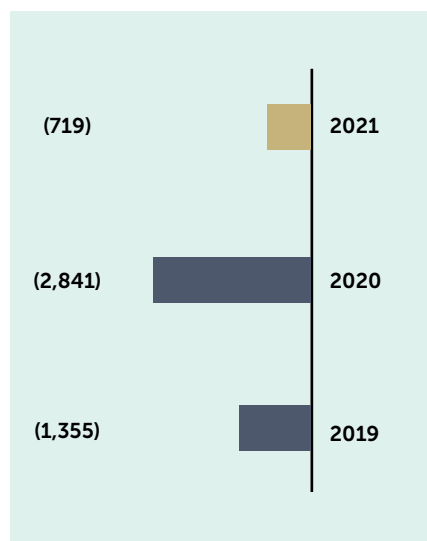
Hong Leong Finance Limited
DBS Bank Ltd

FINANCIAL HIGHLIGHTS

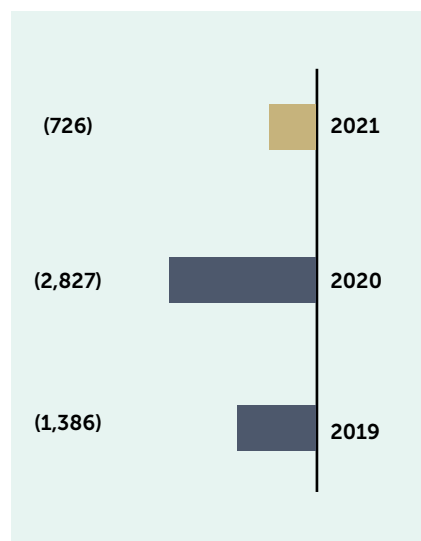
Total Revenue (Continuing and Discontinued Operations) (\$\$'000)



Loss Before Income Tax (\$\$'000)



Net Loss After Tax (\$\$'000)



CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the “**Board**” or the “**Directors**”) of OneApex Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during FY2021, with specific reference made to the principles and the provisions of the revised of the Code of Corporate Governance 2018 (the “**Code**”), which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

I. BOARD MATTERS

The Board’s Conduct of Affairs

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

Provision 1.1

The Company is led by a Board of Directors who collectively possess skills, experience, insights and sound judgement, to further serve the interests of the Group.

All Directors objectively discharge their duties and responsibilities as fiduciaries and make decisions in the best interests of the Group at all times. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organizational culture and ensures proper accountability within the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Where the Director faces a conflict of interest, he would recuse himself from discussions and decisions involving the issues of conflict.

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board oversees the management of the Company (the “**Management**”) and affairs of the Group’s business and oversees processes for evaluating the adequacy and effectiveness of the Group’s internal controls and risk management systems. It focuses on the strategies and policies, with particular attention paid to growth and financial performance. The Board also considers sustainability issues. The Board works with the Management to achieve this and the Management remains accountable to the Board. Each individual Director has objectively discharged his duties and responsibilities at all times as fiduciaries in the interests of the Company.

Provision 1.2

All newly appointed Directors will undergo an orientation programme where the Director will be briefed on the Group’s strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To get a better understanding of the Group’s business, the Director will also be given the opportunity to visit the Group’s operational facilities and meet with key management personnel.

The Company will provide training to first-time Directors in areas such as accounting, legal and industry specific knowledge as appropriate and such training will be arranged and funded by the Company. First-time directors of listed companies in Singapore will also attend relevant training programmes conducted by the Singapore Institute of Directors (“**SID**”). There were no first-time directors appointed by the Company in FY2021.

CORPORATE GOVERNANCE REPORT

The Directors may also attend other trainings, conferences and seminars that are organised by the professional bodies, regulatory institutions and corporations at the Company's expense. A formal letter setting out the Director's duties and obligations has been provided to the current Directors.

During FY2021, the external auditors ("**EA**") had briefed the AC and the Board on changes or amendments to accounting standards. New releases issued by SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors had been circulated to the Board. The Board encourages, at the Company's expense, its members to participate in seminars and receive training to improve themselves in the discharge of their duties as Directors. All Directors are provided with courses available/ to be conducted by the SID on a regular basis.

Provision 1.3

The Board has put in place internal policies for matters that require Board approval. The Board approves transactions exceeding certain threshold limits. The authority for transactions below such limits is delegated to Board Committees and/or the Management to optimise operational efficiency guided by internal policies and limits of authority.

Specifically, matters and transactions that require the Board's approval include, amongst others, the following:

- release of the half year and full year results announcements;
- annual report and financial statements;
- annual budgets and financial plans of the Company;
- convening of shareholders' meetings;
- corporate strategies;
- material acquisitions and disposals of assets exceeding S\$100,000;
- share issuances;
- declaration of interim dividends and proposal of final dividends;
- appointing of directors and key management staff, including the review of performance and remuneration packages; and
- interested person transactions.

CORPORATE GOVERNANCE REPORT

Provision 1.4

The Board has delegated certain responsibilities to the Audit Committee (the “**AC**”), the Remuneration Committee (the “**RC**”), the Nominating Committee (the “**NC**”) and the Risk Committee (collectively, the “**Board Committees**”). The compositions of the Board Committees were as follows:

| | AC¹ | NC² | RC³ | Risk Committee |
|----------|---|--|-----------------------|-----------------------|
| Chairman | Wan Tai Foong | Eric Low | Patrick Chee | Alex Tan |
| Member | Chee Teck Kwong Patrick (“ Patrick Chee ”) | Patrick Chee | Wan Tai Foong | Patrick Chee |
| Member | Low Chin Parn Eric (“ Eric Low ”) | Wan Tai Foong | Eric Low | Wan Tai Foong |
| Member | | Tan Pei Hong, Alex (“ Alex Tan ”) | | Eric Low |
| Member | | Chiu Joon Sun (“ Lawrence Chiu ”) | | Lawrence Chiu |

Notes:

- (1) The AC comprises three (3) members, all of whom (including the Chairman) are independent.
 (2) The NC comprises five (5) members, the majority of whom (including the Chairman) are independent.
 (3) The RC comprises three (3) members, all of whom (including the Chairman) are independent.

Provision 1.5

The Board meets on a half-yearly basis, and as and when circumstances require. In FY2021, the number of the Board and the Board Committee meetings held and the attendance of each Board member are shown below.

| | Board | AC | NC | RC |
|----------------------------|------------------------------------|-----------|-----------|-----------|
| Number of Meetings Held | 3 | 2 | 1 | 1 |
| Name of Director | Number of Meetings Attended | | | |
| Zachary Tan ⁽¹⁾ | 1 | 1* | 1* | 1* |
| Alex Tan ⁽²⁾ | 3 | 2* | 1 | 1* |
| Patrick Chee | 3 | 2 | 1 | 1 |
| Wan Tai Foong | 3 | 2 | 1 | 1 |
| Eric Low | 3 | 2 | 1 | 1 |
| Lawrence Chiu | 3 | 2* | 1* | 1* |

* By invitation

Notes:

- (1) Resigned as Non-Executive Non-Independent Chairman of the Company with effect from 31 March 2021.
 (2) Re-designated as Executive Chairman and Chief Executive Officer of the Company with effect from 31 March 2021.

The Company’s Constitution (the “**Constitution**”) allows for Board meetings to be held by way of tele-conferences and through other electronic communications equipment.

CORPORATE GOVERNANCE REPORT

Provision 1.6

It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full-year financial results announcements, other price sensitive public reports and reports to regulators (if required). The Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by the Management to the Independent Directors are set out in the table below:

| | Information | Frequency |
|----|---|-------------|
| 1. | Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary) | Half-yearly |
| 2. | Updates to the Group's operations and the markets in which the Group operates in | Half-yearly |
| 3. | Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and EA' report(s) | Half-yearly |
| 4. | Reports on on-going or planned corporate actions | Half-yearly |
| 5. | Enterprise risk framework and IA' report(s) | Half-yearly |
| 6. | Research report(s) | As required |
| 7. | Shareholding statistics | Annually |

Key management personnel will also provide any additional material or information that is requested by the Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Provision 1.7

All Directors have separate and independent access to the Management and company secretary at all times.

Should the Directors, whether as a group or individually, need independent professional advice in furtherance of their duties and responsibilities, they can obtain independent professional advice at the Company's expense when required.

The appointment and removal of the company secretary is a decision of the Board as a whole.

Board Composition and Guidance

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

Provision 2.1

The Board considers the existence of relationships or circumstances, including those identified by the Code and Catalist Rules that are relevant to determine whether a Director is independent. In addition, the NC reviews the individual director's declaration in their assessment of independence. None of the Independent Directors have served on the Board for more than nine (9) years since the date of his first appointment.

CORPORATE GOVERNANCE REPORT

Provisions 2.2 and 2.3

During FY2021, the Board comprises five (5) Directors, consisting of two (2) Executive Directors, and three (3) Independent Directors. In FY2021, in view that the Executive Chairman and Chief Executive Officer (“**CEO**”) (the “**Chairman**”) was not an independent director, Independent Directors made up at least half of the Board. Three (3) out of five (5) Directors on the Board were Independent Directors and non-executive directors make up a majority of the Board. Accordingly, the Company complies with the relevant provision of the Code which requires non-executive directors to comprise a majority of the Board.

Provision 2.4

As at the date of this report, the respective compositions of the Board and Board Committees are as follows:

| Name of Director | Designation | AC ¹ | NC ² | RC ³ | Risk Committee |
|------------------|--|-----------------|-----------------|-----------------|----------------|
| Alex Tan | Executive Chairman and Chief Executive Officer | - | Member | - | Chairman |
| Patrick Chee | Lead Independent Director | Member | Member | Chairman | Member |
| Wan Tai Foong | Independent Director | Chairman | Member | Member | Member |
| Eric Low | Independent Director | Member | Chairman | Member | Member |
| Lawrence Chiu | Executive Director | - | Member | - | Member |

Notes:

- (1) The AC comprises three (3) members, all of whom (including the Chairman) are independent.
- (2) The NC comprises five (5) members, the majority of whom (including the Chairman) are independent.
- (3) The RC comprises three (3) members, all of whom (including the Chairman) are independent.

The Board’s policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience that could effectively contribute to the Group, regardless of gender. The Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

| | Number of Directors | Proportion of Board |
|---|---------------------|---------------------|
| Core Competencies | | |
| – Accounting or finance | 3 | 60% |
| – Business management | 5 | 100% |
| – Legal or corporate governance | 3 | 60% |
| – Relevant industry knowledge or experience | 3 | 60% |
| – Strategic planning experience | 5 | 100% |
| – Customer based experience or knowledge | 5 | 100% |

The NC is of the view that the Board comprises persons whose diverse skills, experience and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies for the effective functioning of the Board and an informed decision making process.

CORPORATE GOVERNANCE REPORT

The Board has taken the following steps to maintain or enhance its balance and diversity:

- annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

Key information on each Director is set out in the “Board of Directors and Key Management” section of this Annual Report.

Provision 2.5

The Non-Executive Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of the Management. In FY2021, the Non-Executive Directors had met at least once in the absence of key management personnel.

Chairman and Chief Executive Officer

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

Provision 3.1

Provision 3.1 of the Code requires the separation of the role of Chairman and the CEO so that there is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making. The Company has deviated from Provision 3.1 of the Code as Mr. Alex Tan is the Executive Chairman and CEO of the Group.

The Board will take into consideration the separation of the role of the Chairman and the CEO as stipulated as part of the on-going succession planning and Board renewal process.

However, taking into account the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that it is presently not necessary to separate the roles of the Chairman and CEO, and there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent, based on collective decisions without any individual or group of individuals being able to exercise considerable concentration of power or influence.

There is no concentration of power as the Group is run objectively on a transparent basis and the Board feels that there is adequate representation of Independent Directors (more than half) on the Board. All major decisions made by the Board are subject to majority approval of the Board. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority in the spirit of good corporate governance.

Provision 3.2

As at the date of this report, the roles and responsibilities of the Executive Chairman and CEO are held by Mr. Alex Tan. As the Chairman of the Company, he is responsible for ensuring the effectiveness and integrity of the governance process. He approves meeting agendas for the Board and reviews the meeting agendas for the Board Committees. As the CEO of the Company, Mr Alex Tan is responsible for the overall management, operations, strategic planning and business expansion of the Group and overseeing the day-to-day operations of the Group. He works with the Board to determine the strategic and operational objectives of the Group.

CORPORATE GOVERNANCE REPORT

Provision 3.3

To strengthen the independence of the Board, Mr. Patrick Chee has been appointed as the Lead Independent Director of the Company. He makes himself available to the shareholders of the Company at the Company's general meetings, where they have concerns and for which contact through the normal channels to the Chairman, CEO and the Chief Financial Officer ("CFO") have failed to resolve or is inappropriate. The Lead Independent Director is also responsible for leading the meetings of independent directors and providing feedback to the Chairman after such meetings.

Board Membership

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

Provision 4.1

The NC is guided by key terms of reference as follows:

- (a) deciding how the Board's performance may be evaluated and proposing objective performance criteria;
- (b) making recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if applicable) having regard to the Director's contributions and performance, including making recommendations on the composition of the Board and the balance between Executive and Non-Executive Directors appointed to the Board;
- (c) regularly reviewing the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- (d) identifying and nominating candidates as necessary for the approval of the Board, determining annually whether or not a Director is independent under the definition set out in the Code, filling Board vacancies as and when they arise, as well as putting in place plans for succession, in particular, in respect of the roles of the Chairman and the CEO;
- (e) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations and/or a conflict of interest; and
- (f) reviewing the training and professional development programmes for the Board.

Provision 4.2

The NC comprises the following members:

| | |
|-----------------------------------|---------------------------|
| Mr. Low Chin Parn Eric (Chairman) | Independent Director |
| Mr. Chee Teck Kwong Patrick | Lead Independent Director |
| Mr. Wan Tai Foong | Independent Director |
| Mr. Tan Pei Hong, Alex | Executive Chairman & CEO |
| Mr. Chiu Joon Sun | Executive Director |

CORPORATE GOVERNANCE REPORT

Provision 4.3

Nomination and Selection

The process for the selection and appointment of new board members is as follows:

- (a) the NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity.
- (b) The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.
- (c) The NC would meet and interview the shortlisted candidates to assess their suitability.
- (d) The NC would recommend the selected candidate to the Board for consideration and approval.

Election and re-election

The Board believes that each individual director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as directors of the Company, bearing in mind his other commitments. In considering the nomination of directors for re-election and re-appointment, the NC would assess the performance of the director in accordance with the performance criteria set by the Board and would also consider the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.

Under Regulation 100 of the Constitution, at least one-third of its Directors shall retire from office by rotation and are subject to re-election at every annual general meeting of the Company. All Directors shall submit themselves for renomination and re-election at regular intervals and at least once every three (3) years. In addition, the Constitution also provides that a newly appointed Director must submit himself for re-election at the next annual general meeting of the Company following his appointment.

The NC has recommended to the Board that Mr. Chiu Joon Sun and Mr. Chee Teck Kwong Patrick be nominated for re-election at the forthcoming annual general meeting ("**AGM**"). In making the recommendation, the NC had considered the directors' qualifications, expertise, past experiences and overall contribution since they were appointed as Directors of the Company. The Board has accepted the recommendations and, with the concurrence of the NC, has also considered Mr. Chee Teck Kwong Patrick to be independent for the purposes of Rule 704(7) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**").

Mr. Chiu Joon Sun will, upon re-election as a Director of the Company, remain as the Executive Director of the Company and a member of the Nominating Committee and Risk Committee.

Mr. Chee Teck Kwong Patrick will, upon re-election as a Director of the Company, remain as the Chairman of the RC, a member of the AC, NC and Risk Committee.

Mr. Chiu Joon Sun and Mr. Chee Teck Kwong Patrick, being members of the NC, have abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own contributions and/or re-election as a Director.

Please refer to pages 6 and 7 for information on the Directors nominated for re-election, including the information required under Appendix 7F of the Catalyst Rules.

CORPORATE GOVERNANCE REPORT

Provision 4.4

The NC had reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have submitted their confirmation of independence annually for the NC's reviews. In respect of the Company's current Independent Directors, namely Mr Patrick Chee, Mr Wan Tai Foong and Mr Eric Low, the Board is of the view that they are independent, taking into account the circumstances set forth in the Code, Rule 406(3)(d) of the Catalist Rules and any other salient factors. For FY2021, the Independent Directors had also confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules.

There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Provision 4.5

The NC is responsible for reviewing the ability of Directors to devote sufficient time and attention to the affairs of the Company and in particular to take into account multiple directorships and significant principal commitments held by the Directors. The NC requires each Director to declare any new additional directorships or significant principal commitments during the year to enable the ongoing monitoring of the time commitment, attendance and contributions of the Directors to the Company.

A list of the other listed company directorships and principal commitments of each of the Directors (if any) for FY2021 is set out on pages 6 and 7 of this Annual Report.

The NC had reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and was satisfied that all the Directors have discharged their duties adequately for FY2021.

The Board has not prescribed a limit with respect to the maximum number of listed company board representations each Director may hold.

The NC and the Board are of the view that, setting a maximum number of listed company board representations a Director may hold is not meaningful, as long as Directors are able to devote sufficient time and attention to the affairs of the Company. The NC also does not wish to omit from considering outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. The Board also noted that only two (2) Directors of the Board have directorships in other listed companies. Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC and the Board are of the view that sufficient time and attention to the affairs of the Company have been given by these Directors and is satisfied that all Directors have discharged their duties adequately.

The considerations in assessing the capacity of Directors include the following:

- expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- geographical location of Directors;
- size and composition of the Board; and
- nature and scope of the Group's operations and size.

The Company does not have any alternate Directors.

The composition of the Board and independence of each Director is reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience to govern and manage the Group's affairs.

CORPORATE GOVERNANCE REPORT

Board Performance

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

Provision 5.1

The NC has adopted a formal process to assess the effectiveness of the Board and Board Committees as a whole, as well as the performance of each individual Director. The appraisal process for Board and Board Committees focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with Management and Directors' standards of conduct. The appraisal process of individual Director focused on the evaluation of factors such as attendance, preparedness, participation and know-how. All Directors are required to complete the evaluation form. The results of the evaluation are used constructively by the NC to identify areas of improvements and to recommend to the Board the appropriate action.

Provision 5.2

The review of the performance of the Board, Board Committees and the Directors are conducted by the NC annually.

For FY2021, each Director completed the Board, Board Committee and individual Director evaluation form. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report and the NC discussed the report and concluded the performance results during the NC meeting.

No external facilitator was used in the evaluation process. However, if the need arises, the NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

Following the review of FY2021, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

II. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provisions 6.1 and 6.3

The RC is guided by key terms of reference as follows:

- (a) review and recommend to the Board, in consultation with the Executive Directors, a framework of remuneration policies to determine the specific remuneration packages and terms of employment for each Director and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;
- (b) review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such services contracts are fair and not excessively long or with onerous renewal/termination clauses; and
- (c) review and approve the granting of share options and/or performance shares to Directors and employees.

CORPORATE GOVERNANCE REPORT

Each member of the RC shall abstain from voting on any resolution in respect of his remuneration package and making any recommendations and/or participating in any deliberations of the RC in respect of his/her remuneration package.

Provision 6.2

The RC comprises the following members:

| | |
|--|---------------------------|
| Mr. Chee Teck Kwong Patrick (Chairman) | Lead Independent Director |
| Mr. Low Chin Parn Eric | Independent Director |
| Mr. Wan Tai Foong | Independent Director |

Provision 6.4

The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Group's relative performance to the industry and the performance of the individual Directors. No remuneration consultants were engaged by the Company in FY2021. The service of an external remuneration consultant will be sought, as and when necessary.

The Company currently does not have any contractual provisions allowing the Company to reclaim incentives from the Executive Directors and key management personnel in circumstances such as exceptional cases of wrong doings. The Board is of the view that as the Group pays performance bonus based on the actual performance of the Group, "claw-back" provisions in the service agreements may not be relevant or appropriate.

Level and Mix of Remuneration

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

Provisions 7.1 and 7.3

The Group's remuneration policy (which covers all aspects of remuneration including directors' fees, salaries, allowances, and bonuses, grant of shares and share options, and benefits-in-kind) is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise. The policy articulates to staff the link that total compensation has to be the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market or the industry.

The Executive Directors and key management personnel are paid a basic salary and a performance related variable bonus pursuant to their respective service agreements. The factors for paying the bonus are the Group's performance and the performance of the personnel which contributed to the Group's performance. The RC has reviewed the remuneration framework of the key management personnel to ensure that their compensation aligns with the long term interest of the Group.

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2021. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

CORPORATE GOVERNANCE REPORT

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders in FY2021:

| Performance Conditions | Short-term Incentives (such as performance bonus) | Long-term Incentives (such as the ESOS) |
|------------------------|---|---|
| Qualitative | 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors | 1. Group's major project or development 2. Current market and industry practices |
| Quantitative | Annual profit before tax | |

Provision 7.2

Non-Executive Directors are paid annually and such fees, being an agreed amount, are subject to shareholders' approval at the AGM. The proposed Directors' fees are determined in accordance with their contributions, taking into account factors such as effort, time spent and responsibilities of the Directors.

Disclosure on Remuneration

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

Provision 8.1

The breakdown for the remuneration of the Directors and key management personnel (who are not Directors or the CEO) for FY2021 is as follows:

| Board of Directors | Remuneration Band (\$\$) | Salary (%) | Bonus (%) | Directors Fees (%) | Commission (%) | Total (%) |
|--------------------|--------------------------|------------|-----------|--------------------|----------------|-----------|
| Zachary Tan | <250,000 | – | – | 100 | – | 100 |
| Alex Tan | <250,000 | 100 | – | – | – | 100 |
| Patrick Chee | <250,000 | – | – | 100 | – | 100 |
| Wan Tai Foong | <250,000 | – | – | 100 | – | 100 |
| Eric Low | <250,000 | – | – | 100 | – | 100 |
| Lawrence Chiu | 750,000 – 1,000,000 | 17 | – | – | 83 | 100 |

| Key Management Personnel | Remuneration Band (\$\$) | Base/ Fixed Salary (%) | Variable bonus (%) | Total (%) |
|--------------------------|--------------------------|------------------------|--------------------|-----------|
| Loi Lup Sheng, Ron | <250,000 | 92 | 8 | 100 |

CORPORATE GOVERNANCE REPORT

There are no termination, post-employment and retirement benefits that may be granted to the Directors.

The independence of the Non-Executive Directors is not compromised by their compensation. The NC recommends Directors' fee for the Board's endorsement and approval by shareholders at the Company's annual general meeting and the fees are determined having regard to the scope and extent of the Directors' responsibilities and obligation to the Company. No Director is involved in deciding his own remuneration.

The Board is of the opinion that due to confidentiality and sensitivity issues attached to remuneration matters, it would not be in the best interests of the Company to disclose the amount of remuneration of each individual Director as recommended by the Code. The RC has also reviewed the practice of the industry and considered the pros and cons of such disclosure.

Following the same reasons as set out above, as the Company has only one key management personnel (who is not a Director or CEO), the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO) shall likewise not be disclosed.

Despite the non-disclosure of the exact remuneration of each Director and key management personnel (which deviates from the Provision 8.1 of the Code), the Board is of the view that the intent of Principle 8 on transparency has been adhered to, given that a high level of transparency on remuneration matters including procedures for developing remuneration policies and level and mix of remuneration had been disclosed in the preceding paragraphs.

Provision 8.2

There are no other employees who are immediate family members of a Director or the CEO and whose remuneration exceed S\$100,000 for FY2021.

Provision 8.3

The Company does not have any employee share scheme(s). Save as disclosed above, the Company has not provided any other form of remuneration, payments and/or benefits by the Company and/or its subsidiaries to Directors and/or key management personnel.

III. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provision 9.1

The Board is responsible for the overall governance of the risk management of the Company, establishing risk management policies and tolerance strategies that set the direction for the Group and overseeing the implementation of risk management framework to ensure that risks identified and managed.

The Risk Committee, which comprises all directors of the Company, assumes the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Company's risk management systems and procedures. The Company's CFO, Mr Loi Lup Sheng, Ron is the Company's Chief Risk Officer (the "CRO") and will assist the Risk Committee to meet their objectives.

CORPORATE GOVERNANCE REPORT

The Risk Committee determines the Company's levels of risk tolerance and risk policies, and oversees the Management in the design and implementation of a framework for the monitoring of risk management. The Risk Governance and Internal Control Framework, prepared on a yearly basis, sets out the Board's approved code of ethics, risk appetite and tolerance guidance, authority and risk control matrix, key control activities and key reporting and monitoring activities that the Management must strictly adhere to. The Risk Committee regularly reviews the risks and controls of the Group's business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The CRO reviews all significant control policies and procedures and highlights all significant matters to the Risk Committee. At least once a year, the Group undertakes an enterprise-wide review of the adequacy and effectiveness of the Company's risk management and internal control systems, of which includes the financial, operational, compliance and information technology controls. During this exercise, risk owners review and update the risks and controls for their respective areas, taking into consideration any change in business environment and processes. The results of this annual review are presented to the Board to ensure that enterprise risks are appropriately identified and managed.

The Board has received assurance from the CEO and the CFO as well as the IA that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances and the Company's risk management and internal control systems are adequate and effective in respect of FY2021.

Provision 9.2

The Board has relied on the EA's report as assurance that the financial records have been properly kept in accordance with the provisions of the Companies Act and the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended. In addition, the EA have provided the Board a clean opinion on the Group's financial statements and the IA has carried out its reviews based on the agreed scope and the Board noted there were no major adverse findings on risk management and internal control systems relating to the agreed scope.

Based on the internal controls established and maintained by the Group, the assurance from the CEO and CFO, the reviews performed by the Management and the AC, as well as the work performed by the internal auditors and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2021. Nevertheless, the AC and the Board recognise that no internal control system will preclude all potential errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable but not absolute assurance against material misstatement or loss.

The bases for the Board's view are as follows:

1. assurance has been received from the CEO and CFO;
2. an internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed;
3. key management personnel regularly evaluates, monitors and reports to the AC and the Risk Committee on material risks;
4. discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns;
5. an enterprise risk management framework was maintained to identify, manage and mitigate significant risks; and
6. risk appetite statements with tolerance limits have been approved by the Board to contain risks within acceptable levels.

CORPORATE GOVERNANCE REPORT

Audit Committee

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

Provision 10.1

All members of the AC are independent, Non-Executive Directors who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

In performing its functions in accordance with a set of terms of reference, the AC meets to, *inter alia*, discuss and review the following:

- (a) significant financial reporting issues and judgments to ensure the integrity of the financial statements of the Group;
- (b) adequacy and effectiveness of the Group's internal controls and risk management systems, including financial, operational, compliance and information technology controls at least on an annual basis;
- (c) assurance from the CEO and the CFO on the financial records and financial statements;
- (d) audit plan and EA's report presented by the Company's EA;
- (e) assistance provided by the Company's officers to the EA and IA;
- (f) hiring, removal, evaluation, independence and compensation of the IA;
- (g) internal audit plan and internal audit report with the IA;
- (h) adequacy, effectiveness, independence of the EA annually and recommend the EA to be nominated, approve the remuneration of the EA and terms of their engagement;
- (i) consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company prior to their submission to the Board for approval;
- (j) the Company's half-year and full-year results announcements, and any announcements relating to the Group's financial performance;
- (k) all interested person transactions; and
- (l) the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The AC has authority to investigate any matter within its term of reference and have been given full access to the Management and reasonable resources to enable it to discharge its functions properly. The AC has full discretion to invite any Director or key management executive to attend its meetings.

Whistle Blowing Policy

The Company has in place a whistle blowing policy which has been communicated to all employees. The Company's employees and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle blowing report to whistle_blowing@OneApex.com.sg.

CORPORATE GOVERNANCE REPORT

Provision 10.2 and 10.3

The AC comprises the following members:

| | |
|--------------------------------------|---------------------------|
| Mr. Wan Tai Foong Patrick (Chairman) | Independent Director |
| Mr. Low Chin Parn Eric | Independent Director |
| Mr. Chee Teck Kwong | Lead Independent Director |

The AC comprises Mr. Wan Tai Foong (Chairman), Mr. Patrick Chee and Mr. Eric Low, all of whom are independent. All members of the AC do not have any management and significant or material business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within a period of two years commencing on the date of their ceasing to be a partner of the external audit firm, if applicable, and none of the AC members hold any financial interest in the external audit firm.

The Chairman of the AC, Mr. Wan Tai Foong, graduated from the Murdoch University with a Bachelor of Commerce and has more than 20 years of experience in the banking and finance sector.

Mr. Eric Low holds a Master of Business Administration from the Washington State University and has more than 20 years of experience in the banking and finance sector.

Mr. Patrick Chee, holds a Bachelor of Law (Hons) from the National University of Singapore and is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the Senior Courts of England and Wales. He has more than 30 years of experience in the legal industry.

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

Provision 10.4

Internal Audit

The Company's internal audit function is outsourced to RSM Risk Advisory Pte. Ltd. that reports directly to the AC chairman. The IA plans its internal audit schedules in consultation with the Management and its plans are submitted to the AC. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA is independent, adequately qualified (given, *inter alia*, its adherence to standards set by nationally or internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

The AC is satisfied that the IA is able to discharge its duties effectively based on the following considerations:

- with a team of between two (2) and five (5) staff led by their partner with almost 20 years of relevant experience, the IA is adequately qualified and resourced;
- the internal audit activities are conducted in accordance with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors; and
- the IA has the appropriate standing in the Company in view of, *inter alia*, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC and Management.

CORPORATE GOVERNANCE REPORT

External Audit

The AC reviews the scope and results of the external audit and also assessed the cost effectiveness, the independence and objectivity of the external auditor. Where the auditor also provides substantial volume of non-audit services to the Company, the AC shall review the nature and extent of such services.

Ernst & Young LLP (“EY”) was appointed as the Group’s external auditor at the AGM held on 28 January 2021 until the conclusion of the forthcoming AGM. The aggregate amount of expenses paid or payable to EY for FY2021 are as follows:

| Description of Services | S\$ | % of total |
|-----------------------------|---------|------------|
| Audit fees | 85,240 | 71 |
| Non-audit fees - Tax advice | 34,605 | 29 |
| Total | 119,845 | 100 |

The non-audit services rendered during FY2021 were not substantial.

The AC has undertaken a review of non-audit services provided by the EA, and they would not, in the AC’s opinion, affect the independence of the auditors.

The AC makes recommendations to the Board on the appointment, re-appointment and replacement of external auditors. It also recommends to the Board the remuneration and terms of engagement of the external auditors. After taking into account the resources and experience of EY and the audit engagement partner assigned to the audit, EY’s other audit engagements, the size and complexity of the audit for the as well as the number and experience of the staff assigned by EY for the audit, the AC is of the view that EY is able to meet its audit obligations. Together with the Board, the AC recommends the re-appointment of EY at the forthcoming AGM. The Company confirms that Rules 712 and 715 of the Catalist Rules have been complied with in appointing audit firms for the Group.

The external auditors provide regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

Provision 10.5

The AC has met with the IA and the EA once in the absence of key management personnel in FY2021.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Provision 11.1

Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the voting procedures that govern the general meetings of shareholders. Results of voting are announced on a timely manner via SGXNET.

CORPORATE GOVERNANCE REPORT

The Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend and vote at general meetings.

Provision 11.2

Matters which require shareholders' approval were presented and proposed as a separate resolution. The Company practises having separate resolutions at general meetings for each distinct issue. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.

Provision 11.3

The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. Along with the Directors, the CFO will also be present and available to address shareholders' queries.

All directors were present for the Annual General Meeting held on 28th of January 2021.

Provision 11.4

The Constitution allows for absentia voting subject to Directors' approval and implementation. However, due to security issues including but not limited to the authentication of shareholder identity information, the Directors have not approved the implementation of absentia voting.

Provision 11.5

All minutes of general meetings, including substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management will be made available to shareholders upon their request.

Minutes for the upcoming AGM to be convened on 28 January 2022 will be published within one month after the general meeting on the SGXNET and on the Company's website, in accordance with the requirements under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**").

Provision 11.6

The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, *inter alia*, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration. No dividend has been declared or recommended as the Company has deemed it necessary to retain the cash in the Group for its future growth.

CORPORATE GOVERNANCE REPORT

Engagement with Shareholders

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

Provisions 12.1, 12.2 and 12.3

Communication with shareholders is managed by the Board. All announcements are released via SGXNET, including the half-year and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, and announcement on acquisitions, corporate development and other material developments. The Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Catalyst Rules. In addition, save in respect of the period where the Order is in place, all shareholders will receive the Company's annual reports together with the notices of AGM, which are also accessible through SGXNET, and the notice of AGM is also advertised in the newspapers. The Company's Executive Directors and CFO are responsible for the Company's communication with shareholders.

Apart from the SGXNET announcements and its annual report, the Company will also conduct media interviews as and when appropriate to give shareholders and the public deeper insights of the Group's business and strategies when opportunities present themselves. Further, the Company may, if it considers necessary and appropriate, release press releases or organise media/ analyst briefings to keep shareholders informed of its corporate development. The Company also updates shareholders on its corporate developments through its corporate website at <https://oneapex.wixsite.com/home>. For enquires and all other matters, shareholders and all other parties can contact the Company at the contact details set out on the Company's corporate website. Accordingly, the Board is of the view that the current communication channels are sufficient and cost-effective.

The Company does not have an investor relations policy but considers advice from its lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders.

V. MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Provisions 13.1, 13.2 and 13.3

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

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships (including but not limited to identifying and engaging with its material stakeholder groups) during the reporting period can be found in the Sustainability Report, which will be released by 28 February 2022.

The Company maintains a corporate website at <https://oneapex.wixsite.com/home> to communicate and engage with stakeholders.

The Lead Independent Director has access to both the corporate website and the email listed on the corporate website.

CORPORATE GOVERNANCE REPORT

VI. INTERESTED PERSONS TRANSACTION

The Company had obtained a general mandate from its shareholders on 28 January 2021 for certain recurring interested person transactions pursuant to Rule 920 of the Catalist Rules as described in the Company's appendix to the Annual Report dated 6 January 2021.

As at 30 September 2021, the Company's Executive Chairman and Chief Executive Officer, Alex Tan has provided a personal guarantee to secure the temporary bridging loan under the Enterprise Financing Scheme offered by Enterprise Singapore that was drawn down by the Company ("**Personal Guarantee**"). As the Personal Guarantee involves the provision of financial assistance as defined under the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), and is provided by Alex Tan who is deemed to be an "interested person", the Personal Guarantee constitutes an "interested person transaction" under Chapter 9 of the Catalist Rules. Notwithstanding the foregoing, as no fee and/or interest is payable by the Company to Alex Tan in relation to the Personal Guarantee, for the purposes of Chapter 9 of the Catalist Rules, the value of the Personal Guarantee is \$Nil.

Save for the above, there were no other interested person transactions entered in FY2021 and accordingly, the disclosure under Rule 907 is not applicable here.

VII. MATERIAL CONTRACTS

Saved as disclosed in the section entitled "Interested Person Transactions", the Directors' Statement and Financial Statements of the Group, there were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

VIII. DEALING IN SECURITIES

The Company has adopted an internal compliance code to guide and advise Directors and all executives of the Company with regard to dealing in the Company's securities. The Company, Directors and executives shall not deal in the Company's shares on short-term considerations or if they are in possession of price sensitive information and during the period commencing one (1) month prior to each announcement of half-year and full-year financial results by the Company and ending on the date of the announcement of the results. Directors and senior management are also expected to observe insider-trading laws at all times even when dealing in securities within permitted trading periods.

IX. NON-SPONSOR FEES

For FY2021, the Company did not pay any non-sponsor fee to its sponsor, Novus Corporate Finance Pte. Ltd..

X. USE OF PROCEEDS

There are no outstanding proceeds raised from the initial public offering or any offerings pursuant to Chapter 8 of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

Information on Directors nominated for re-election – Appendix 7F of the Catalist Rules

| Name of Director | Mr. Lawrence Chiu | Mr. Patrick Chee |
|---|---|--|
| Date of Initial Appointment | 29 December 2018 | 20 November 2018 |
| Date of last re-appointment (if applicable) | 31 January 2019 | 31 January 2019 |
| Age | 42 | 67 |
| Country of principal residence | Singapore | Singapore |
| The Board's comments on this Appointment (including rationale, selection criteria, and the search and nomination process) | The re-election of Mr. Lawrence Chiu as the Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Lawrence Chiu's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. | The re-election of Mr. Patrick Chee as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr. Patrick Chee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. |
| Whether appointment is executive, and if so, the area of responsibility | Executive. Mr. Lawrence Chiu is responsible for the overall management, operations, strategic planning and business expansion of the Group and heads the Financial Investments Services division of the Group. | No |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Director and a member of the NC and Risk Committee | Lead Independent Director, Chairman of the RC and a member of the AC, NC and Risk Committee |
| Professional qualifications | Bachelor of Engineering (Mechanical & Production Engineering), Nanyang Technological University of Singapore | Bachelor of Law (Hons), National University of Singapore (formerly known as The University of Singapore) |
| Working experience and occupation(s) during the past 10 years | September 2013 to 28 December 2018: Nomura Singapore Limited – Director of Wealth Management April 2011 to September 2013: UBS Group AG - Associate Director, Private Banking | 2008 to Present: Withers KhattarWong LLP – Senior Legal Consultant |
| Shareholding interest in the listed issuer and its subsidiaries | No | No |

CORPORATE GOVERNANCE REPORT

| Name of Director | Mr. Lawrence Chiu | Mr. Patrick Chee |
|---|-------------------|------------------|
| Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries | Nil | Nil |
| Conflict of interest (including any competing business) | Nil | Nil |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes |

Other Principal Commitments* Including Directorships#

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

These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)

| | | |
|-----------------------------|--|--|
| Past (for the last 5 years) | Past Principal Commitment: <ul style="list-style-type: none"> Director of Wealth Management in Nomura Singapore Limited | Past Directorships: <ul style="list-style-type: none"> Eneco Energy Limited CSC Holdings Limited Hai Leck Holdings Limited |
| Present | Present Directorships: Director of the following subsidiary companies of OneApex Limited: <ul style="list-style-type: none"> OneApex Capital Pte. Ltd. OneApex Capital 1 Pte. Ltd. Just 38 Pte. Ltd. OneFortune Holdings Pte. Ltd. KC Industries Pte. Ltd. OneApex Development Pte. Ltd. Ember Properties Pte. Ltd. | Present Directorship: <ul style="list-style-type: none"> China International Holdings Limited MeGroup Ltd. QAF Limited Sheng Siong Group Ltd. Noel Gifts International Ltd Principal Commitment: <ul style="list-style-type: none"> Senior Legal Consultant of Withers KhattarWong LLP Honorary Legal Advisor of: <ul style="list-style-type: none"> Singapore Foochow Association Foochow Restaurant and Bar Merchants Association, Singapore Hospitality Purchasing Association, Singapore Rong Lian Physical Association |

CORPORATE GOVERNANCE REPORT

| Name of Director | Mr. Lawrence Chiu | Mr. Patrick Chee |
|---|-------------------|------------------|
| Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given. | | |
| (a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No |
| (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No |
| (c) Whether there is any unsatisfied judgment against him? | No | No |
| (d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No |
| (e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No |
| (f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No |
| (g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No |
| (h) Whether he has ever been 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? | No | No |

CORPORATE GOVERNANCE REPORT

| Name of Director | Mr. Lawrence Chiu | Mr. Patrick Chee |
|--|---|---|
| (i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No |
| (j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- | | |
| (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | | |
| (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | | |
| (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 that period when he was so concerned with the entity or business trust? | | |
| | No | No |
| (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere? | | |
| | No | No |
| Disclosure applicable to the appointment of Director only | | |
| Any prior experience as a director of an issuer listed on the Exchange? (Yes/No) | This relates to re-appointment of Director. | This relates to re-appointment of Director. |
| If yes, please provide details of prior experience. | Not Applicable | Not Applicable |
| If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. | Not Applicable | Not Applicable |
| Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable). | Not Applicable | Not Applicable |

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of OneApex Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 September 2021.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Tan Pei Hong, Alex (Chen Peifeng)
Chee Teck Kwong Patrick
Low Chin Parn Eric
Wan Tai Foong
Chiu Joon Sun (Zhao Junsheng)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

| | Shareholdings in which director is deemed to have an interest | |
|---|---|----------------|
| | At date of appointment | At end of year |
| <u>OneApex Limited</u> (Ordinary shares) | | |
| Tan Pei Hong, Alex (Chen Peifeng) | 62,466,590 | 62,466,590 |

DIRECTORS' STATEMENT

Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year, 30 September 2021 and 21 October 2021.

By virtue of Section 7 of the Companies Act, Mr Tan Pei Hong, Alex is deemed to have an interest in the shares held by the Company in all its subsidiary corporations.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or end of the financial year.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No share was issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

Audit committee

The Audit Committee of the Company, consisted all non-executive directors, was chaired by Mr Wan Tai Foong, an independent director, and included Mr Chee Teck Kwong Patrick and Mr Low Chin Parn Eric, both independent directors. The Audit Committee had met two times since the last Annual General Meeting ("AGM") and had reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

- a) the audit plan and results of the internal auditor's examination and evaluation of the Group's systems of internal accounting controls;
- b) the Group's financial and operating results and accounting policies;
- c) the audit plan of the external auditor;
- d) financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;
- e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group; and
- f) the co-operation and assistance given by the management to the Group's external auditor.

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

The Audit Committee has reviewed the financial statements of the Company and consolidated financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements.

DIRECTORS' STATEMENT

Auditor

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

On behalf of the board of directors:

Chiu Joon Sun (Zhao Junsheng)
Director

Tan Pei Hong, Alex (Chen Peifeng)
Director

Singapore
28 December 2021

INDEPENDENT AUDITOR'S REPORT

To the members of OneApex Limited
For the financial year ended 30 September 2021

Report on the audit of the financial statements

Opinion

We have audited the financial statements of OneApex Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 30 September 2021, the statements of changes in equity of the Group and Company and the consolidated statement of comprehensive income, consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

Accounting for investment properties

As at 30 September 2021, the carrying value of the Group's investment properties amounted to \$36,223,119, representing 77% of the Group's total assets as at 30 September 2021.

The Group measures its investment properties at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses in accordance to SFRS(I) 1-40 Investment property. Freehold land is not depreciated. The fair value of these investment properties is required to be disclosed in the financial statements. In assessing the fair value of these assets for disclosure as well as when determining the recoverable amount associated with the related impairment assessment, the Group engaged independent external professional valuer to determine their fair values as at 30 September 2021.

INDEPENDENT AUDITOR'S REPORT

To the members of OneApex Limited
For the financial year ended 30 September 2021

The valuation process is considered a key audit matter because the valuation assessment is complex and highly dependent on a range of estimates made by management as well as the external valuation experts engaged by management. The key significant judgements and estimates affecting the properties valuation are the determination of the comparable market transactions, gross development value and the rate of return which reflects the tenure and quality of the investment properties. The changes in market and economic conditions brought on by COVID-19 has caused an increase in the level of estimation uncertainty in determining the fair value of properties.

As part of the audit, we have assessed the objectivity, independence and expertise of the external professional valuer. We held discussions with the external valuer and management on the appropriateness of the valuation model, reasonableness of the key assumptions and estimates used by them, and understand how the impact of COVID-19 has been considered in the key assumptions adopted in the valuation. In addition, we involved our internal real estate valuation specialists to assist us in assessing the appropriateness of the key assumptions and data used in the estimation process. Specifically, we performed a research for industry data and recent transacted prices of comparable properties, compared against the significant assumptions used in the valuation and assessed whether the assumptions used are consistent with the industry data and market comparables. We also assessed whether the valuation methodology and techniques used were appropriate given the nature of the investment properties. Further, we tested the arithmetic calculation of management's computation of the carrying amount of investment properties as at year-end. We discussed and obtained management's representation that the significant assumptions underlying the fair value measurements and disclosures of investment properties are reasonable and appropriate in view of the uncertainty brought on by COVID-19 and that the assumptions reflect the Group's intention to hold these properties as investment properties.

We also reviewed the adequacy of the disclosures on the investment properties in Note 9 to the financial statements.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of OneApex Limited
For the financial year ended 30 September 2021

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

To the members of OneApex Limited
For the financial year ended 30 September 2021

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Adrian Koh.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
28 December 2021

BALANCE SHEETS

As at 30 September 2021

| | | Group | | Company | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | Note | 2021 | 2020 | 2021 | 2020 |
| | | \$ | \$ | \$ | \$ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 8 | 121,785 | 192,827 | 121,785 | 192,826 |
| Investment properties | 9 | 36,223,119 | 31,300,000 | – | – |
| Investment in associated companies | 10 | 2,223,705 | 2,083,272 | – | – |
| Goodwill | 11 | 83,965 | 83,965 | – | – |
| Investment in subsidiaries | 12 | – | – | 6,389,935 | 6,389,933 |
| Deferred tax assets | 16 | – | – | – | – |
| Total non-current assets | | 38,652,574 | 33,660,064 | 6,511,720 | 6,582,759 |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 7,525,100 | 6,974,222 | 5,717,616 | 4,392,230 |
| Trade receivables | 6 | 406,898 | 246,989 | 35,952 | – |
| Other receivables | 7 | 353,832 | 1,340,946 | 49,178 | 173,288 |
| Total current assets | | 8,285,830 | 8,562,157 | 5,802,746 | 4,565,518 |
| Total assets | | 46,938,404 | 42,222,221 | 12,314,466 | 11,148,277 |
| LIABILITIES AND EQUITY | | | | | |
| Current liabilities | | | | | |
| Bank loans | 13 | 431,250 | – | 431,250 | – |
| Other payables | 14 | 2,824,770 | 2,832,673 | 233,480 | 246,261 |
| Lease liabilities | 15 | 48,449 | 47,071 | 48,449 | 47,071 |
| Income tax payable | | 6,598 | 1,992 | – | – |
| Total current liabilities | | 3,311,067 | 2,881,736 | 713,179 | 293,332 |
| Non-current liabilities | | | | | |
| Bank loans | 13 | 30,093,005 | 25,040,000 | 1,868,750 | – |
| Other payables | 14 | 11,085 | 11,085 | 11,085 | 11,085 |
| Lease liabilities | 15 | 21,629 | 61,767 | 21,629 | 61,767 |
| Total non-current liabilities | | 30,125,719 | 25,112,852 | 1,901,464 | 72,852 |
| Capital, reserves and non-controlling interests | | | | | |
| Share capital | 17 | 13,292,106 | 13,292,106 | 13,292,106 | 13,292,106 |
| Accumulated losses | | (3,667,179) | (2,767,793) | (3,592,283) | (2,510,013) |
| Equity attributable to owners of the Company | | 9,624,927 | 10,524,313 | 9,699,823 | 10,782,093 |
| Non-controlling interests | | 3,876,691 | 3,703,320 | – | – |
| Total equity | | 13,501,618 | 14,227,633 | 9,699,823 | 10,782,093 |
| Total liabilities and equity | | 46,938,404 | 42,222,221 | 12,314,466 | 11,148,277 |

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 September 2021

| | | Group | |
|---|------|-------------|-------------|
| | Note | 2021 | 2020 |
| | | \$ | \$ |
| Continuing operations | | | |
| Revenue | 18 | 1,248,147 | 1,142,206 |
| Other income | 19 | 1,204,583 | 223,696 |
| Employee benefits expense | | (1,927,563) | (2,043,248) |
| Depreciation expense | | (80,056) | (79,391) |
| Other operating expenses | 20 | (700,906) | (1,667,697) |
| Share of associate results | | 140,431 | 31,338 |
| Finance costs | 21 | (603,390) | (187,652) |
| Loss before tax from continuing operations | | (718,754) | (2,580,748) |
| Income tax expense | 22 | (7,261) | (1,992) |
| Loss for the year from continuing operations, net of tax | | (726,015) | (2,582,740) |
| Discontinued operation | | | |
| Loss from discontinued operation, net of tax | 26 | – | (244,481) |
| Loss for the year | 23 | (726,015) | (2,827,221) |
| Other comprehensive income: | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translation of foreign operation | | – | 34,609 |
| Foreign currency reserve and capital reserve realised on disposal of subsidiary | – | | (20,739) |
| Other comprehensive income for the year, net of tax | | – | 13,870 |
| Total comprehensive loss for the year | | (726,015) | (2,813,351) |
| Loss attributable to: | | | |
| <i>Owners of the Company</i> | | | |
| Loss from continuing operations, net of tax | | (899,386) | (2,055,146) |
| Loss from discontinued operation, net of tax | | – | (285,148) |
| Loss for the year attributable to owners of the Company | | (899,386) | (2,340,294) |
| <i>Non-controlling interests</i> | | | |
| Profit/(loss) from continuing operations, net of tax | | 173,371 | (527,594) |
| Profit from discontinued operation, net of tax | | – | 40,667 |
| Profit/(loss) for the year attributable to non-controlling interests | | 173,371 | (486,927) |

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 September 2021

| | Note | Group | |
|--|------|------------------|--------------------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| Total comprehensive loss attributable to: | | | |
| <i>Owners of the Company</i> | | | |
| Total comprehensive loss from continuing operations, net of tax | | (899,386) | (2,055,146) |
| Total comprehensive loss from discontinued operation, net of tax | | – | (273,410) |
| Total comprehensive loss for the year attributable to owners of the Company | | <u>(899,386)</u> | <u>(2,328,556)</u> |
| <i>Non-controlling interests</i> | | | |
| Total comprehensive income/(loss) from continuing operations, net of tax | | 173,371 | (527,594) |
| Total comprehensive income from discontinued operations, net of tax | | – | 42,799 |
| Total comprehensive income/(loss) for the year attributable to non-controlling interests | | <u>173,371</u> | <u>(484,795)</u> |
| Basic and diluted loss per share from continuing operations (cents) | 24 | <u>(1.06)</u> | <u>(2.43)</u> |
| Basic and diluted loss per share from continuing and discontinued operation (cents) | 24 | <u>(1.06)</u> | <u>(2.77)</u> |

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 September 2021

| | Share Capital (Note 17) | Accumulated losses | Attributable to owners of the Company | Non- controlling interests | Total Equity |
|---|-------------------------------|-----------------------|--|----------------------------------|-----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Group | | | | | |
| Balance at 1 October 2020 | 13,292,106 | (2,767,793) | 10,524,313 | 3,703,320 | 14,227,633 |
| <i>Total comprehensive income for the year:</i> | | | | | |
| (Loss)/income for the year | – | (899,386) | (899,386) | 173,371 | (726,015) |
| Balance at 30 September 2021 | 13,292,106 | (3,667,179) | 9,624,927 | 3,876,691 | 13,501,618 |

| | Share Capital (Note 17) | Capital reserve | Foreign exchange translation deficit | Accumulated losses | Attributable to owners of the Company | Non- controlling interests | Total Equity |
|---|-------------------------------|--------------------|---|-----------------------|--|----------------------------------|-----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Group | | | | | | | |
| Balance at 1 October 2019 | 13,292,106 | 1,527 | (13,265) | (427,499) | 12,852,869 | 301,658 | 13,154,527 |
| <i>Total comprehensive income for the year:</i> | | | | | | | |
| Loss for the year | – | – | – | (2,340,294) | (2,340,294) | (486,927) | (2,827,221) |
| <i>Other comprehensive income for the year</i> | | | | | | | |
| Exchange differences on translation of foreign operation | – | – | 34,609 | – | 34,609 | – | 34,609 |
| Foreign currency reserve and capital reserve realised on disposal of subsidiary | – | (1,527) | (21,344) | – | (22,871) | 2,132 | (20,739) |
| | – | (1,527) | 13,265 | (2,340,294) | (2,328,556) | (484,795) | (2,813,351) |
| <i>Transactions with owners, recognised directly in equity:</i> | | | | | | | |
| Acquisition of subsidiary | – | – | – | – | – | 4,000,000 | 4,000,000 |
| Disposal of subsidiary | – | – | – | – | – | (113,543) | (113,543) |
| Total | – | – | – | – | – | 3,886,457 | 3,886,457 |
| Balance at 30 September 2020 | 13,292,106 | – | – | (2,767,793) | 10,524,313 | 3,703,320 | 14,227,633 |

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 September 2021

| | Share capital (Note 17) | Accumulated losses | Total |
|--|----------------------------|-----------------------|-------------|
| | \$ | \$ | \$ |
| Company | | | |
| 2021 | | | |
| Balance at 1 October 2020 | 13,292,106 | (2,510,013) | 10,782,093 |
| Loss for the year, representing total comprehensive income for the year | – | (1,082,270) | (1,082,270) |
| Balance at 30 September 2021 | 13,292,106 | (3,592,283) | 9,699,823 |
| 2020 | | | |
| Balance at 1 October 2019 | 13,292,106 | (1,159,422) | 12,132,684 |
| Loss for the year, representing total comprehensive income for the year | – | (1,350,591) | (1,350,591) |
| Balance at 30 September 2020 | 13,292,106 | (2,510,013) | 10,782,093 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2021

| | Group | |
|--|-------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Operating activities | | |
| Loss before income tax from continuing operations | (718,754) | (2,580,748) |
| Loss before income tax from discontinued operation | – | (260,587) |
| Loss before income tax from continuing and discontinued operations | (718,754) | (2,841,335) |
| <u>Adjustments for:</u> | | |
| Interest expense | 603,390 | 187,652 |
| Interest income | (4,728) | (92,942) |
| Property, plant and equipment written off | – | 376 |
| Depreciation of property, plant and equipment | 80,056 | 116,178 |
| Loss on disposal of investments in subsidiary | – | 651,148 |
| Share of profit from associated company | (140,431) | (31,338) |
| (Reversal of impairment loss)/impairment loss on investment properties | (942,800) | 942,800 |
| Effects of exchange rate changes on monetary assets | – | 33,213 |
| Operating cash flows before changes in working capital | (1,123,267) | (1,034,248) |
| Trade receivables | (159,909) | (918,062) |
| Other receivables | 987,114 | (1,267,228) |
| Inventories | – | (63,460) |
| Trade payables | – | 249,667 |
| Other payables | (77,412) | 2,064,197 |
| Cash flows used in operations | (373,474) | (969,134) |
| Interest paid | (531,824) | (116,237) |
| Income tax paid | (2,656) | (8,541) |
| Net cash flows used in operating activities | (907,954) | (1,093,912) |
| Investing activities | | |
| Purchase of property, plant and equipment | (15,856) | (3,851) |
| Disposal of property, plant and equipment | 6,842 | – |
| Acquisition of subsidiary (Note 27) | – | 4,000,000 |
| Capital contribution to associated company | (2) | (2,051,933) |
| Additions/purchases of investment properties | (3,980,319) | (32,242,800) |
| Disposal of a subsidiary (Note 26) | – | 205,390 |
| Interest received | 4,728 | 92,942 |
| Net cash flows used in investing activities | (3,984,607) | (30,000,252) |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2021

| | Group | |
|--|------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Financing activities | | |
| Proceeds from bank loans | 5,484,255 | 25,040,000 |
| Repayment of principal portion of lease liabilities | (40,816) | (47,126) |
| Net cash flows generated from financing activities | 5,443,439 | 24,992,874 |
| Net increase/(decrease) in cash and cash equivalents | 550,878 | (6,101,290) |
| Cash and cash equivalents at beginning of the year | 6,974,222 | 13,075,512 |
| Cash and cash equivalents at end of the year (Note 5) | 7,525,100 | 6,974,222 |

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

1. Corporate information

The Company is incorporated in the Republic of Singapore with its principal place of business at 38 Jalan Pemimpin #06-06 Singapore 577178 and registered office at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited.

The Company's holding company and ultimate holding company is Goldhill Trust Pte. Ltd. Goldhill Trust Pte. Ltd. is incorporated in the Republic of Singapore.

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

The principal activities of the subsidiaries and associated companies are disclosed in Note 12 and Note 10 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

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

The financial statements are presented in Singapore dollars ("SGD" or "\$")

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 October 2020. The adoption of other standards and interpretation did not have any material effect on the financial performance or position of the Group and Company.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|--|--|
| Amendments to SFRS(I) 3 <i>References to the Conceptual Framework in SFRS(I) Standards</i> | 1 January 2022 |
| Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment – Proceeds before Intended Use</i> | 1 January 2022 |
| Amendments to SFRS(I) 1-37 <i>Onerous Contracts – Cost of Fulfilling a Contract</i> | 1 January 2022 |
| Annual Improvement to SFRS(I)s 2018-2020 | 1 January 2022 |
| SFRS(I) 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to SFRS(I) 17 | 1 January 2023 |
| Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 <i>Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-8 <i>Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to SFRS(I) 1-12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| Amendment to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| Amendments to SFRS(I) 10 <i>Consolidated Financial Statements</i> and SFRS(I) 1-28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture</i> | Date to be determined |

The Group expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.5 Transactions with non-controlling interests

The cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

2.6 Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currency of the Company and its subsidiaries and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting year are recognised in the profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|---|-------------------|
| Plant, machinery and equipment | 3 to 10 years |
| Office equipment | 3 to 5 years |
| Leasehold building (right-of-use asset) | Lease term period |

Fully depreciated assets are retained in the financial statements until they are no longer in use.

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.7 *Property, plant and equipment (cont'd)*

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 *Investment properties*

Investment properties are properties that are owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost, including transaction costs and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land including those which the industrial buildings are sitting on is not depreciated. The residual value, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it 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.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses.

2.11 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of loss in an associate equal or exceed its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

For financial statements of the associate which are prepared as of the same reporting date of the Company, the most recent available audited financial statements of the associate are used by the Group in applying the equity method. Where the date of the audited financial statements used is not co-terminus with that of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the financial year. Where necessary, adjustments are made to bring the accounting policy in line with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement category for classification of debt instruments is:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

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

De-recognition

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

2.13 Impairment of financial assets

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

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and their economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and fixed deposits, which are subject to an insignificant risk of changes in values.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

2.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Where the grant relates to income, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.18 Employee benefits (cont'd)

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term lease and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term ranging from 2 to 5 years.

The Group's right-of-use assets are included in 'Property, plant and equipment'.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.9.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg. Changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.19 Leases (cont'd)

Group as a lessee (cont'd)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases (ie those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.20 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.21 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promise good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount to be allocated to the satisfied performance obligation.

If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(a) Sales of designer and generic eggs

Revenue from sale of designer and generic eggs are recognised upon satisfaction of performance obligation to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due and associated costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.21 Revenue (cont'd)

(b) Rendering of financial services

The Group's financial services primarily relates to customer referral services. Revenue is measured based on the consideration specified in a finder fees or brokerage fees contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers are recognised upon the reference to each distinct performance obligation in the contract with customer.

(c) Rental income

Rental income arising from leases on investment properties are accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Interest income

Interest income is recognised using the effective interest method.

2.22 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting year, in the country where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.22 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.23 Contingencies

A contingent liability is:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

2. Summary of significant accounting policies (cont'd)

2.23 Contingencies (cont'd)

- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

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

Impairment/(reversal of impairment) assessment of investment properties

An impairment exists when the carrying value of investment properties exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

Management assesses, on an annual basis, whether there are trigger events indicating potential impairment/reversal of impairment. Where applicable, the Group considers independent valuation reports of valuation specialists to support the recoverable amounts of investment properties. The fair values are determined by external specialists using valuation techniques which involve the use of significant estimates and assumptions which are reflective of current market conditions.

The carrying amount of the Group's investment properties as at 30 September 2021 are \$36,223,119 (2020: \$31,300,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

4. Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the year, the Group entered into the following transaction with related parties:

| | 2021 | 2020 |
|---|--------|-----------|
| | \$ | \$ |
| Advances to an associate company | 11,000 | – |
| Deal advisory income from an entity jointly owned by a controlling shareholder of the Company | 11,997 | – |
| Acquisition of a subsidiary from a controlling shareholder of the Company | – | 4,000,000 |

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year is as follows:

| | Group | |
|------------------------------|-----------|-----------|
| | 2021 | 2020 |
| | \$ | \$ |
| Continuing operations | | |
| Short-term benefits | 1,331,202 | 1,441,432 |
| Post-employment benefits | 46,579 | 51,231 |
| Total | 1,377,781 | 1,492,663 |

The remuneration of directors and key management is determined by the Board of Directors having regard to the performance of individuals and market trends.

5. Cash and cash equivalents

| | Group | | Company | |
|---------------------------|-----------|-----------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Cash at bank | 2,520,372 | 6,974,222 | 712,888 | 4,392,230 |
| Fixed deposits | 5,004,728 | – | 5,004,728 | – |
| Cash and cash equivalents | 7,525,100 | 6,974,222 | 5,717,616 | 4,392,230 |

Fixed deposits of \$5,004,728 (2020: \$Nil) bears interest at an average effective interest rate of 0.16% per annum (2020: Nil%) and had a maturity period of 30 days. Cash at bank does not bear any interest.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

6. Trade receivables

| | Group | | Company | |
|------------------------------|---------|---------|---------|------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Third parties | 406,898 | 246,989 | – | – |
| Amount due from subsidiaries | – | – | 35,952 | – |
| Total trade receivables | 406,898 | 246,989 | 35,952 | – |

Trade receivables are non-interest bearing and are generally on 30 to 90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

As at 30 September 2021, no allowance (2020: \$Nil) for ECL has been recognised.

The following table details the risk profile of trade receivables from contracts with customers. As the Group and Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

| | Group | | | | |
|--|-----------------------------------|----------|------------|------------|---------|
| | Trade receivables - days past due | | | | |
| | Not past due | <30 days | 31-60 days | 61-90 days | Total |
| | \$ | \$ | \$ | \$ | \$ |
| 2021 | | | | | |
| Estimated total gross carrying amount at default | 406,898 | – | – | – | 406,898 |
| 2020 | | | | | |
| Estimated total gross carrying amount at default | 246,989 | – | – | – | 246,989 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

6. Trade receivables (cont'd)

| | Company | | | | |
|--|-----------------------------------|----------|------------|------------|--------|
| | Trade receivables - days past due | | | | |
| | Not past due | <30 days | 31-60 days | 61-90 days | Total |
| | \$ | \$ | \$ | \$ | \$ |
| 2021 | | | | | |
| Estimated total gross carrying amount at default | 35,952 | — | — | — | 35,952 |
| 2020 | | | | | |
| Estimated total gross carrying amount at default | — | — | — | — | — |

7. Other receivables

| | Group | | Company | |
|--|----------------|------------------|---------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Amounts due from a subsidiary | – | – | 8,064 | – |
| Amounts due from an associate | 11,000 | – | 11,000 | 105,000 |
| Prepayments | 195,935 | 319,043 | 19,595 | 18,919 |
| Deposits | 7,950 | 112,950 | 7,950 | 7,950 |
| Government grants receivables | – | 54,085 | – | 29,145 |
| Other recoverables | 134,033 | – | – | – |
| Goods and services tax ("GST") receivables | 4,914 | 854,868 | 2,569 | 12,274 |
| Total other receivables | <u>353,832</u> | <u>1,340,946</u> | <u>49,178</u> | <u>173,288</u> |

Management has determined that the other receivables balance as at 30 September 2021 and 2020 are subjected to immaterial credit loss.

In determining the ECL, management has taken into account the financial position of the counterparties, adjusted for factors that are specific to the counterparties and general economic conditions of the industry in which they operate, in estimating the probability of default of the other receivables as well as the loss upon default.

The amounts due from a subsidiary and associate are unsecured, interest-free, repayable on demand and is expected to be settled by cash. The amounts are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Company's group of companies and there has been no significant increase in the risk of default on the amounts due from a subsidiary and associated company since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

8. Property, plant and equipment

| Group | Plant, machinery and equipment | Office equipment | Leasehold building | Total |
|--|---|---------------------|-----------------------|-----------|
| | \$ | \$ | \$ | \$ |
| Cost: | | | | |
| At 1 October 2019 | 279,942 | 32,536 | – | 312,478 |
| Adoption of SFRS(I) 16 | – | 12,084 | 140,837 | 152,921 |
| Additions | 1,200 | 2,651 | – | 3,851 |
| Disposal of a subsidiary (Note 26) | (166,370) | (14,223) | – | (180,593) |
| Written off | (537) | – | – | (537) |
| Exchange differences | 5,457 | 431 | – | 5,888 |
| At 30 September 2020 and 1 October 2020 | 119,692 | 33,479 | 140,837 | 294,008 |
| Additions | – | 15,856 | – | 15,856 |
| Disposals | – | (12,084) | – | (12,084) |
| At 30 September 2021 | 119,692 | 37,251 | 140,837 | 297,780 |
| Accumulated depreciation: | | | | |
| At 1 October 2019 | 125,138 | 9,393 | – | 134,531 |
| Charge for the year | 63,662 | 8,619 | 43,897 | 116,178 |
| Disposal of a subsidiary (Note 26) | (145,051) | (9,020) | – | (154,071) |
| Written off | (161) | – | – | (161) |
| Exchange differences | 4,424 | 280 | – | 4,704 |
| At 30 September 2020 and 1 October 2020 | 48,012 | 9,272 | 43,897 | 101,181 |
| Charge for the year | 28,664 | 7,495 | 43,897 | 80,056 |
| Disposals | – | (5,242) | – | (5,242) |
| At 30 September 2021 | 76,676 | 11,525 | 87,794 | 175,995 |
| Carrying amount: | | | | |
| At 30 September 2021 | 43,016 | 25,726 | 53,043 | 121,785 |
| At 30 September 2020 | 71,680 | 24,207 | 96,940 | 192,827 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

8. Property, plant and equipment (cont'd)

| Company | Plant, machinery and equipment | Office equipment | Leasehold building | Total |
|--|---|---------------------|-----------------------|----------|
| | \$ | \$ | \$ | \$ |
| Cost: | | | | |
| At 1 October 2019 | 119,029 | 19,801 | – | 138,830 |
| Adoption of SFRS(I) 16 | – | 12,084 | 140,837 | 152,921 |
| Additions | 1,200 | 1,594 | – | 2,794 |
| Written off | (537) | – | – | (537) |
| At 30 September 2020 and 1 October 2020 | 119,692 | 33,479 | 140,837 | 294,008 |
| Additions | – | 15,856 | – | 15,856 |
| Disposals | – | (12,084) | – | (12,084) |
| At 30 September 2021 | 119,692 | 37,251 | 140,837 | 297,780 |
| Accumulated depreciation: | | | | |
| At 1 October 2019 | 19,610 | 2,342 | – | 21,952 |
| Charge for the year | 28,564 | 6,930 | 43,897 | 79,391 |
| Written off | (161) | – | – | (161) |
| At 30 September 2020 and 1 October 2020 | 48,013 | 9,272 | 43,897 | 101,182 |
| Charge for the year | 28,664 | 7,495 | 43,897 | 80,056 |
| Disposals | – | (5,243) | – | (5,243) |
| At 30 September 2021 | 76,677 | 11,524 | 87,794 | 175,995 |
| Carrying amount: | | | | |
| At 30 September 2021 | 43,015 | 25,727 | 53,043 | 121,785 |
| At 30 September 2020 | 71,679 | 24,207 | 96,940 | 192,826 |

9. Investment properties

| | Group | |
|---|------------|------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Cost | | |
| Beginning of financial year | 31,300,000 | – |
| Additions/acquisition during the financial year | 3,980,319 | 32,242,800 |
| Reversal of allowance/(allowance) for impairment loss | 942,800 | (942,800) |
| End of financial year | 36,223,119 | 31,300,000 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

9. Investment properties (cont'd)

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The cost of the industrial buildings sitting on these investment properties are immaterial and are not included in the acquisition cost of the investment properties. On the acquisition date, one of the buildings sitting on one of the investment properties has an existing tenancy agreement as a lessor. As at 30 September 2021, there is no existing tenancy.

The following amounts are recognised in profit or loss in relation to investment properties:

| | Group | |
|--|--------|--------|
| | 2021 | 2020 |
| | \$ | \$ |
| Rental income (Note 18) | 36,000 | 50,000 |
| Direct operating expenses arising from investment properties that generate rental income | 6,887 | 9,182 |

Investment properties are leased to non-related parties under leases.

Valuation of investment properties

As at 30 September 2021, the fair value of investment properties is \$37,400,000 (2020: \$31,300,000) based on the properties' highest-and-best-use.

The fair value of the Group's investment properties, classified as Level 3 of the fair value hierarchy, have been derived using Residual Method and Direct Comparison Method, with unobservable inputs (i.e., selling price per square feet and cost of construction per square feet) by external independent valuer. An increase/decrease in these unobservable inputs based on management's assumptions would result in higher/lower fair value measurements.

For the Residual Method, the total gross development costs and the developer's profit are deducted from the gross development value ("GDV") to arrive at the residual value of the land. To arrive at the GDV, the external independent valuer has adopted the Direct Comparison Method as the primary valuation method with the assumption of satisfactory completion of the proposed development. The Direct Comparison Method involves analysis of recent transactions of comparable properties within the vicinity and elsewhere in Singapore. Necessary comparisons and adjustments have been made for the differences in location, tenure, size, masterplan zoning/plot ratio, site configuration, amongst other factors.

The fair values of the properties are based on valuations which were performed by an external independent valuer with recognised and relevant professional qualifications and with recent experience in the location and category of the properties being valued, who is engaged on an annual basis. Discussions on the valuation process and key inputs applied in the valuation approach are held between management and the independent valuer annually.

Movements in allowance for impairment loss are as follows:

| | Group | |
|---|-----------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| Beginning of financial year | 942,800 | – |
| (Reversal of allowance)/allowance for impairment loss | (942,800) | 942,800 |
| End of financial year | – | 942,800 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

9. Investment properties (cont'd)

Valuation of investment properties (cont'd)

In the previous financial year ended 30 September 2020, the fair value of the investment properties was lower than the carrying value as the carrying value comprised both the purchase consideration and the stamp duties paid. The purchase consideration approximated the fair value at year end and the difference was impaired. In the current financial year ended 30 September 2021, the Group has increased the gross plot ratio of the investment properties, which led to an increase in valuation of the investment properties. Accordingly, the impairment loss is reversed in the current financial year and recognised as other income in the consolidated statement of comprehensive income.

Properties pledged as security

Investment properties with carrying amount of \$36,223,119 (2020: \$31,300,000) are mortgaged to banks for credit facilities granted to subsidiaries.

Details of the Group's investment properties as at 30 September 2021 are as follows:

| Description and location | Tenure | Existing use | Land area (Square metre) | Interest held by the Group |
|--------------------------|----------|--------------|-----------------------------|-------------------------------|
| 14 Kim Chuan Terrace | Freehold | Industrial | 563.5 | 50% |
| 16 Kim Chuan Terrace | Freehold | Industrial | 517.7 | 50% |
| 18 Kim Chuan Terrace | Freehold | Industrial | 823.0 | 50% |

10. Investment in associated companies

| | Group | |
|---------------------------------|------------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Unquoted equity shares, at cost | 5 | 3 |
| Loan to associated company | 2,051,931 | 2,051,931 |
| Share of associate's results | 171,769 | 31,338 |
| At 30 September | <u>2,223,705</u> | <u>2,083,272</u> |

For the financial year ended 30 September 2020, one of the Group's fully owned subsidiaries entered into an agreement with its associated company to allow the associated company the discretion for the repayment of the loan provided to them as and when the cash flow of the associated company permits. These amounts are non-interest bearing, unsecured and form part of the Company's net investment in the associate company. Settlements are neither planned nor likely to occur in the foreseeable future.

In determining the ECL for the loan to associated company, management has taken into account the financial position of the associated company, adjusted for factors that are specific to the associated company and general economic conditions of the industry in which it operates, in estimating the probability of default of the loan receivable as well as the loss upon default. There is no significant increase in the credit risk associated with the loan to associated company during the year and the quantum of the ECL is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

10. Investment in associated companies (cont'd)

Details of the associated company is as follows:

| | Country of incorporation and operation | Proportion of ownership interest and voting power held | | Principal activities |
|---|--|--|------|--|
| | | 2021 | 2020 | |
| | | % | % | |
| <i>Held by subsidiary</i> | | | | |
| Tuas Seatown Dormitory Pte Ltd ^(a) | Singapore | 30 | 30 | Provision of dormitory accommodation services |
| Ember Properties Pte Ltd ^(b) | Singapore | 20 | – | Real estate development |

(a) audited by Ernst & Young LLP

(b) exempted from audit

The above associated companies are strategic to the Group's activities. The Group has the power to participate in the financial and operating policy decisions of the associated companies but does not have control or joint control of these policies.

There were no dividends received from the associated companies during the financial year.

There is no significant restriction in the ability of the Group's associated companies to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

The associate had no contingent liabilities or capital commitments as at 30 September 2021.

The summarised financial information in respect of material investment in associated company, based on their SFRS(I) financial statements, and reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

Summarised statement of financial position

| | Tuas Seatown Dormitory Pte Ltd | |
|--|--------------------------------|-------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Current assets | 1,050,092 | 988,690 |
| Non-current assets | 23,912,459 | 24,495,810 |
| Total assets | 24,962,551 | 25,484,500 |
| Current liabilities | 1,298,802 | 457,775 |
| Non-current liabilities | 16,251,405 | 18,082,487 |
| Total liabilities | 17,550,207 | 18,540,262 |
| Net assets | 7,412,344 | 6,944,238 |
| Proportion of the Group's ownership | 30% | 30% |
| Group's share of net assets and carrying amount of the investment | 2,223,703 | 2,083,272 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

10. Investment in associated companies (cont'd)

Summarised statement of comprehensive income

| | 2021 | 2020 |
|---|-----------|-----------|
| | \$ | \$ |
| Revenue | 2,870,570 | 1,351,702 |
| Other income | 79,363 | 44,840 |
| Profit for the year, representing total comprehensive income for the year | 468,104 | 104,461 |
| Proportion of the Group's ownership | 30% | 30% |
| Group's share of profit for the year | 140,431 | 31,338 |

11. Goodwill

| | Group | |
|-------------------------------------|--------|--------|
| | 2021 | 2020 |
| | \$ | \$ |
| Carrying amount: | | |
| Beginning and end of financial year | 83,965 | 83,965 |

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGUs") for the purpose of impairment testing. The CGUs are represented by the Group's investments in subsidiaries. The carrying amount of goodwill allocated to each CGU is as follows:

| CGU | Assumptions | | | | | |
|-------------------------|-------------|--------|-----------------------|------|---------------------------------|------|
| | Goodwill | | Long-term growth rate | | Pre-tax discount rate per annum | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | % | % | % | % |
| OneApex Capital Pte Ltd | 83,965 | 83,965 | 10.0 | 10.0 | 10.0 | 10.0 |

The recoverable amount of the CGU has been determined based on value-in-use calculations, using cash flow projections from financial budgets approved by management covering a five-year period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

11. Goodwill (cont'd)

Impairment testing of goodwill (cont'd)

Key assumptions used in the value in use calculations

The calculation of value-in-use for the above CGU is most sensitive to the following assumptions:

Growth rates – Management determined the budgeted growth rate based on past performance and its expectation for market development factoring the impact caused by the COVID-19 pandemic.

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, pertaining to the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("WACC"). The WACC comprises solely cost of equity. The cost of equity is derived from the expected return on investment by the Group's investors. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use for the above CGU, management believes that no reasonably possible significant changes in any of the above key assumptions would cause the recoverable amount of the CGU to be materially lower than its carrying value.

12. Investment in subsidiaries

(a) Composition of the Group

| | Company | |
|-------------------------------------|-----------|-----------|
| | 2021 | 2020 |
| | \$ | \$ |
| Unquoted equity shares, at cost | 6,489,935 | 6,489,933 |
| Less: Allowance for impairment loss | (100,000) | (100,000) |
| Carrying amount | 6,389,935 | 6,389,933 |

Movement in allowance for impairment loss

| | Company | |
|-----------------------------|---------|---------|
| | 2021 | 2020 |
| | \$ | \$ |
| Beginning of financial year | 100,000 | – |
| Impairment for the year | – | 100,000 |
| End of financial year | 100,000 | 100,000 |

During the previous year, an impairment amount of \$100,000 was provided for one of the subsidiaries due to a withdrawal of plan for a project lease agreement to manage and operate a hostel.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

12. Investment in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

The principal subsidiary corporations of the Company are as follows:

| | Country of incorporation and operation | Proportion of ownership interest and voting power held | | Principal activities |
|---|--|--|------|----------------------|
| | | 2021 | 2020 | |
| | | % | % | |
| Just 38 Pte. Ltd. ^(a) | Singapore | 100 | 100 | Property management |
| OneFortune Holdings Pte. Ltd. ^(a) | Singapore | 100 | 100 | Investment holding |
| OneApex Capital Pte. Ltd. ^(a) | Singapore | 51 | 51 | Fund management |
| OneApex Capital 1 Pte. Ltd. ^(a) | Singapore | 51 | 51 | Fund management |
| KC Industries Pte Ltd ^(a) | Singapore | 50 | 50 | Property development |
| OneApex Development Pte. Ltd. ^(a) | Singapore | 100 | — | Investment holding |

(a) Audited by Ernst & Young LLP, Singapore

The Group has determined that it has control over KC Industries Pte Ltd ("KCI") as the Group is able to appoint and remove majority of the directors in KCI, accordingly the Group has the current ability to direct the relevant activities. The Group is also exposed to and has the rights to variable returns from its involvement with KCI's business activities including policy making and the Group has the ability to affect those returns through its power over KCI.

(b) Interest in subsidiaries with material non-controlling interest ("NCI")

| Name of subsidiary | Country of incorporation and operation | Proportion of ownership interest held by non-controlling interest | Proportion of profit/(loss) allocated to NCI during the reporting period | Accumulated NCI at the end of reporting period |
|---------------------------|--|---|--|---|
| | | | % | \$ |
| <u>30 September 2021:</u> | | | | |
| OneApex Capital Pte Ltd | Singapore | 49 | 36,927 | 298,366 |
| KC Industries Pte Ltd | Singapore | 50 | 137,920 | 3,582,332 |
| <u>30 September 2020:</u> | | | | |
| OneApex Capital Pte Ltd | Singapore | 49 | 31,501 | 261,439 |
| KC Industries Pte Ltd | Singapore | 50 | (555,588) | 3,444,412 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

12. Investment in subsidiaries (cont'd)

- (c) Summarised financial information about subsidiaries with NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised statement of financial position

| | KC Industries Pte Ltd | |
|----------------------------------|------------------------------|--------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Current | | |
| Assets | 995,400 | 2,460,640 |
| Liabilities | (1,829,600) | (1,831,815) |
| Net current (liabilities)/assets | (834,200) | 628,825 |
| Non-current | | |
| Assets | 36,223,119 | 31,300,000 |
| Liabilities | (28,224,255) | (25,040,000) |
| Net non-current assets | 7,998,864 | 6,260,000 |
| Net assets | 7,164,664 | 6,888,825 |

Summarised statement of comprehensive income

| | 2021 | 2020 |
|--|-------------|-------------|
| | \$ | \$ |
| Revenue | 36,000 | 50,000 |
| Other operating income | 942,876 | 19,200 |
| Other operating expense | (703,037) | (1,180,375) |
| Profit/(loss) before tax | 275,839 | (1,111,175) |
| Taxation | — | — |
| Profit/(loss) for the year, representing total comprehensive income for the year | 275,839 | (1,111,175) |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

12. Investment in subsidiaries (cont'd)

(c) Summarised financial information about subsidiaries with NCI (cont'd)

Summarised statement of financial position

| | OneApex Capital Pte Ltd | |
|------------------------|--------------------------------|-------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Current | | |
| Assets | 1,342,947 | 1,206,663 |
| Liabilities | (734,039) | (673,116) |
| Net current assets | 608,908 | 533,547 |
| Non-current | | |
| Assets | 1 | 1 |
| Liabilities | – | – |
| Net non-current assets | 1 | 1 |
| Net assets | 608,909 | 533,548 |

Summarised statement of comprehensive income

| | 2021 | 2020 |
|---|-------------|--------------------|
| | \$ | \$ Re-presented |
| Revenue | 1,212,147 | 1,092,206 |
| Other operating income | 8,176 | 11,501 |
| Other operating expense | (1,137,700) | (1,039,419) |
| Profit before tax | 82,623 | 64,288 |
| Taxation | (7,261) | (1,992) |
| Profit for the year, representing total comprehensive income for the year | 75,362 | 62,296 |

13. Bank loans

| | Group | | Company | |
|--------------------|--------------|-------------|----------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| <u>Current</u> | | | | |
| Bank loans | 431,250 | – | 431,250 | – |
| <u>Non-current</u> | | | | |
| Bank loans | 30,093,005 | 25,040,000 | 1,868,750 | – |
| Total | 30,524,255 | 25,040,000 | 2,300,000 | – |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

13. Bank loans (cont'd)

As at 30 September 2021, the Group's bank loan facility of approximately \$39.2 million (the "Bank Loan Facility") is secured by a first legal mortgage on the properties located at 14 Kim Chuan Terrace, 16 Kim Chuan Terrace and 18 Kim Chuan Terrace (the "Investment Properties"), and a corporate guarantee of 50% of the Bank Loan Facility provided by the Company. The Bank Loan Facility was taken up by the Group's 50% owned subsidiary, KC Industries Pte Ltd, and as at 30 September 2021, \$28.2 million had been drawn down under the Bank Loan Facility. The loan carried a variable interest rate of 3.3% per annum below the bank's enterprise board rate. For the year ended 30 September 2021, the average effective interest rate on the bank loans is 2.20% per annum (2020: 2.55% per annum).

As at 30 September 2021, the Company has drawn down on a temporary bridging loan ("TBL") under the Enterprise Financing Scheme offered by Enterprise Singapore amounting to \$2.3 million. The TBL is secured by a personal guarantee by Alex Tan Pei Hong ("Alex Tan"), the Company's Executive Chairman and Chief Executive Officer. The TBL carried a fixed interest rate of 2.25% per annum.

A reconciliation of liabilities arising from financing activities is as follows:

| | 30 September 2020 | Cash flows | Non-cash changes: Accretion of interest | 30 September 2021 |
|-----------------------------|----------------------|------------|--|----------------------|
| | \$ | \$ | \$ | \$ |
| Bank loans | 25,040,000 | 5,484,255 | – | 30,524,255 |
| Lease liabilities (Note 15) | 108,838 | (40,816) | 2,056 | 70,078 |
| | 25,148,838 | 5,443,439 | 2,056 | 30,594,333 |

| | 1 October 2019 | Cash flows | Non-cash changes: Accretion of interest | 30 September 2020 |
|-----------------------------|----------------|------------|--|----------------------|
| | \$ | \$ | \$ | \$ |
| Bank loans | – | 25,040,000 | – | 25,040,000 |
| Lease liabilities (Note 15) | 152,921 | (47,126) | 3,043 | 108,838 |
| | 152,921 | 24,992,874 | 3,043 | 25,148,838 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

14. Other payables

| | Group | | Company | |
|--|------------------|------------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Deferred government grants | – | 62,971 | – | 35,945 |
| Provision for reinstatement costs | 11,085 | 11,085 | 11,085 | 11,085 |
| Accruals | 1,002,979 | 946,617 | 216,464 | 184,107 |
| Amounts due to non-controlling interests of a subsidiary | 1,738,445 | 1,738,445 | – | – |
| Others | 83,346 | 84,640 | 17,016 | 26,209 |
| | <u>2,835,855</u> | <u>2,843,758</u> | <u>244,565</u> | <u>257,346</u> |
| Current | 2,824,770 | 2,832,673 | 233,480 | 246,261 |
| Non-current | 11,085 | 11,085 | 11,085 | 11,085 |
| | <u>2,835,855</u> | <u>2,843,758</u> | <u>244,565</u> | <u>257,346</u> |

Amounts due to non-controlling interests of a subsidiary (non-trade) are denominated in Singapore Dollars, unsecured, interest-free, repayable on demand and are expected to be settled in cash.

15. Leases

As a lessee

The Group has entered into commercial property lease and office equipment lease. The leases generally have lease terms between 2 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

(a) *Carrying amount of right-of-use assets*

Information about right-of-use assets classified within property, plant and equipment (Note 8) is disclosed as follows:

| | Office equipment | Leasehold building | Total |
|--------------------------|------------------|--------------------|---------------|
| | \$ | \$ | \$ |
| Group and Company | | | |
| As at 1 October 2019 | 12,084 | 140,837 | 152,921 |
| Depreciation expense | (2,736) | (43,897) | (46,633) |
| As at 30 September 2020 | 9,348 | 96,940 | 106,288 |
| Additions | 15,856 | – | 15,856 |
| Disposals | (6,842) | – | (6,842) |
| Depreciation expense | (3,035) | (43,897) | (46,932) |
| As at 30 September 2021 | <u>15,327</u> | <u>53,043</u> | <u>68,370</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

15. Leases (cont'd)

As a lessee (cont'd)

(b) *Lease liabilities*

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | 2021 | 2020 |
|--------------------------|---------------|----------------|
| | \$ | \$ |
| Group and Company | | |
| At beginning of year | 108,838 | 152,921 |
| Accretion of interest | 2,056 | 3,043 |
| Payments | (40,816) | (47,126) |
| At end of year | <u>70,078</u> | <u>108,838</u> |
| Current | 48,449 | 47,071 |
| Non-current | <u>21,629</u> | <u>61,767</u> |
| | <u>70,078</u> | <u>108,838</u> |

The maturity analysis of lease liabilities is disclosed in Note 28(b).

(c) *Amounts recognised in consolidated statement of comprehensive income*

The following are the amounts recognised in income statement:

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$ | \$ |
| Depreciation expense of right-of-use assets | 46,932 | 46,633 |
| Interest expense on lease liabilities | 2,056 | 3,043 |
| Total amount recognised in income statement | <u>48,988</u> | <u>49,676</u> |

As a lessor

The Group has entered into a commercial lease on its investment property (Note 9). The non-cancellable leases have remaining lease terms of 3 months as at 30 September 2020. Future minimum rentals receivable under non-cancellable lease at the end of the reporting period are as follows:

| | 2020 |
|--------------------------------|---------------|
| | \$ |
| Future minimum lease payments: | |
| Within 1 year | <u>48,193</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

16. Deferred tax assets

| Group | Accelerated tax depreciation (Accelerated accounting depreciation) |
|------------------------------------|---|
| | \$ |
| At 1 October 2019 | (6,390) |
| Disposal of a subsidiary (Note 26) | 6,606 |
| Exchange differences | (216) |
| At 30 September 2020 and 2021 | – |

17. Share capital

| | Group and Company | | | |
|---------------------------------|-------------------|------------|------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| | | | \$ | \$ |
| Number of shares | | | | |
| Issued and paid: | | | | |
| At beginning and at end of year | 84,498,000 | 84,498,000 | 13,292,106 | 13,292,106 |

The Company has one class of ordinary share which has no par value and each share carries a right to dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

18. Revenue

A disaggregation of the Group's revenue for the year, for both continuing and discontinued operation, is as follows:

| | | Group | |
|--------------------------------|------------------|-----------|-----------|
| | | 2021 | 2020 |
| | | \$ | \$ |
| Segment Revenue | | | |
| Continuing operations: | | | |
| Financial services | At point in time | 1,212,147 | 1,092,206 |
| Rental income | Over time | 36,000 | 50,000 |
| | | 1,248,147 | 1,142,206 |
| Discontinued operation: | | | |
| Designer and generic eggs | At point in time | – | 4,076,677 |
| | | 1,248,147 | 5,218,883 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

18. Revenue (cont'd)

As permitted by SFRS(I) 15, the Group has elected to apply the practical expedient not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period and an explanation of when the Group expects to recognise as revenue such an amount. The Group has met the condition of the practical expedient as the Group has the right to consideration from customers in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

19. Other income

| | Group | |
|---|------------------|-----------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Continuing operations | | |
| Reimbursement income | 192,422 | – |
| Reversal of impairment in investment properties | 942,800 | – |
| Government grants | 64,322 | 130,754 |
| Interest income | 4,728 | 92,942 |
| Sundry income | 311 | – |
| | <u>1,204,583</u> | <u>223,696</u> |
| Discontinued operation (Note 26) | | |
| Sundry income | – | 402 |
| Net foreign exchange gain | – | 9,942 |
| | <u>–</u> | <u>10,344</u> |
| Total | <u><u>–</u></u> | <u><u>234,040</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

20. Other operating expenses

| | Group | |
|---|----------------|------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Continuing operations | | |
| Professional expenses | 309,763 | 496,587 |
| Insurance | 19,899 | 17,360 |
| Repair and maintenance | 540 | 43 |
| Staff welfare | 4,317 | 6,450 |
| Transport expenses | 39,061 | 37,266 |
| Property tax | 63,716 | 14,453 |
| Referral fee expense | 174,490 | 42,528 |
| Fixed assets written off | – | 376 |
| Impairment of investment properties | – | 942,800 |
| Other general expenses | 89,120 | 109,834 |
| | <u>700,906</u> | <u>1,667,697</u> |
| Discontinued operation (Note 26) | | |
| Advertising expenses | – | 124,960 |
| Professional expenses | – | 3,494 |
| Carriage charges | – | 93,876 |
| Insurance | – | 1,398 |
| Repair and maintenance | – | 661 |
| Research and development | – | 320 |
| Staff welfare | – | 2,834 |
| Casual labour | – | 75,610 |
| Transport expenses | – | 4,828 |
| Other general expenses | – | 48,023 |
| | <u>–</u> | <u>356,004</u> |
| Total | <u>–</u> | <u>2,023,701</u> |

21. Finance costs

| | Group | |
|----------------------------------|----------------|----------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Interest on debts and borrowings | 601,334 | 184,610 |
| Interest on lease liabilities | 2,056 | 3,042 |
| Total | <u>603,390</u> | <u>187,652</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

22. Income tax expense

| | Group | |
|--------------------------------|-------|----------|
| | 2021 | 2020 |
| | \$ | \$ |
| Continuing operations: | | |
| Income tax: | | |
| - Current year | 7,261 | 1,992 |
| Discontinued operation: | | |
| Income tax: | | |
| - Over provision in prior year | - | (16,106) |
| Total | 7,261 | (14,114) |

Relationship between income tax expense and accounting loss

The reconciliation between the income tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 30 September 2021 and 2020 are as follows:

| | Group | |
|--|------------------|--------------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Loss before tax from continuing operations | (718,754) | (2,580,748) |
| Loss before tax from discontinued operation | - | (260,587) |
| Accounting loss before tax | (718,754) | (2,841,335) |
| Income tax benefit at statutory rate of 17% (2020:17%) | (122,188) | (483,027) |
| Effect of expenses that are not deductible in determining taxable profit | 23,059 | 209,608 |
| Effect of income not subject to tax | (187,278) | - |
| Effect of partial tax exemption | (7,448) | - |
| Deferred tax assets not recognised | 300,739 | 288,693 |
| Benefits from previously unrecognised tax losses | (286) | (4,768) |
| Overprovision of prior year's tax | - | (16,106) |
| Others | 663 | (8,514) |
| Income tax expense | 7,261 | (14,114) |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

22. Income tax expense (cont'd)

Relationship between income tax expense and accounting loss (cont'd)

As at 30 September 2021, the Group had unutilised tax losses of \$885,204 (2020: \$886,884) available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of the unutilised tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

23. Loss for the year

Loss for the year is arrived at after charging:

| | Group | | | | | |
|--|-----------------------|-----------|-------------------------------------|-----------|-----------|-----------|
| | Continuing operations | | Discontinued operation (Note 26) | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost of inventories recognised as expense | – | – | – | 2,816,851 | – | 2,816,851 |
| Directors' fee | 134,000 | 153,000 | – | – | 134,000 | 153,000 |
| Directors' remuneration | 1,043,381 | 1,131,167 | – | – | 1,043,381 | 1,131,167 |
| Depreciation of property, plant and equipment | 80,056 | 79,391 | – | 36,787 | 80,056 | 116,178 |
| Fixed assets written off | – | 376 | – | – | – | 376 |
| Employee benefits expense (including directors' remuneration) | | | | | | |
| Salaries | 1,743,686 | 1,856,874 | – | 369,532 | 1,743,686 | 2,226,406 |
| Cost of defined contribution plan | 111,863 | 113,504 | – | 10,487 | 111,863 | 123,991 |
| Others | 72,014 | 72,870 | – | 850 | 72,014 | 73,720 |
| Total employee benefits expense | 1,927,563 | 2,043,248 | – | 380,869 | 1,927,563 | 2,424,117 |
| Audit fees: | | | | | | |
| - paid to auditors of the company | 85,240 | 85,000 | – | – | 85,240 | 85,000 |
| - paid to other auditors | – | 10,397 | – | 2,318 | – | 12,715 |
| | 85,240 | 95,397 | – | 2,318 | 85,240 | 97,715 |
| Non-audit fees: | | | | | | |
| - paid to auditors of the company | 34,605 | 8,290 | – | – | 34,605 | 8,290 |
| - paid to other auditors | 27,000 | 32,000 | – | – | 27,000 | 32,000 |
| | 61,605 | 40,290 | – | – | 61,605 | 40,290 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

24. Loss per share

Loss per share is calculated as below:

| | Group | |
|---|---------------|-------------|
| | 2021 | 2020 |
| | No. of shares | |
| Number of ordinary shares | 84,498,000 | 84,498,000 |
| | Group | |
| | 2021 | 2020 |
| | \$ | \$ |
| Loss for the year attributable to owners of the Company from continuing operations | (899,386) | (2,055,146) |
| Loss per share (cents) from continuing operations | (1.06) | (2.43) |
| Loss for the year attributable to owners of the Company from discontinued operation | – | (285,148) |
| Loss per share (cents) from discontinued operation | – | (0.34) |
| Loss for the year attributable to owners of the Company from continuing and discontinued operations | (899,386) | (2,340,294) |
| Loss per share (cents) from continuing and discontinued operations | (1.06) | (2.77) |

The fully diluted loss per share is equal to the basic loss per share as there is no dilution. There are no ordinary shares transactions or potential ordinary shares transactions that occur after the reporting period that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.

25. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The operating segments operating results are reviewed regularly by the Group's chief operating decision makers to make decisions about the resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Group's reportable operating segments for the financial year ended 30 September 2021 are as follows:

- (a) Financial services.
- (b) Property management
- (c) Property development
- (d) Property investment

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment result represents the profit earned by each segment without allocation of other income, corporate expenses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

25. Segment information (cont'd)

For the purpose of monitoring segment performance and allocating resources, the chief operating decision maker monitors the tangible and financial assets attributable to each segment. Assets, if any, used jointly by reportable segments are allocated on the basis of the revenue earned by individual reporting segments.

For the year ended 30 September 2021, unallocated corporate assets mainly comprise cash and cash equivalents which include the unutilised cash proceeds received from the disposal of subsidiary (Note 26), property, plant and equipment, and goodwill (Note 11) (2020: cash and cash equivalents which include the unutilised cash proceeds received from the disposal of subsidiaries). Unallocated corporate liabilities include consideration payable for the acquisition of subsidiary in both financial years.

Information regarding the Group's reportable segments is presented below:

| | Financial services | Property development | Property management | Property investment | Total |
|--|-----------------------|-------------------------|------------------------|------------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2021 | | | | | |
| Revenue | | | | | |
| External revenue | 1,212,147 | 36,000 | – | – | 1,248,147 |
| Result | | | | | |
| Reversal of Impairment loss on investment property | – | 942,800 | – | – | 942,800 |
| Segment result | 82,622 | (667,037) | (91,471) | 137,366 | (538,520) |
| Unallocated other income | | | | | 36,718 |
| Unallocated corporate expenses | | | | | (1,159,752) |
| Loss before income tax | | | | | <u>(718,754)</u> |
| Segment assets | | | | | |
| Segment assets | 1,342,948 | 37,218,519 | 191,028 | 2,223,705 | 40,976,200 |
| Unallocated corporate assets | | | | | 5,962,204 |
| Total assets | | | | | <u>46,938,404</u> |
| Segment liabilities | | | | | |
| Segment liabilities | 734,039 | 30,053,855 | 64,299 | – | 30,852,193 |
| Unallocated corporate liabilities | | | | | 2,584,593 |
| Total liabilities | | | | | <u>33,436,786</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

25. Segment information (cont'd)

| | Financial services | Property development | Property management | Property investment | Total |
|--|-----------------------|-------------------------|------------------------|------------------------|----------------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Continuing Operations | | | | | |
| 2020 | | | | | |
| Revenue | | | | | |
| External revenue | 1,092,206 | 50,000 | – | – | 1,142,206 |
| Result | | | | | |
| Impairment loss on investment property | – | (942,800) | – | – | (942,800) |
| Segment result | 62,296 | (168,375) | (232,273) | 26,338 | (312,014) |
| Unallocated other income | | | | | 167,031 |
| Unallocated corporate expenses | | | | | (1,492,965) |
| Loss before income tax | | | | | <u>(2,580,748)</u> |
| Segment assets | | | | | |
| Segment assets | 1,206,664 | 33,760,640 | 329,499 | 2,156,935 | 37,453,738 |
| Unallocated corporate assets | | | | | 4,768,483 |
| Total assets | | | | | <u>42,222,221</u> |
| Segment liabilities | | | | | |
| Segment liabilities | 673,116 | 26,871,815 | 73,470 | 5,003 | 27,623,404 |
| Unallocated corporate liabilities | | | | | 371,184 |
| Total liabilities | | | | | <u>27,994,588</u> |
| | | | | | Designer and generic eggs |
| | | | | | <u>\$</u> |
| Discontinued Operation | | | | | |
| 2020 | | | | | |
| Revenue | | | | | |
| External revenue | | | | | 4,076,677 |
| Result | | | | | |
| Segment result | | | | | (260,587) |
| Loss before income tax | | | | | <u>(260,587)</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

25. Segment information (cont'd)

Geographical information

Prior to the disposal of subsidiary in 2020 (Note 26), the Group operated in two principal geographical areas - Singapore (country of domicile) and Hong Kong. Subsequent to the said disposal, the Group's operations are solely in Singapore.

Information about major customers

Included in revenues arising from financial services are \$920,378 (2020: \$987,390) which arose from income earned from the Group's largest customer.

26. Discontinued operation

On 22 April 2020, the Company entered into a sale and purchase agreement (the "SPA") with a third party to dispose of 90% of the issued and paid-up share capital of Chew's Food International Limited ("CFIL"), for a total consideration of \$350,000. The SPA of the disposal was approved by the shareholders of the Company at an extraordinary meeting convened on 5 June 2020, and the disposal was completed on 8 June 2020.

The results of the discontinued operation for the year ended 30 September 2020 are as follows:

| | 2020 |
|---------------------------------------|----------------|
| | \$ |
| Revenue | 4,076,677 |
| Other income (Note 19) | 10,344 |
| Change in inventories | 61,952 |
| Purchase of materials | (2,878,803) |
| Employee benefits expense | (380,869) |
| Depreciation and amortisation expense | (36,787) |
| Rental expenses | (105,949) |
| Other operating expenses (Note 20) | (356,004) |
| Profit before tax | 390,561 |
| Income tax credit (Note 22) | 16,106 |
| Profit for the period | 406,667 |

The cash flows of the discontinued operation for the year ended 30 September 2020, which have been included in the consolidated financial statements, were as follows:

| | 2020 |
|--|------------------|
| | \$ |
| Operating activities | (380,916) |
| Investing activities | (1,057) |
| Net decrease in cash and cash equivalents | (381,973) |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

26. Discontinued operation (cont'd)

Carrying amounts of net assets as at the date of disposal

| | 31.5.2020 |
|---|-------------------------|
| | \$ |
| <u>ASSETS</u> | |
| Current assets | |
| Cash and cash equivalents | 144,610 |
| Trade receivables | 1,510,696 |
| Other receivables | 109,228 |
| Inventories | 93,449 |
| Deferred tax assets | 6,606 |
| Total current assets | <u>1,864,589</u> |
| Non-current asset | |
| Property, plant and equipment | 26,521 |
| Total non-current asset | <u>26,521</u> |
| Total assets | <u><u>1,891,110</u></u> |
| <u>LIABILITIES AND EQUITY</u> | |
| Current liabilities | |
| Trade payables | 575,308 |
| Other payables | 151,363 |
| Income tax payable | 29,009 |
| Total current and non-current liabilities | <u>755,680</u> |
| Total liabilities | <u><u>755,680</u></u> |
| Net assets de-recognised | <u><u>1,135,430</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

26. Discontinued operation (cont'd)

| | 2020 |
|--|-------------|
| | \$ |
| Loss on disposal | |
| Consideration received | 350,000 |
| Net assets de-recognised | (1,135,430) |
| Non-controlling interest de-recognised | 113,543 |
| Realisation of Foreign Currency Translation Reserve and Capital Reserve | 20,739 |
| | (651,148) |
| Add: Profit for the period from discontinued operation | 406,667 |
| | (244,481) |
| Net cash inflow arising on disposal | |
| Consideration received | 350,000 |
| Less: Cash and cash equivalents in subsidiary disposed of | (144,610) |
| | 205,390 |
| Loss per share disclosure | |
| Loss per share from discontinued operation attributable to owners of the Company (cents per share) | |
| Basic | (0.29) |
| Diluted | (0.29) |

The loss on disposal of subsidiary is recorded as part of loss for the year from discontinued operation in the consolidated statement of profit or loss and other comprehensive income.

27. Acquisition of subsidiary in the previous financial year

Acquisition of KC Industries Pte. Ltd.

On 1 July 2020, the Group injected a cash consideration of \$4,000,000 for subscription of 4,000,000 new ordinary shares, being 50% of the enlarged issued and paid-up issued share capital of KC Industries Pte. Ltd. ("KCI").

KCI was incorporated in Singapore on 22 October 2019 and its principal activities is that of a real estate developer. At the date of acquisition, KCI was a dormant company with only cash balances of \$4,000,000. This acquisition is in line with the Group's strategy to expand into the property development business

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management

(a) Categories of financial instruments

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

| | Group | | Company | |
|------------------------------|------------|------------|-----------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| At amortised cost | 8,084,981 | 7,388,246 | 5,780,582 | 4,534,325 |
| Financial liabilities | | | | |
| At amortised cost | 33,430,188 | 27,929,170 | 2,614,643 | 330,077 |

(b) Financial risk management policies and objectives

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. Risk management is carried out by the Board of Directors and periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arise primarily from the bank loans amounting to \$30,524,255 (2020: \$25,040,000).

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 75 (2020: 75) basis points lower/higher with all other variables held constant, the Group's loss net of taxation would have been \$190,013 (2020: \$155,874) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(ii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at 30 September 2021, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the management periodically.

The Group's current credit risk grading framework comprises the following categories:

| Category | Description | Basis for recognising expected credit losses (ECL) |
|------------|---|--|
| Performing | The counterparty has a low risk of default and does not have any past-due amounts. | 12-month ECL |
| Doubtful | Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition. | Lifetime ECL - not credit-impaired |
| In default | Amount is >90 days past due or there is evidence indicating the asset is credit-impaired. | Lifetime ECL - credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery. | Amount is written off |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(ii) Overview of the Group's exposure to credit risk (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

| | Note | Internal credit rating | 12-month or lifetime ECL | Gross carrying amount | Loss allowance | Net carrying amount |
|----------------------------|------|------------------------------|------------------------------------|-----------------------------|-------------------|---------------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| Group | | | | | | |
| 2021 | | | | | | |
| Cash and cash equivalents | 5 | Performing | 12m ECL | 7,525,100 | – | 7,525,100 |
| Trade receivables | 6 | Performing | Lifetime ECL (simplified approach) | 406,898 | – | 406,898 |
| Other receivables | 7 | Performing | 12m ECL | 152,983 | – | 152,983 |
| 2020 (Re-presented) | | | | | | |
| Cash and cash equivalents | 5 | Performing | 12m ECL | 6,974,222 | – | 6,974,222 |
| Trade receivables | 6 | Performing | Lifetime ECL (simplified approach) | 246,989 | – | 246,989 |
| Other receivables | 7 | Performing | 12m ECL | 167,035 | – | 167,035 |
| Company | | | | | | |
| 2021 | | | | | | |
| Cash and cash equivalents | 5 | Performing | 12m ECL | 5,717,616 | – | 5,717,616 |
| Trade receivables | 6 | Performing | Lifetime ECL (simplified approach) | 35,952 | – | 35,952 |
| Other receivables | 7 | Performing | 12m ECL | 27,014 | – | 27,014 |
| 2020 (Re-presented) | | | | | | |
| Cash and cash equivalents | 5 | Performing | 12m ECL | 4,392,230 | – | 4,392,230 |
| Other receivables | 7 | Performing | 12m ECL | 142,095 | – | 142,095 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) *Financial risk management policies and objectives (cont'd)*

(ii) Overview of the Group's exposure to credit risk (cont'd)

For trade receivables, the Group and the Company has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and the Company determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted for forward-looking factors as appropriate to reflect current conditions and estimates of future economic conditions.

(iii) Credit risk management

In order to minimise credit risk, the Group and Company has adopted a policy of only dealing with creditworthy counterparties.

The Group and Company's cash and cash equivalents are held with creditworthy financial institutions and are subject to immaterial credit loss.

Concentration of credit risk exists when economic, industry or geographical factors similarly affect the Group and Company's counterparties whose aggregate credit exposure is significant in relation to the Group and Company's total credit exposure. The Group's trade receivables relate to one major customer. However, management believes that there is no significant credit risk. The Group defines counterparties as having similar characteristics if they are related entities.

(iv) Liquidity risk management

Management is of the view that there is minimal liquidity risk as the Group and Company maintains sufficient cash and cash equivalents and internally generated cash flows to finance their activities. If required, financing can be obtained from its existing lines of banking facilities.

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

| | Weighted average effective interest risk | On demand or within 1 year | Within 2 to 5 years | Total |
|---|---|----------------------------------|---------------------------|--------------|
| | % | \$ | \$ | \$ |
| Group | | | | |
| 2021 | | | | |
| Financial assets | | | | |
| Trade receivables | – | 406,898 | – | 406,898 |
| Other receivables | – | 152,983 | – | 152,983 |
| Cash and cash equivalents | – | 7,525,100 | – | 7,525,100 |
| Total undiscounted financial assets | | 8,084,981 | – | 8,084,981 |
| Financial liabilities | | | | |
| Bank loans | 2.20% - 2.25% | 1,101,559 | 32,658,020 | 33,759,579 |
| Other payables | – | 2,824,770 | 11,085 | 2,835,855 |
| Lease liabilities | 2.30% | 49,560 | 22,505 | 72,065 |
| Total undiscounted financial liabilities | | 3,975,889 | 32,691,610 | 36,667,499 |
| Total net undiscounted financial assets/(liabilities) | | 4,109,092 | (32,691,610) | (28,582,518) |
| 2020 | | | | |
| Financial assets | | | | |
| Trade receivables | – | 246,989 | – | 246,989 |
| Other receivables | – | 167,035 | – | 167,035 |
| Cash and cash equivalents | – | 6,974,222 | – | 6,974,222 |
| Total undiscounted financial assets | | 7,388,246 | – | 7,388,246 |
| Financial liabilities | | | | |
| Bank loans | 2.55% | – | 27,434,450 | 27,434,450 |
| Other payables | – | 2,769,702 | 11,085 | 2,780,787 |
| Lease liabilities | 2.30% | 49,080 | 62,785 | 111,865 |
| Total undiscounted financial liabilities | | 2,818,782 | 27,508,320 | 30,327,102 |
| Total net undiscounted financial assets/(liabilities) | | 4,402,429 | (27,508,320) | (23,105,891) |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

| | Weighted average effective interest risk | On demand or within 1 year | Within 2 to 5 years | Total |
|---|---|----------------------------------|---------------------------|-----------|
| | % | \$ | \$ | \$ |
| Company | | | | |
| 2021 | | | | |
| Financial assets | | | | |
| Trade receivables | – | 35,952 | – | 35,952 |
| Other receivables | – | 27,014 | – | 27,014 |
| Cash and cash equivalents | – | 5,717,616 | – | 5,717,616 |
| Total undiscounted financial assets | | 5,780,582 | – | 5,780,582 |
| Financial liabilities | | | | |
| Bank loans | 2.25% | 479,763 | 1,946,581 | 2,426,344 |
| Other payables | – | 233,480 | 11,085 | 244,565 |
| Lease liabilities | 2.30% | 49,560 | 22,505 | 72,065 |
| Total undiscounted financial liabilities | | 762,803 | 1,980,171 | 2,742,974 |
| Total net undiscounted financial assets/(liabilities) | | 5,017,779 | (1,980,171) | 3,037,608 |
| 2020 | | | | |
| Financial assets | | | | |
| Other receivables | – | 142,095 | – | 142,095 |
| Cash and cash equivalents | – | 4,392,230 | – | 4,392,230 |
| Total undiscounted financial assets | | 4,534,325 | – | 4,534,325 |
| Financial liabilities | | | | |
| Other payables | – | 210,361 | 11,085 | 221,401 |
| Lease liabilities | 2.30% | 49,080 | 62,785 | 111,865 |
| Total undiscounted financial liabilities | | 259,441 | 73,870 | 333,266 |
| Total net undiscounted financial assets/(liabilities) | | 4,274,884 | (73,870) | 4,201,059 |

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

The Group's non-derivative financial liabilities of \$244,565 as at 30 September 2021 (2020: \$221,401) are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period.

Non-derivative financial assets

All financial assets in as at 30 September 2020 and 2021 are non-interest bearing and repayable on demand or due within 1 year from the end of the reporting period other than cash and cash equivalents disclosed in Note 5 to the financial statements

Contingent liabilities

The table below shows the contractual expiry by maturity of the Group's and Company's contingent liabilities. The maximum amount of the corporate guarantee contract is allocated to the earliest period in which the guarantee could be called.

| | On demand or within 1 year | Within 2 to 5 years | Total |
|--------------------------|----------------------------------|---------------------------|------------|
| | \$ | \$ | \$ |
| Group and Company | | | |
| 2021 | | | |
| Corporate guarantee | – | 14,112,128 | 14,112,128 |
| 2020 | | | |
| Corporate guarantee | – | 12,520,000 | 12,520,000 |

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Fair value of financial assets and financial liabilities (cont'd)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are disclosed in the table below. Further, the fair value disclosure of lease liabilities is not required.

| | Group | | Company | |
|---|-------------------|-------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Group | | | | |
| Financial assets at amortised cost | | | | |
| Cash and cash equivalents | 7,525,100 | 6,974,222 | 5,717,616 | 4,392,230 |
| Trade receivables | 406,898 | 246,989 | 35,952 | – |
| Other receivables | 152,983 | 167,035 | 27,014 | 142,095 |
| | <u>8,084,981</u> | <u>7,388,246</u> | <u>5,780,582</u> | <u>4,534,325</u> |
| Liabilities at amortised cost | | | | |
| Other payables | 2,835,855 | 2,780,787 | 244,565 | 221,401 |
| Bank loans | 30,524,255 | 25,040,000 | 2,300,000 | – |
| Lease liabilities | 70,078 | 108,838 | 70,078 | 108,838 |
| | <u>33,430,188</u> | <u>27,929,625</u> | <u>2,614,643</u> | <u>330,239</u> |

Fair value hierarchy

The table below analyses significant classes of assets and liabilities carried at fair value, by valuation method as at 31 December 2021 and 2020. The different levels have been defined as follows:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(v) Fair value of financial assets and financial liabilities (cont'd)

Estimation of fair values

Investment property

The fair value of the Group's investment properties, classified as Level 3 of the fair value hierarchy, have been derived using Residual Method and Direct Comparison Method, with unobservable inputs (i.e., selling price per square feet and cost of construction per square feet) by external independent valuer. An increase/decrease in these unobservable inputs based on management's assumptions would result in higher/lower fair value measurements.

The fair values of the properties are based on valuations which were performed by an external independent valuer with recognised and relevant professional qualifications and with recent experience in the location and category of the properties being valued, who is engaged on an annual basis. Discussions on the valuation process and key inputs applied in the valuation approach are held between management and the independent valuer annually.

Description of valuation techniques used and key inputs to valuation of investment properties:

| | Valuation technique | Significant unobservable inputs | Range (weighted average) | |
|-----------------------|---------------------|--|--------------------------|----------------|
| | | | 2021 | 2020 |
| Investment properties | Residual Method | Estimated selling price per sqm | \$1,445 | \$1,381 |
| Investment properties | Residual Method | Estimated cost of construction per sqm | \$293 to \$316 | \$276 to \$299 |

(c) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of relative proportions of debt and equity.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year.

Management monitors capital based on the net debt-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as bank loans less cash and cash equivalents, and total capital is calculated as equity including non-controlling interests in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

28. Financial instruments, financial risks and capital management (cont'd)

(c) Capital management policies and objectives (cont'd)

The Group is in compliance with externally imposed financial covenants as at 30 September 2021.

| | Group | |
|---------------------------------|-------------|-------------|
| | 2021 | 2020 |
| | \$ | \$ |
| Bank loans | 30,524,255 | 25,040,000 |
| Lease liabilities | 70,078 | 108,838 |
| Less: Cash and cash equivalents | (7,525,100) | (6,974,222) |
| Net debt | 23,069,233 | 18,174,616 |
| Total equity | 13,501,618 | 14,227,633 |
| Net debt-equity ratio (times) | 1.71 | 1.28 |

29. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors on 28 December 2021.

STATISTICS OF SHAREHOLDING

As at 8 December 2021

| | | |
|----------------------------------|---|----------------------------------|
| Issued and paid up share capital | : | S\$13,292,106 |
| Number of issued shares | : | 84,498,000 |
| Subsidiary holdings | : | Nil |
| Treasury shares | : | Nil |
| Class of share | : | Ordinary shares fully paid |
| Voting rights | : | One vote for each ordinary share |

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 8 DECEMBER 2021

| Size of Shareholdings | No. of Shareholders | % | No. of Shares | % |
|-----------------------|---------------------|---------------|-------------------|---------------|
| 1 - 99 | 2 | 1.03 | 3 | 0.00 |
| 100 - 1,000 | 30 | 15.38 | 14,600 | 0.02 |
| 1,001 - 10,000 | 70 | 35.90 | 348,019 | 0.41 |
| 10,001 - 1,000,000 | 85 | 43.59 | 7,653,608 | 9.06 |
| 1,000,001 and above | 8 | 4.10 | 76,481,770 | 90.51 |
| Total | 195 | 100.00 | 84,498,000 | 100.00 |

TWENTY LARGEST SHAREHOLDERS AS AT 8 DECEMBER 2021

| | Name of Shareholder | No. of Shares | % |
|----|--------------------------------|-------------------|--------------|
| 1 | GOLDHILL TRUST PTE LTD | 62,466,590 | 73.93 |
| 2 | ANG DE YU | 4,769,284 | 5.64 |
| 3 | OONG BING HUI | 2,049,600 | 2.43 |
| 4 | TAN ENG TIONG | 2,000,000 | 2.37 |
| 5 | CHEW ENG KENG | 1,634,500 | 1.93 |
| 6 | CHEW SUU HAI | 1,202,075 | 1.42 |
| 7 | OH CHEE TAT (HU ZHIDA) | 1,186,521 | 1.40 |
| 8 | CHAN KIM HOO | 1,173,200 | 1.39 |
| 9 | OH HONG LEE | 1,000,000 | 1.18 |
| 10 | OH KIAN CHYE | 1,000,000 | 1.18 |
| 11 | TAN SIEW HONG | 1,000,000 | 1.18 |
| 12 | CHEN YI JIN | 500,000 | 0.59 |
| 13 | TOO AH KIT OR CHEW GEOK PENG | 500,000 | 0.59 |
| 14 | LIM YUH SHIUAN | 474,608 | 0.56 |
| 15 | SEE WEE SIAH | 274,500 | 0.32 |
| 16 | DBS NOMINEES PTE LTD | 219,050 | 0.26 |
| 17 | DANIEL TAN POON KUAN | 200,000 | 0.24 |
| 18 | TAN YEO KEE | 200,000 | 0.24 |
| 19 | RAFFLES NOMINEES (PTE) LIMITED | 142,000 | 0.17 |
| 20 | CHONG YEN CHAN | 138,300 | 0.16 |
| | Total: | 82,130,228 | 97.18 |

STATISTICS OF SHAREHOLDING

As at 8 December 2021

PERCENTAGE OF SHAREHOLDING HELD IN THE HANDS OF THE PUBLIC

Based on the information available to the Company as at 8 December 2021, approximately 20.43% of the issued ordinary shares of the Company is held by the public. Accordingly, Rule 723 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") has been complied with.

SUBSTANTIAL SHAREHOLDERS

| No. | Name of Shareholder | Direct Interest | | Deemed Interest | |
|-----|--------------------------|-----------------|-------|-----------------|-------|
| | | No. of Shares | % | No. of Shares | % |
| 1 | Goldhill Trust Pte. Ltd. | 62,466,590 | 73.93 | – | – |
| 2 | Ang De Yu | 4,769,284 | 5.64 | – | – |
| 3 | Alex Tan | – | – | 62,466,590 | 73.93 |
| 4 | Tan Theng Hong, Amos | – | – | 62,466,590 | 73.93 |

Goldhill Trust is an investment holding company incorporated in Singapore on 10 May 2018. Mr. Alex Tan and Mr. Tan Theng Hong, Amos, each owns 50% of the issued share capital of Goldhill Trust. As such, Mr. Alex Tan and Mr. Tan Theng Hong, Amos are deemed to be interested in the ordinary shares of the Company owned by Goldhill Trust pursuant to Section 4 of the Securities and Futures Act (Cap 289). Mr. Alex Tan is also the Executive Chairman and CEO of the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**AGM**”) of OneApex Limited (the “**Company**”) will be held by way of electronic means on Friday, 28 January 2022 at 10.00 a.m., for the purpose of transacting the following business:

This notice, together with the proxy form and the annual report (including the appendix to the annual report dated 6 January 2022 (“**Appendix**”), have been made available on SGXNET and the Company’s website and may be accessed at <https://oneapex.wixsite.com/home/investor-relations>. A printed copy of this notice will NOT be despatched to members.

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2021 together with the Directors’ Statement and the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to the Constitution of the Company:

Mr. Chiu Joon Sun (Retiring under Regulation 100) **(Resolution 2)**
Mr. Chee Teck Kwong Patrick (Retiring under Regulation 100) **(Resolution 3)**

[See Explanatory Note (i) and (ii)]
3. To approve the payment of Directors’ fees of S\$115,000 for the financial year ending 30 September 2022 to be paid half-yearly in arrears. **(Resolution 4)**
4. To re-appoint Messrs Ernst & Young LLP as external auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To transact any other ordinary business which may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

6. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), authority be and is hereby given to the Directors to:

- (a)
 - (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of the Instruments made or granted by the Directors while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below) or any such other limit as may be prescribed by the Catalist Rules as at the date this Resolution is passed;
- (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards which are outstanding and subsisting at the time this Resolution is passed, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. **(Resolution 6)**

[See Explanatory Note (iii)]

7. **Proposed renewal of the Share Buy-Back Mandate**

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
 - (i) on-market purchase(s) (each a "**Market Purchase**") transacted on the SGX-ST through the ready market, and which may be transacted through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Rules and the Companies Act,

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, the Constitution of the Company and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Buy-Back Mandate"**);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined);
- (c) for purposes of this Resolution:

"Maximum Limit" means ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution 7, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued Shares shall be taken to be the total number of the issued Shares as altered by such capital reduction (the total number of Shares shall exclude any Shares that may be held as treasury shares by the Company and subsidiary holdings from time to time);

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurred during the relevant five (5)-day period and the day on which the Market Purchase was made; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, fifteen per cent. (15%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurred during the relevant five (5)-day period and the day on which the announcement was made;

"Market Day" means a day on which the SGX-ST is open for trading in securities; and

"Relevant Period" means the period commencing from the date of the passing of this Resolution 7 and expiring on the earliest of (i) the date on which the next AGM of the Company is held or is required by law to be held, (ii) the date on which the share buybacks are carried out to the full extent of the Share Buy-Back Mandate or (iii) the date the said mandate is revoked or varied by the Company in a general meeting;

- (d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;
- (e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and

NOTICE OF ANNUAL GENERAL MEETING

- (f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution. **(Resolution 7)**

[See Explanatory Note (iv)]

8. **Proposed Renewal of the IPT General Mandate**

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Catalist Rules, or any of them, to enter into any of the transactions falling within the types of interested party transactions described in paragraph 3.5 of the Appendix, with any party who is of the class of interested persons described in paragraph 3.4 of the Appendix, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders, and in accordance with the guidelines and review procedures for such transactions as set out in the Appendix (the "**IPT General Mandate**");
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company;
- (c) the Audit Committee of the Company be and are hereby authorised to take such action as they deem proper in respect of procedures and to implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules which may be prescribed by the SGX-ST from time to time; and
- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT General Mandate and/or the transactions contemplated by this Resolution. **(Resolution 8)**

By Order of the Board

Leong Chuo Ming
Company Secretary
Singapore, 6 January 2022

Explanatory Notes:

- (i) Mr. Chiu Joon Sun will, upon re-election as a Director of the Company, remain as the Executive Director of the Company and a member of the Nominating Committee and Risk Committee. There are no relationships (including family relationships) between Mr. Chiu Joon Sun and the other Directors, the Company and its ten per cent. (10%) shareholder. Detailed Information on Mr. Chiu Joon Sun can be found on pages 6 and 33 to 36 of the annual report.
- (ii) Mr. Chee Teck Kwong Patrick will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee, Nominating Committee and Risk Committee. Mr. Chee Teck Kwong Patrick will be considered independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST. There are no relationships (including family relationships) between Mr. Chee Teck Kwong Patrick and the other Directors, the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere with his independence. Detailed Information on Mr. Chee Teck Kwong Patrick can be found on pages 7 and 33 to 36 of the annual report.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors from the date of this AGM until the date of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) which the Directors may allot and issue, shall not exceed, in total, one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the total number of Shares issued other than on a pro-rata basis to existing shareholders of the Company, shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares subsidiary holdings) at the time Resolution 6 is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when Resolution 6 is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

- (iv) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of this AGM until the date the next AGM is to be held or is required by law to be held, the share buybacks are carried out to the full extent of the Share Buy-Back Mandate or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in Section 2 of the Appendix.

Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company's announcement dated 6 January 2022 which has been uploaded together with this Notice of AGM on SGXNET on the same day. This announcement may also be accessed at <https://oneapex.wixsite.com/home/investor-relations>.

In particular, the AGM will be held by way of electronic means and a member will be able to watch the proceedings of the AGM via "live" webcast on his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register no later than 10 a.m. on 25 January 2022, at <https://septusiasia.com/oneapex-agm2021-registration>. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 27 January 2022. Shareholders who do not receive an email by 12 p.m. (noon) on 27 January 2022, but who have registered by the 25 January 2022 deadline, should contact the Company at the following email address: contactus@oneapex.com.sg.

A member who pre-registers to watch the "live" webcast or listen to the "live" audio feed may also submit to the Chairman of the AGM questions related to the resolution to be tabled for approval at the AGM. To do so, all questions must be submitted no later than 10 a.m. on 17 January 2022:

- (a) in hard copy by sending personally or by post and lodging the same at the Company's principal place of business at 38 Jalan Pemimpin, #06-06, Singapore 577178, attention to OneApex AGM; or
- (b) by email to the Company at contactus@oneapex.com.sg.

When sending your questions via email or by post, please also provide us with the following details:

- (a) your full name;
- (b) your address;
- (c) number of Shares held; and
- (d) the manner in which you hold the Shares in the Company (e.g. via CDP, CPF or SRS).

NOTICE OF ANNUAL GENERAL MEETING

The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members no later than 10 a.m. on 22 January 2022 via SGXNET and/or the Company's website at <https://oneapex.wixsite.com/home/investor-relations>. In the event that subsequent questions are received after 10 a.m. on 17 January 2022, such questions may be addressed at the general meeting.

Please note that members will not be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

2. A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid. For CPF/SRS investors who have used their CPF/SRS monies to buy Shares in the Company, the Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies and to submit their voting instructions no later than 5 p.m. on 18 January 2022 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10 a.m. on 25 January 2022.
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:
 - (a) if sent personally or by post, be lodged at the Company's principal place of business at 38 Jalan Pemimpin, #06-06, Singapore 577178, attention to OneApex AGM; or
 - (b) if submitted by email, be received by the Company at contactus@oneapex.com.sg.in either case, by no later than 10 a.m. on 25 January 2022, and in default the instrument of proxy shall not be treated as valid.
5. The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an officer or duly authorised attorney.
6. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy).
7. In the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 10 a.m. on 25 January 2022, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

APPENDIX

APPENDIX DATED 6 JANUARY 2022

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined in the section titled "DEFINITIONS" of this Appendix.

This Appendix is circulated to the shareholders of OneApex Limited (the "**Company**") ("**Shareholders**") together with the Company's annual report for the financial year ended 30 September 2021 (the "**2021 Annual Report**"). Its purpose is to explain to the Shareholders the rationale and provide information relating to the proposed renewal of the Share Buy-Back Mandate (as defined hereinafter) and the proposed renewal of the IPT General Mandate (as defined hereinafter) to be tabled at the 2022 AGM (as defined hereinafter).

The ordinary resolutions proposed to be passed in relation to the proposed renewal of the Share Buy-Back Mandate and the proposed renewal of the IPT General Mandate are set out as Ordinary Resolution 7 and Ordinary Resolution 8 respectively, in the Notice of AGM and proxy form which are enclosed with the 2021 Annual Report.

If you have sold or transferred all your Shares (as defined hereafter) held through CDP, you need not forward this Appendix with the Notice of AGM and proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the Notice of AGM and proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Appendix together with the Notice of AGM and proxy form which are enclosed with the 2021 Annual Report to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Catalist Rules (as defined hereinafter).

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

The contact person for the Sponsor is Mr. Andrew Leo, Chief Executive Officer, Novus Corporate Finance Pte. Ltd. at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.



ONEAPEX ONEAPEX LIMITED

(Company Registration Number: 201020806C)
(Incorporated in the Republic of Singapore)

APPENDIX TO SHAREHOLDERS

in relation to:-

- (1) THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE; AND
- (2) THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE.

APPENDIX

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APPENDIX

DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

| | | |
|----------------------------------|---|---|
| "2021 Annual Report" | : | The annual report of the Company for the financial year ended 30 September 2021 |
| "2021 AGM" | : | The annual general meeting of the Company convened and held on 28 January 2021 |
| "2022 AGM" | : | The annual general meeting of the Company to be convened and held on 28 January 2022 |
| "ACRA" | : | The Accounting & Corporate Regulatory Authority of Singapore |
| "AGM" | : | The annual general meeting of the Company |
| "Appendix" | : | This appendix to Shareholders dated 6 January 2022 in relation to the proposed renewal of the Share Buy-Back Mandate and the proposed renewal of the IPT General Mandate |
| "associate" | : | <ul style="list-style-type: none">(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:<ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more |
| "Audit Committee" | : | The audit committee of the Company for the time being |
| "Board" | : | The board of directors of the Company for the time being |
| "Catalist" | : | The sponsor-supervised listing platform of the SGX-ST |
| "Catalist Rules" | : | SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time |
| "CDP" | : | The Central Depository (Pte) Limited |
| "Chief Executive Officer" | : | The chief executive officer of the Company for the time being |

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| "Chief Financial Officer" | : The chief financial officer of the Company for the time being |
| "Companies Act" | : The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time |
| "Company" | : OneApex Limited |
| "Constitution" | : The constitution of the Company, as amended from time to time |
| "Contemplated Associates" | : The associates of (i) Mr. Tan Pei Hong, Alex (Chen Peifeng), (ii) Mr. Tan Theng Hong, Amos and (iii) Mr. Chiu Joon Sun (Zhao Junsheng), who may enter into a Transaction with the Company, and as more particularly described in paragraph 3.4 of this Appendix |
| "Controlling Shareholder" | : A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company |
| "Director" | : A director of the Company for the time being |
| "entity at risk" | : Means, in relation to the Company: <ul style="list-style-type: none"> (a) the Company; (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its interested person(s), has control over the associated company |
| "EPS" | : Earnings per Share |
| "Financial Investments Services Business" | : The Group's financial investments services business, which includes the fund management business, wealth management and family office advisory services, as more particularly described in the January 2019 Circular |
| "FY2021" | : Financial year ended 30 September 2021 |
| "Group" | : The Company and its subsidiaries, collectively |
| "immediate family" | : In relation to a person, means the person's spouse, child, adopted child, step-child, sibling and parent |
| "interested person" | : Means, in relation to the Company: <ul style="list-style-type: none"> (a) a Director, Chief Executive Officer, or Controlling Shareholder; or (b) an associate of any such Director, Chief Executive Officer, or Controlling Shareholder |

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| "interested person transaction" | : | A Transaction between an "entity at risk" and an "interested person" |
| "IPT General Mandate" | : | A general mandate given by the Shareholders pursuant to Chapter 9 of the Catalist Rules, authorising the Group, in their ordinary course of business, to enter into the categories of transactions specified in paragraph 3.5 of this Appendix with any Contemplated Associate subject to the guidelines and review procedures for such transactions as set out in this paragraph 3.7 of this Appendix |
| "IPT Guidelines and Review Procedures" | : | The methods or procedures for determining Transaction prices for interested person transactions with a Contemplated Associate, as more particularly described in paragraph 3.7 of this Appendix |
| "IPT Register" | : | A register maintained by the Company to record all interested person transactions, including interested person transactions below S\$100,000, as more particularly described in paragraph 3.7 of this Appendix |
| "IPT Review Procedure Thresholds" | : | The review procedure thresholds, as more particularly described in paragraph 3.7 of this Appendix |
| "January 2019 Circular" | : | The circular to Shareholders dated 9 January 2019 in relation to the proposed change of name, the proposed diversification of the business of the Group and the proposed adoption of the IPT General Mandate |
| "Latest Practicable Date" | : | 4 th January 2022, being the latest practicable date prior to the release of this Appendix |
| "LPS" | : | Loss per Share |
| "NAV" | : | Net asset value |
| "Market Day" | : | A day on which the SGX-ST is open for securities trading |
| "Notice of AGM" | : | The notice of AGM dated 6 January 2022 |
| "NTA" | : | Net tangible asset |
| "Property Business" | : | The Group's property business, which includes the Property Investment Business, Property Management Business and Property Development Business, as more particularly described in the January 2019 Circular |
| "Property Development Business" | : | The Group's property development activities including acquisition, development and/or sale of commercial and residential properties and hotels, as more particularly described in the January 2019 Circular |
| "Property Investment Business" | : | The Group's investments into various properties for rental income and/or capital growth, as more particularly described in the January 2019 Circular |
| "Property Management Business" | : | The Group's management of various properties for the collection of fees for the provision of property related services and facilities, as more particularly described in the January 2019 Circular |
| "Proposed Diversification" | : | The proposed diversification of the Group's business to include the Property Business and the Financial Investments Services Business, as more particularly described in the January 2019 Circular |

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| "Recommending Directors" | : Directors who are regarded as independent for the purposes of making a recommendation on the proposed renewal of the IPT General Mandate, namely, Mr. Chee Teck Kwong Patrick, Mr. Low Chin Parn Eric and Mr. Wan Tai Foong |
| "Relevant Period" | : The period commencing from the date on which the resolution relating to the proposed renewal of the Share Buy-Back Mandate is passed at the forthcoming 2022 AGM and expiring on the earliest of the date on which the next AGM is held or required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate or the date on which the authority conferred in the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting |
| "SGX-ST" | : Singapore Exchange Securities Trading Limited |
| "SFA" | : The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time |
| "SF(LCB)R" | : Securities and Futures (Licensing and Conduct of Business) Regulations (Chapter 289, Regulation 10), as amended, modified or supplemented from time to time |
| "Shareholders" | : Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is the CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective securities accounts in the Depository Register maintained by CDP |
| "Share Buy-Back Mandate" | : The general and unconditional mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules |
| "Share(s)" | : Ordinary shares in the capital of the Company |
| "SIC" | : The Securities Industry Council of Singapore |
| "Sponsor" | : Novus Corporate Finance Pte. Ltd. |
| "Subsidiary Holdings" | : Shares held by subsidiaries of the Company in accordance with the Companies Act |
| "Substantial Shareholders" | : A person who has an interest (directly or indirectly) in one (1) or more voting Shares and the total votes attaching to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company |
| "Take-over Code" | : The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time |

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| "Transaction" | : | Includes: <ul style="list-style-type: none">(a) the provision or receipt of financial assistance;(b) the acquisition, disposal or leasing of assets;(c) the provision or receipt of services;(d) the issuance or subscription of securities;(e) the grant of or being granted options; and(f) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example through one or more interposed entities) |
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Currencies and Units

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| "S\$" and "cents" | : | Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore |
| "%" | : | per centum or percentage |

The terms **"Depositor"**, **"Depository"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

The term **"subsidiary"** shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term **"treasury shares"** shall have the meaning ascribed to it in Section 76H of the Companies Act.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Appendix, shall have the same meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

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ONEAPEX LIMITED

(Company Registration Number: 201020806C)
(Incorporated in the Republic of Singapore)

Directors

Mr. Tan Pei Hong, Alex (Chen Peifeng)
(Executive Chairman and Chief Executive Officer)
Mr. Chiu Joon Sun (Zhao Junsheng)
(Executive Director)
Mr. Chee Teck Kwong Patrick
(Lead Independent Director)
Mr. Wan Tai Foong
(Independent Director)
Mr. Low Chin Parn Eric
(Independent Director)

Registered Office

80 Raffles Place
#25-01 UOB Plaza
Singapore 048624

6 January 2022

To: The Shareholders of OneApex Limited

Dear Sir / Madam

- (1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE; AND**
- (2) THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE.**

1. INTRODUCTION

We refer to the Notice of AGM enclosed with the 2021 Annual Report, convening the 2022 AGM which is scheduled to be held on 28 January 2022 and the following Ordinary Resolutions set out in the Notice of AGM:

- (a) Ordinary Resolution 7 in relation to the proposed renewal of the Share Buy-Back Mandate under the heading "Special Business" set out in the Notice of AGM; and
- (b) Ordinary Resolution 8 in relation to the proposed renewal of the IPT General Mandate under the heading "Special Business" set out in the Notice of AGM,

(collectively, the "**Proposed Resolutions**").

The purpose of this Appendix is to provide Shareholders with information relating to and explain the rationale for the Proposed Resolutions.

This Appendix has been prepared solely for the purposes outlined above and may not be relied upon by any other person (other than the Shareholders to whom this Appendix is despatched by the Company) or for any other purpose.

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2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 The Existing Share Buy-Back Mandate

At the extraordinary general meeting of the Company held on 20 January 2012, the Shareholders had approved the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire Shares. At the 2021 AGM, the Shareholders approved the renewal of the Share Buy-Back Mandate. As the Share Buy-Back Mandate will expire on the date of the forthcoming 2022 AGM, the Directors propose that the Share Buy-Back Mandate be renewed at the 2022 AGM.

2.2 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under its constitution.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 14(B) of the Constitution expressly permits the Company to purchase its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the 2022 AGM for the proposed renewal of the Share Buy-Back Mandate.

If approved by Shareholders at the 2022 AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the 2022 AGM at which the proposed renewal of the Share Buy-Back Mandate is approved ("**Approval Date**") and continue to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next AGM is held or is required by law to be held (whereupon it will lapse, unless renewed at such meeting), the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate or the date on which the authority conferred in the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting. Subject to its continued relevance to the Company, the Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent AGM.

2.3 Rationale for the Proposed Renewal of the Share Buy-Back Mandate

The Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and its Directors to better manage the Company's share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhancing the EPS and/or NAV per Share. Share buy-backs also help the Company to minimise the dilution impact arising from the issue and allotment of shares pursuant to any share scheme(s).

Pursuant to the Companies Act, Shares purchased or otherwise acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as treasury shares.

The existing Shares purchased by the Company under the Share Buy-Back Mandate, if held as treasury shares, may be used for the purposes as set out in paragraph 2.6.3 below, which include but is not limited to the issuance of Shares pursuant to the exercise of any share option scheme and the vesting of such awards. Under the Companies Act, the Company may deliver Shares pursuant to the exercise of options granted under such share scheme(s) and/or awards granted in the form of existing Shares held as treasury shares and/or an issue of new Shares.

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Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will only be made when the Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on the financial position of the Company and when the Directors believe that such purchases or acquisitions would be in the best interests of the Company and the Shareholders.

2.4 Terms of the Proposed Renewal of the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buy-Back Mandate are summarised below:

2.4.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 867 of the Catalist Rules, the total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares of the Company (excluding treasury shares and Subsidiary Holdings) as at the Approval Date, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as treasury shares and Subsidiary Holdings will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 84,498,000 Shares, and assuming no further Shares are issued on or prior to the 2022 AGM, no more than 8,449,800 Shares representing ten per cent. (10%) of the issued and paid-up share capital of the Company as at that date of the 2022 AGM may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

2.4.2 Duration of authority

Purchases or acquisitions of Shares may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held; or
- (b) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting.

2.4.3 Manner of purchase of Shares

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for that purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

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The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Catalyst Rules, the Constitution and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme.

Pursuant to the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (A) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (B) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Catalyst Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share buy-back;
- (4) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any share buy-back made by the Company in the previous twelve (12) months (whether Off-Market Purchases in accordance with an equal access scheme or Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.4.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares, excluding related expenses of the purchase or acquisition, must not exceed the Maximum Price (as defined hereinafter) which is:

- (a) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

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- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, fifteen per cent. (15%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price (as defined hereinafter) calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period,

(the "Maximum Price") in either case, excluding related expenses of the purchase.

2.5 Status of Purchased Shares under the Share Buy-Back Mandate

A Share purchased or otherwise acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Shares are held by the Company as treasury shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as treasury shares. All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time. The Company may hold Shares purchased pursuant to the Share Buy-Back Mandate as treasury shares to be used, *inter alia*, in the issue of Shares pursuant to the exercise of options under any share option scheme and/or the grant of awards under any share scheme(s).

2.6 Treasury Shares

Under the Companies Act, Shares purchased or otherwise acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below.

2.6.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares. Any shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

2.6.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the 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 of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury shares into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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2.6.3 Disposal and cancellation

Where Shares are held as treasury shares, the Company may at any time (subject to the Take-over Code):

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of, or pursuant to any share scheme of the Company, whether for employees, Directors or other persons;
- (c) transfer the treasury 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 treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance.

2.7 **Reporting Requirements**

Within thirty (30) days of the passing of a Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase or acquisition of Shares, the Company's issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

The Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer.

The notification of such purchase or acquisition of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion, the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

2.8 **Source of Funds**

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. As stated in the Companies Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

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Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment made by the company in consideration of acquiring any right with respect to the purchase or acquisition of its own shares:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of twelve (12) months immediately after the date of the payment, the company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after the proposed purchase, acquisition, variation or release (as the case may be) of the company's obligations, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. In purchasing or acquiring Shares pursuant to the Share Buy-Back Mandate, the Directors will, firstly, consider the availability of internal resources before considering the availability of external financing. The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that it would have a material adverse effect on the working capital requirements and/or the gearing of the Group.

2.9 Financial Effects

Under the Companies Act, the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company of the Shares) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (including any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company of the Shares) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

For illustrative purposes only, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding treasury shares and Subsidiary Holdings) comprises 84,498,000 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 8,449,800 Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate on the NTA and EPS as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or otherwise acquired are cancelled or held as treasury shares.

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For illustrative purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2021 are based on the following assumptions:

- (a) based on 84,498,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or purchased and kept as treasury shares and there are no Subsidiary Holdings on or prior to the 2022 AGM, the maximum number of Shares that the Company can purchase or acquire without adversely affecting the ten per cent. (10%) public float requirement (as elaborated in paragraph 2.10.5 below) is 8,449,800 Shares or ten per cent. (10%) of the issued Shares;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 8,449,800 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.085 for one (1) Share which is five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$718,233;
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 8,449,800 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.093 for one (1) Share which is fifteen per cent. (15%) above the average of the closing market prices of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$785,831.

For illustrative purposes only and on the basis of the assumptions set out in (a), (b) and (c) above, the financial effects of the:

- (i) purchase or acquisition of 8,449,800 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 8,449,800 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for FY2021 are set out below.

Based on the audited financial statements of the Company and the Group for FY2021, the Company and the Group does not have sufficient distributable profits to effect the Share buy-back. As such, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases and Off-Market Purchases made entirely out of profits is not disclosed in this Appendix.

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Scenario 1: Market Purchase made entirely out of capital and the Shares so purchased are cancelled

| | Group | | Company | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Before Share Buy-Back | After Share Buy-Back | Before Share Buy-Back | After Share Buy-Back |
| As at 30 September 2021 | S\$ | S\$ | S\$ | S\$ |
| Share Capital | 13,292,106 | 12,573,873 | 13,292,106 | 12,573,873 |
| Accumulated Profits/(Losses) | (3,667,179) | (3,667,179) | (3,592,283) | (3,592,283) |
| Shareholders' Funds | 9,624,927 | 8,906,694 | 9,699,823 | 8,981,590 |
| NTA | 13,501,618 | 12,783,385 | 9,699,823 | 8,981,590 |
| Current Assets | 8,285,830 | 7,567,597 | 5,802,746 | 5,084,513 |
| Current Liabilities | 3,311,067 | 3,311,067 | 713,179 | 713,179 |
| Working Capital | 4,974,763 | 4,256,530 | 5,089,567 | 4,371,334 |
| Total Borrowings | 30,524,255 | 30,524,255 | 2,300,000 | 2,300,000 |
| Cash and Cash Equivalents | 7,525,100 | 6,806,867 | 5,717,616 | 4,999,383 |
| Total Number of Issued Shares ('000) | 84,498,000 | 76,048,200 | 84,498,000 | 76,048,200 |
| Weighted Average Number of Shares ('000) | 84,498,000 | 76,048,200 | 84,498,000 | 76,048,200 |
| (Loss)/Profit Attributable to the Owners of the Company | (899,386) | (899,386) | (1,082,270) | (1,082,270) |
| Financial Ratios | | | | |
| NTA per Share (S\$) | 0.16 | 0.17 | 0.11 | 0.12 |
| Gearing (times) | 3.17 | 3.43 | 0.24 | 0.26 |
| Current Ratio (times) | 2.50 | 2.29 | 8.14 | 7.13 |
| (Loss)/Earnings per Share ⁽¹⁾ (cents) | (1.06) | (1.18) | (1.28) | (1.42) |

Notes:

- (1) For Loss per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.

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Scenario 2: Market Purchase made entirely out of capital and the Shares so purchased are held as treasury shares

| | Group | | Company | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Before Share Buy-Back | After Share Buy-Back | Before Share Buy-Back | After Share Buy-Back |
| As at 30 September 2021 | S\$ | S\$ | S\$ | S\$ |
| Share Capital | 13,292,106 | 13,292,106 | 13,292,106 | 13,292,106 |
| Accumulated Profits/(Losses) | (3,667,179) | (3,667,179) | (3,592,283) | (3,592,283) |
| Treasury Shares | - | (718,233) | - | (718,233) |
| Shareholders' Funds | 9,624,927 | 8,906,694 | 9,699,823 | 8,981,590 |
| NTA | 13,501,618 | 12,783,385 | 9,699,823 | 8,981,590 |
| Current Assets | 8,285,830 | 7,567,597 | 5,802,746 | 5,084,513 |
| Current Liabilities | 3,311,067 | 3,311,067 | 713,177 | 713,177 |
| Working Capital | 4,974,763 | 4,256,530 | 5,089,569 | 5,084,513 |
| Total Borrowings | 30,524,255 | 30,524,255 | 2,300,000 | 2,300,000 |
| Cash and Cash Equivalents | 7,525,100 | 6,806,867 | 5,717,616 | 4,999,383 |
| Total Number of Issued Shares ('000) | 84,498,000 | 84,498,000 | 84,498,000 | 84,498,000 |
| Weighted Average Number of Shares ('000) | 84,498,000 | 84,498,000 | 84,498,000 | 84,498,000 |
| (Loss)/Profit Attributable to the Owners of the Company | (899,386) | (899,386) | (1,082,270) | (1,082,270) |
| Financial Ratios | | | | |
| NTA per Share (S\$) | 0.16 | 0.15 | 0.11 | 0.11 |
| Gearing (times) | 3.17 | 3.43 | 0.24 | 0.26 |
| Current Ratio (times) | 2.50 | 2.29 | 8.14 | 7.13 |
| (Loss)/Earnings per Share ⁽¹⁾ (cents) | (1.06) | (1.06) | (1.28) | (1.28) |

Notes:

- (1) For Loss per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.

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Scenario 3: Off-Market Purchase made entirely out of capital and the Shares so purchased are cancelled

| | Group | | Company | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Before Share Buy-Back | After Share Buy-Back | Before Share Buy-Back | After Share Buy-Back |
| As at 30 September 2021 | S\$ | S\$ | S\$ | S\$ |
| Share Capital | 13,292,106 | 12,506,275 | 13,292,106 | 12,506,275 |
| Accumulated Profits/(Losses) | (3,667,179) | (3,667,179) | (3,592,283) | (3,592,283) |
| Shareholders' Funds | 9,624,927 | 8,839,096 | 9,699,823 | 8,913,992 |
| NTA | 13,501,618 | 12,715,787 | 9,699,823 | 8,913,992 |
| Current Assets | 8,285,830 | 7,499,999 | 5,802,746 | 5,016,915 |
| Current Liabilities | 3,311,067 | 3,311,067 | 713,177 | 713,177 |
| Working Capital | 4,974,763 | 4,188,932 | 5,089,569 | 4,303,738 |
| Total Borrowings | 30,524,255 | 30,524,255 | 2,300,000 | 2,300,000 |
| Cash and Cash Equivalents | 7,525,100 | 6,739,269 | 5,717,616 | 4,931,785 |
| Total Number of Issued Shares ('000) | 84,498,000 | 76,048,200 | 84,498,000 | 76,048,200 |
| Weighted Average Number of Shares ('000) | 84,498,000 | 76,048,200 | 84,498,000 | 76,048,200 |
| (Loss)/Profit Attributable to the Owners of the Company | (899,386) | (899,386) | (1,082,270) | (1,082,270) |
| Financial Ratios | | | | |
| NTA per Share (S\$) | 0.16 | 0.17 | 0.11 | 0.12 |
| Gearing (times) | 3.17 | 3.45 | 0.24 | 0.26 |
| Current Ratio (times) | 2.50 | 2.27 | 8.14 | 7.03 |
| (Loss)/Earnings per Share ⁽¹⁾ (cents) | (1.06) | (1.18) | (1.28) | (1.42) |

Notes:

- (1) For Loss per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.

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Scenario 4: Off-Market Purchase made entirely out of capital and the Shares so purchased are held as treasury shares

| | Group | | Company | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | Before Share Buy-Back | After Share Buy-Back | Before Share Buy-Back | After Share Buy-Back |
| As at 30 September 2021 | S\$ | S\$ | S\$ | S\$ |
| Share Capital | 13,292,106 | 13,292,106 | 13,292,106 | 13,292,106 |
| Accumulated Profits/(Losses) | (3,667,179) | (3,667,179) | (3,592,283) | (3,592,283) |
| Treasury Shares | - | (785,831) | - | (785,831) |
| Shareholders' Funds | 9,624,927 | 8,839,096 | 9,699,823 | 8,913,992 |
| NTA | 13,501,618 | 12,715,787 | 9,699,823 | 8,913,992 |
| Current Assets | 8,285,830 | 7,499,999 | 5,802,746 | 5,016,915 |
| Current Liabilities | 3,311,067 | 3,311,067 | 713,177 | 713,177 |
| Working Capital | 4,974,763 | 4,188,932 | 5,089,569 | 4,303,738 |
| Total Borrowings | 30,524,255 | 30,524,255 | 2,300,000 | 2,300,000 |
| Cash and Cash Equivalents | 7,525,100 | 6,739,269 | 5,717,616 | 4,931,785 |
| Total Number of Issued Shares ('000) | 84,498,000 | 84,498,000 | 84,498,000 | 84,498,000 |
| Weighted Average Number of Shares ('000) | 84,498,000 | 84,498,000 | 84,498,000 | 84,498,000 |
| (Loss)/Profit Attributable to the Owners of the Company | (899,386) | (899,386) | (1,082,270) | (1,082,270) |
| Financial Ratios | | | | |
| NTA per Share (S\$) | 0.16 | 0.15 | 0.11 | 0.11 |
| Gearing (times) | 3.17 | 3.45 | 0.24 | 0.26 |
| Current Ratio (times) | 2.50 | 2.27 | 8.14 | 7.03 |
| (Loss)/Earnings per Share ⁽¹⁾ (cents) | (1.06) | (1.06) | (1.28) | (1.28) |

Notes:

- (1) For Loss per Share computation, treasury shares and Shares cancelled are excluded from the weighted average number of Shares in issue.

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The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2021, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.10 Take-over Implications Arising From Share Buy-Back

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital of the company which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, treasury shares shall be excluded.

2.10.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement 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.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

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- (b) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights, all with one another. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of them) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

2.10.3 Effect of Rule 14 and Appendix 2

Appendix 2 of the Take-over Code contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, if, as a result of any purchase or acquisition by the Company of its Shares, the proportionate percentage of voting rights held by a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14. If as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting on the resolution authorising the Share Buy-Back Mandate.

Shareholders (including Directors) and their concert parties who hold more than fifty per cent (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

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2.10.4 Advice to Shareholders

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

2.10.5 Obligation of Directors and Substantial Shareholders to make a General Offer

Based on the information set out in section 4 below, assuming that there is no change to the interest set out below since the Latest Practicable Date, none of the Shareholders, including Directors and persons acting in concert with them respectively, are expected to incur an obligation to make a general offer to other Shareholders under the Take-over Code solely by reason of the Share Buy-Back Mandate.

In the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Mr. Tan Pei Hong, Alex (Chen Peifeng) will be 82.14%. As his shareholding interest will remain above fifty per cent (50%), no general offer by Mr. Tan Pei Hong, Alex (Chen Peifeng) is required to be made pursuant to the Take-over Code.

In the event that the Company undertakes share buy-backs of up to ten per cent (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Goldhill Trust Pte Ltd will be 82.14%. As its shareholding interest will remain above fifty per cent (50%), no general offer by Goldhill Trust Pte Ltd is required to be made pursuant to the Take-over Code.

In the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Mr. Tan Theng Hong, Amos will be 82.14%. As his shareholding interest will remain above fifty per cent (50%), no general offer by Mr. Tan Theng Hong, Amos is required to be made pursuant to the Take-over Code.

In the event that the Company undertakes share buy-backs of up to ten per cent. (10%) of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholding and voting rights of Mr. Ang De Yu will be 6.27%. As his shareholding interest will remain below thirty per cent (30%), no general offer by Mr. Ang De Yu is required to be made pursuant to the Take-over Code.

2.10.6 Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalist Rules to ensure that at least ten per cent. (10%) of its Shares are in the hands of the public. The term "public", as defined under the Catalist Rules, are persons other than (i) the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries; and (ii) the associates of persons in (i).

As at the Latest Practicable Date, there are 193 Shareholders and approximately 17,262,126 issued Shares are held by the public, representing 20.43% of the total number of issued Shares. **For illustrative purposes only**, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 8,449,800 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be reduced to 8,812,326 Shares, representing approximately 10.43% of the remaining issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full ten per cent. (10%) limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.

Before deciding to effect a purchase of Shares, the Directors will consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

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The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

2.10.7 Shares purchased by the Company

The Company has not made any Share purchases in the last twelve (12) months preceding the Latest Practicable Date.

2.11 **Timing of purchases**

While the Catalist Rules do not expressly prohibit any purchase of its own shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares during the period of one (1) month immediately preceding the announcement of the Company’s half-year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

2.12 **Tax implications**

Shareholders who are in doubt as to their respective tax positions or tax implications arising from share buy-backs by the Company in their respective jurisdictions should consult their own professional advisers.

3. **THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE**

3.1 **Background**

The IPT General Mandate was adopted by the Shareholders at the extraordinary general meeting of the Company held on 31 January 2019. At the 2021 AGM, the Shareholders approved the renewal of the IPT General Mandate and was expressed to take effect until the conclusion of the next AGM, which is scheduled to be held on 28 January 2022.

As the Group has no prior experience in the Property Business, it is anticipated that the Group would, in the normal course of business, engage various Contemplated Associates to provide various services in connection with the Group’s Property Business. Further, the Group intends to leverage on its familiarity with Contemplated Associates to provide relevant financial investments services for an extra source of revenue. The services to be obtained from and/or provided to the Contemplated Associates are expected to contribute a majority of the Group’s revenue and/or costs for the Property Business and the Financial Investments Services Business.

As such, the Directors are seeking Shareholders’ approval for the proposed renewal of the IPT General Mandate. The proposed renewal of the IPT General Mandate will enable the Group, in its ordinary course of business, to enter into the categories of interested person transactions specified in paragraph 3.5 below with any Contemplated Associate specified in paragraph 3.4 below, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the guidelines and review procedures for such transactions set out in paragraph 3.7 of this Appendix.

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3.2 Particulars of the IPT General Mandate to be Renewed

The categories of transactions, entities at risk and interested persons to which the proposed renewal of the IPT General Mandate will apply are substantially similar to the IPT General Mandate adopted by the Shareholders at the extraordinary general meeting of the Company held on 31 January 2019.

The renewed IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2022 AGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the conclusion of the next AGM. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next AGM and each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the interested person transactions with Contemplated Associates.

3.3 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an **"entity at risk"**) enters into or proposes to enter into with a party who is an **"interested person"** of the listed company. The objective of Chapter 9 (as stated in Rule 901 of the Catalist Rules) is to guard against the risk that the interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

Pursuant to Rule 905 of the Catalist Rules, a listed company must make an immediate announcement of any interested person transaction of a value equal to, or more than, three per cent. (3%) of the group's latest audited NTA. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the group's latest audited NTA, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Pursuant to Rule 906 of the Catalist Rules, a listed company must obtain shareholder approval for any interested person transaction of a value equal to, or more than:

- (a) five per cent. (5%) of the group's latest audited NTA; or
- (b) five per cent. (5%) of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

Rule 920 of the Catalist Rules, however, permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are 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. A general mandate is also subject to annual renewal.

3.4 Class of Interested Persons contemplated under the IPT General Mandate

The IPT General Mandate will apply to transactions carried out with the associates of:

- (i) Mr. Tan Pei Hong, Alex (Chen Peifeng), the Executive Director, Chief Executive Officer and Substantial Shareholder of the Company;
- (ii) Mr. Tan Theng Hong, Amos, a Substantial Shareholder of the Company;
- (iii) Mr. Chiu Joon Sun (Zhao Junsheng), an Executive Director of the Company.

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It is anticipated that the Company may, in its ordinary course of business, provide or obtain the categories of services set out in paragraph 3.5 below from the associates of (i) Mr. Tan Pei Hong, Alex (Chen Peifeng), (ii) Mr. Tan Theng Hong, Amos and (iii) Mr. Chiu Joon Sun (Zhao Junsheng) ("**Contemplated Associates**").

The Contemplated Associates are:

- (a) Mr. Tan Koo Chuan, the father of Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos;
- (b) any companies in which Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos and/or their immediate family (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (c) OneApex Capital Pte. Ltd. (formerly known as OneWealth Development Pte. Ltd.).

For the avoidance of doubt, Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos are siblings and Mr. Tan Koo Chuan is their father. As a result, (a) Mr. Tan Koo Chuan and (b) any companies in which Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos and their immediate family (directly or indirectly) have an interest of thirty per cent. (30%) or more are "interested persons" within the meaning of Chapter 9 of the Catalist Rules.

OneApex Capital Pte. Ltd. ("**OneApex Capital**") is a Licensed Fund Management Company ("**LFMC**") and a subsidiary of the Company. As a LFMC, OneApex Capital OAC will now be able to carry out fund management activities without restriction on the number of qualified investors (as defined in SF(LCB)R and without limit on the total value of the assets managed.

For the avoidance of doubt, OneApex Capital will not be involved with retail investors. As at the Latest Practicable Date, the Company owns 51% of the issued and paid-up share capital of OneApex Capital while Mr. Chiu Joon Sun (Zhao Junsheng), Executive Director of the Company, owns the remaining 49% of the issued and paid-up share capital of OneApex Capital. Consequently, notwithstanding that OneApex Capital is a partly-owned subsidiary of the Company and is deemed to be an "**entity at risk**" within the meaning of Chapter 9 of the Catalist Rules, OneApex Capital is also deemed to be an associate of Mr. Chiu Joon Sun (Zhao Junsheng) and is considered to be an "**interested person**" within the meaning of Chapter 9 of the Catalist Rules.

3.5 Nature of the Interested Person Transactions contemplated under the IPT General Mandate

The interested person transactions to which the IPT General Mandate will apply relate to the Group's provision to and/or obtaining from Contemplated Associates recurrent transactions of a revenue or trading nature or which are necessary for its day-to-day operations but not in respect of the purchase or sale of assets, undertakings or businesses.

The categories of interested person transactions to which the IPT General Mandate will apply are set out below:

- (a) Property management services pursuant to the Group's Property Management Business

The first category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates property management services pursuant to the Group's Property Management Business.

- (b) Project management services pursuant to the Group's Property Development Business

The second category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates project management services pursuant to the Group's Property Development Business.

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(c) Financial investments services

The third category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates financial investments services in the normal course of the Group's Financial Investments Services Business.

(d) Sales and marketing services for projects of the Group pursuant to its Property Business and Financial Investments Services Business

The fourth category of interested person transactions relates to both the provision to and/or obtaining from Contemplated Associates sales, purchase and marketing services for the Group's projects pursuant to its Property Business and Financial Investments Services Business.

3.6 Rationale for and Benefits of the Proposed Renewal of the IPT General Mandate

As mentioned in paragraph 3.1 above, the Group has no prior experience in the Property Business. Hence, it is anticipated that the Group would, in the normal course of business, engage various Contemplated Associates to provide various services in connection with the Group's Property Business. The Contemplated Associates from whom the Group chooses to obtain relevant services, as described in paragraph 3.5 above, will be persons who have significant experience in the Singapore property industry.

The Group may over time develop business know-how and expertise to be able to provide services to Contemplated Associates and may choose to do so where profitable opportunities arise.

Additionally, the Group intends to leverage on its familiarity with Contemplated Associates to provide relevant financial investments services for an extra source of revenue.

In view of the time-sensitive and recurrent nature of commercial transactions, and the need for smooth and efficient conduct of business, it would be advantageous for the Group to obtain the IPT General Mandate to enter into the categories of interested person transactions as specified in paragraph 3.5 above with Contemplated Associates, provided that all such transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. This will substantially reduce the time and expenses associated with convening general meetings, improve administrative efficacy, and allow resources and time to be focused towards other corporate and business opportunities.

3.7 Guidelines and Review Procedures for Interested Person Transactions

Any proposed Transaction between the Company and Contemplated Associates shall be subject to the guidelines and review procedures as set out in this paragraph 3.7 ("**IPT Guidelines and Review Procedures**").

3.7.1 IPT Review Procedures

To ensure that all future interested person transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, subject to the IPT Review Procedure Thresholds as set out in paragraph 3.7.2 below, the following procedures will be implemented by the Group for any Transaction with any Contemplated Associate ("**IPT Review Procedures**"):

Obtaining of Services

- (a) When obtaining services from any Contemplated Associate, the management of the Company shall obtain at least two (2) other quotations from unrelated third parties for the same or substantially similar type of services, contemporaneously in time, for comparison.

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- (b) The management shall, prior to the obtaining of services from any Contemplated Associate, ensure that the fees and terms of the services offered to the Company are not less favourable as compared to the quotations obtained from unrelated third parties, after taking into account relevant factors including, but not limited to:
 - (i) (in relation to the Property Business) track record, reputation, preferential access to projects and buyers, cost savings, preferential rates or discounts, credit terms, project schedule, speed of mobilisation, complexity and availability of resources for the implementation of projects under the Property Business, where relevant; and
 - (ii) (in relation to the Financial Investments Services Business) track record and reputation of the investment manager, relevant risk-reward profile of the investments, prevailing fees payable for similar investments, size and composition of the investments, tenure of investments, historical performance of the investments and preferential rates, where relevant.
- (c) In circumstances where it is impractical or impossible to obtain comparable quotations of contemporaneous transactions of similar or substantially similar type of services due to the nature of the services to be obtained from the Contemplated Associates, any two (2) of the Chief Financial Officer or the Directors with no interest, direct or indirect, in the proposed interested person transactions will take such necessary steps which would include but not be limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided by the Contemplated Associates are fair and reasonable and in accordance with general industry practice, and (2) evaluate and weigh the benefits of and rationale for transacting with the Contemplated Associates, taking into account relevant factors including, but not limited to:
 - (i) (in relation to the Property Business) track record, reputation, preferential access to projects and buyers, cost savings, preferential rates or discounts, credit terms, project schedule, speed of mobilisation, complexity and availability of resources for the implementation of projects under the Property Business, where relevant; and
 - (ii) (in relation to the Financial Investments Services Business) track record and reputation of the investment manager, relevant risk-reward profile of the investments, prevailing fees payable for similar investments, size and composition of the investments, tenure of investments, historical performance of the investments and preferential rates, where relevant.

Provision of Services

- (d) When providing services to any Contemplated Associate, all interested person transactions will be carried out at the prevailing market rates or fees charged by the Group for the same or substantially similar type of services and on terms which shall be no more favourable than the usual commercial terms extended to other unrelated third party customers. The management of the Company shall ensure that any such provision of services shall be conducted in accordance with the Group's usual business practices and pricing policies, consistent with the usual margins or fees extended by the Group to unrelated third parties for the same or substantially similar type of transactions, after taking into account relevant factors including, but not limited to:
 - (i) (in relation to the Property Business) customer requirements, complexity and availability of resources required for the provision of services, creditworthiness, project schedule, duration of contract and preferential rates or discounts, where relevant; and
 - (ii) (in relation to the Financial Investments Services Business) size and composition of the investments, tenure of investments and preferential rates, where relevant.

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- (e) In circumstances where the prevailing market rates or fees are not available, any two (2) of the Chief Financial Officer or the Directors with no interest, direct or indirect, in the proposed interested person transactions will take such necessary steps which would include but not be limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to the Contemplated Associates are fair and reasonable and in accordance with general industry practice, and (2) evaluate and weigh the benefits of and rationale for transacting with the Contemplated Associates, taking into account relevant factors including, but not limited to:
 - (i) (in relation to the Property Business) customer requirements, complexity and availability of resources required for the provision of services, creditworthiness, project schedule, duration of contract and preferential rates or discounts, where relevant; and
 - (ii) (in relation to the Financial Investments Services Business) size and composition of the investments, tenure of investments and preferential rates, where relevant.

3.7.2 IPT Review Procedure Thresholds

The following thresholds shall apply to any Transaction between the Company and Contemplated Associates ("**IPT Review Procedure Thresholds**"):

- (a) where the value of each interested person transaction is less than three per cent. (3%) of the Group's latest audited NTA, the interested person transaction shall require the prior approval of the Chief Financial Officer or a Director (or equivalent persons), who does not have any interest, direct or indirect, in the transaction;
- (b) where the individual or the aggregate value of the interested person transaction(s) is equal to or more than three per cent. (3%) but less than five per cent. (5%) of the Group's latest audited NTA, the interested person transaction(s) shall require the prior approval of any two (2) of the Chief Financial Officer or the Directors (or equivalent persons), who do not have any interest, direct or indirect, in the transaction(s); and
- (c) where the individual or the aggregate value of the interested person transaction(s) is equal to or more than five (5%) of the Group's latest audited NTA, the interested person transaction(s) shall require the prior approval of the Audit Committee. For the avoidance of doubt, the Audit Committee shall review and approve the latest and all such subsequent interested person transaction in that particular financial year.

The IPT Review Procedure Thresholds balance the need for efficiency in the conduct of business on the one hand and the need to safeguard minority Shareholders' interests on the other. The Audit Committee will consider the revision of the IPT Review Procedure Thresholds as and when necessary and appropriate.

3.7.3 External and internal audit safeguards for Transactions with Contemplated Associates

The annual external audit plan of the Company shall incorporate a review of interested person transactions entered into in the relevant financial year pursuant to the IPT General Mandate.

The Group's annual or periodic (such period as may be decided by the Audit Committee) internal audit plan shall incorporate a half yearly review of all interested person transactions (including the interested person transactions under the IPT General Mandate) and the IPT Guidelines and Review Procedures for the monitoring of the interested person transactions entered into during the period under review. The internal auditors will report directly to the Audit Committee.

The findings by the external and internal auditors will be submitted to the Audit Committee to ensure, *inter alia*, that the interested person transactions have been carried out on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders, and that the relevant approvals have been obtained.

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3.7.4 List and register of Interested Person Transactions

In addition, the Company will maintain a list of interested persons (which will be updated immediately if there are any changes) and will disseminate the list to the relevant staff of the companies within the Group to enable the identification of the interested persons. The list of interested persons which is maintained by the Chief Financial Officer shall be reviewed by the Audit Committee on a quarterly basis.

A register will also be maintained by the Company to record all interested person transactions, including interested person transactions below S\$100,000 ("**IPT Register**"). The IPT Register shall contain the information pertinent to the evaluation of the interested person transactions including, but not limited to, details on the identity of the Contemplated Associates, the amount of the interested person transactions, and the basis (including the comparative quotations and other supporting evidence obtained to support such basis) on which the transactions are entered into. The IPT Register shall be prepared, maintained and monitored by the Chief Financial Officer (who does not have an interest in any of the interested person transactions) and who is duly delegated to do so by the Audit Committee. The Chief Financial Officer will also highlight any discrepancies or significant variances from the Group's usual business practices and pricing policies to the Audit Committee.

3.7.5 Audit Committee review

The Audit Committee shall, on a quarterly basis, review the interested person transactions in the IPT Register and the internal control procedures on interested person transactions (including the interested person transactions under the IPT General Mandate) to ensure that the interested person transactions were conducted on normal commercial terms and were not prejudicial to the interests of the Company and its minority Shareholders and that the IPT Guidelines and Review Procedures have been complied with.

The Audit Committee shall determine if the IPT Guidelines and Review Procedures are adequate and/or commercially practicable in ensuring that the interested person transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. It shall take into account all relevant factors (quantitative and non-quantitative). The relevant supporting documents or such other data as may be deemed necessary by the Audit Committee, shall be made available to the Audit Committee when so requested. In the event that a member of the Audit Committee is interested in any such transaction, he/she will abstain from participating in the review and approval process in relation to that particular transaction.

Pursuant to Rule 920(1)(b)(vii) of the Catalist Rules, if during any of its periodic reviews, the Audit Committee is of the opinion that the IPT Guidelines and Review Procedures are inappropriate or not sufficient to ensure that interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, it will, in consultation with the Board, take such actions as it deems proper in respect of such guidelines and review procedures and/or modify or implement such guidelines and review procedures. Accordingly, the Company will seek a fresh mandate from its Shareholders, where applicable, based on new guidelines and review procedures for interested person transactions. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with interested persons will be subject to prior review and approval by the Audit Committee.

The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisers (such as an independent financial adviser) or valuers to provide additional information, advice or opinion pertaining to the transactions approved or under review or to be advised on whether the IPT Guidelines and Review Procedures are appropriate and sufficient to ensure that the interested person transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and the outcome of such review, where applicable, shall be submitted to the Audit Committee and documented.

Any member of the Audit Committee who is not considered independent in respect of the interested person transactions under the IPT General Mandate shall abstain from voting on any respective resolution and/or abstain from participating in the Audit Committee's decision during its review of the IPT Guidelines and Review Procedures or during its review or approval of any interested person transactions.

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The Board will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with.

3.8 Disclosure of Interested Person Transactions

The Company will announce the aggregate value of interested person transactions conducted with each Contemplated Associate pursuant to the IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.

Disclosures will also be made in the annual report of the Company of the aggregate value of the interested person transactions conducted with Contemplated Associates pursuant to the IPT General Mandate during the financial year ending 30 September 2022, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.

3.9 Audit Committee's Confirmation

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the IPT General Mandate was last approved by the Shareholders; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the interested person transactions carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.10 Abstention from Voting

Pursuant to Rule 920(1)(b)(viii) of the Catalist Rules, Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos and Mr. Chiu Joon Sun (Zhao Junsheng) will abstain, and have undertaken to ensure that their associates will abstain, from voting on Ordinary Resolution 8 in relation to the proposed renewal of the IPT General Mandate. Consequently the following persons will abstain from voting on their Shares (if any) in respect of the proposed renewal of the IPT General Mandate: (i) Mr. Tan Pei Hong, Alex (Chen Peifeng); (ii) Mr. Tan Theng Hong, Amos; (iii) Goldhill Trust Pte. Ltd; (iv) Mr. Tan Koo Chuan; (v) any other associate of Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos, or Goldhill Trust Pte. Ltd.; (vi) Mr. Chiu Joon Sun (Zhao Junsheng); (vii) OneApex Capital; and (viii) any other associate of Mr. Chiu Joon Sun (Zhao Junsheng).

In addition, the Company:

- (a) will procure that:
 - (1) Mr. Tan Pei Hong, Alex (Chen Peifeng);
 - (2) Mr. Tan Theng Hong, Amos;
 - (3) Goldhill Trust Pte. Ltd.;
 - (4) Mr. Tan Koo Chuan;
 - (5) any other associate of Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos, or Goldhill Trust Pte. Ltd.;
 - (6) Mr. Chiu Joon Sun (Zhao Junsheng);
 - (7) OneApex Capital; and
 - (8) any other associate of Mr. Chiu Joon Sun (Zhao Junsheng).

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will also decline to accept appointment as proxy for any Shareholder to vote in respect of the proposed renewal of the IPT General Mandate, unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of the proposed renewal of the IPT General Mandate; and

(b) will disregard votes cast by:

- (1) Mr. Tan Pei Hong, Alex (Chen Peifeng);
- (2) Mr. Tan Theng Hong, Amos;
- (3) Goldhill Trust Pte. Ltd.;
- (4) Mr. Tan Koo Chuan;
- (5) any other associate of Mr. Tan Pei Hong, Alex (Chen Peifeng), Mr. Tan Theng Hong, Amos, or Goldhill Trust Pte. Ltd.;
- (6) Mr. Chiu Joon Sun (Zhao Junsheng);
- (7) OneApex Capital; and
- (8) any other associate of Mr. Chiu Joon Sun (Zhao Junsheng),

in respect of their holdings of Shares (if any) in relation to the proposed renewal of the IPT General Mandate.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders in the Company before and after the purchase of Shares (assuming (i) the Company purchases 8,449,800 Shares being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date; and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders), based on the Register of Director's Shareholdings and the Register of Substantial Shareholders maintained pursuant to Section 164 and Section 88 of the Companies Act respectively, are as follows:

| Name of Directors | Before Share Buy-Back (Number of Shares) | | Before Share Buy-Back ⁽⁴⁾ % | After Share Buy-Back ⁽⁵⁾ % |
|--|---|--------------------|--|---|
| | Direct Interest | Deemed Interest | | |
| Directors | | | | |
| Tan Pei Hong, Alex (Chen Peifeng) ⁽¹⁾ | – | 62,466,590 | 73.93 | 82.14 |
| Chiu Joon Sun (Zhao Junsheng) | – | – | – | – |
| Chee Teck Kwong Patrick | – | – | – | – |
| Wan Tai Foong | – | – | – | – |
| Low Chin Parn Eric | – | – | – | – |
| Substantial Shareholders (other than Directors) | | | | |
| Goldhill Trust Pte. Ltd. ⁽²⁾ | 62,466,590 | – | 73.93 | 82.14 |
| Tan Theng Hong, Amos ⁽³⁾ | – | 62,466,590 | 73.93 | 82.14 |
| Ang De Yu | 4,769,284 | – | 5.64 | 6.27 |

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Notes:

- (1) Mr. Tan Pei Hong, Alex (Chen Peifeng), the Group's Executive Chairman and Chief Executive Officer, is deemed interested in the 62,466,590 Shares held by Goldhill Trust Pte. Ltd. ("**Goldhill Trust**"), by virtue of his 50% shareholding interest in Goldhill Trust as at the Latest Practicable Date.
- (2) Goldhill Trust is an investment holding company incorporated in Singapore on 10 May 2018. It is held by Mr. Tan Pei Hong, Alex (Chen Peifeng) and Mr. Tan Theng Hong, Amos, each of whom own 50% of the issued share capital of Goldhill Trust.
- (3) Mr. Tan Theng Hong, Amos, is deemed interested in the 62,466,590 Shares held by Goldhill Trust, by virtue of his 50% shareholding interest in Goldhill Trust as at the Latest Practicable Date.
- (4) The percentages in the table are calculated based on 84,498,000 Shares as at the Latest Practicable Date.
- (5) The percentages in the table are calculated based on 76,048,200 Shares, assuming the Company purchases the maximum number of ten per cent. (10%) of the Shares as at the Latest Practicable Date.

Saved as disclosed in this Appendix, none of the Directors or Substantial Shareholders have any interest, direct or indirect, in the Proposed Resolutions other than through their respective shareholdings in the Company.

5. ACTIONS TO BE TAKEN BY SHAREHOLDERS

5.1 No attendance at the AGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM.

5.2 Alternative Arrangements

Instead, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by (a) watching the proceedings of the AGM via "live" webcast or listening to the proceedings of the AGM via "live" audio feed, (b) submitting questions in advance of the AGM, and/or (c) voting by proxy at the AGM.

Shareholders should refer to the Company's announcement dated 6 January 2022 entitled "Announcement Relating To Annual General Meeting To Be Held On 28 January 2022" on SGXNET for further information, including the steps to be taken by Shareholders to participate at the AGM. Such announcement may also be accessed at <https://oneapex.wixsite.com/home/investor-relations>.

5.3 Depositors

A Depositor shall not be entitled to attend and vote at the 2022 AGM unless he is shown to have Shares entered against his name in the Depository Register at least 72 hours before the time fixed for holding the 2022 AGM.

5.4 Abstention from Voting

If a Shareholder is required to abstain from voting on a proposal at a general meeting by a listing rule or pursuant to any court order, any votes cast by the Shareholder on that resolution will be disregarded by the Company.

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6. DIRECTORS' RECOMMENDATION

In giving the recommendations below, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders have different investment objectives and profiles, the Directors recommend that any Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

6.1 The Proposed Renewal of the Share Buy-Back Mandate

Having fully considered the rationale set out in paragraph 2.3 of this Appendix, the Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 7 pertaining to the proposed renewal of the Share Buy-Back Mandate to be proposed at the 2022 AGM.

6.2 The Proposed Renewal of the IPT General Mandate

Having fully considered the scope of the IPT General Mandate, the IPT Guidelines and Review Procedures, the Recommending Directors are of the opinion that the interested person transactions with the Contemplated Associates will be made on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Taking into account the rationale for and the benefits of the IPT General Mandate as set out in Section 3 of this Appendix, the Recommending Directors are of the opinion that the proposed renewal of the IPT General Mandate is in the best interests of the Company.

Accordingly, the Recommending Directors recommend that Shareholders vote in favour of Ordinary Resolution 8 pertaining to the proposed renewal of the IPT General Mandate.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, 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 this Appendix in its proper form and context.

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8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624, during normal business hours from the date of this Appendix up to and including the date of the 2022 AGM:

- (a) the Constitution;
- (b) the 2021 Annual Report;

Yours faithfully

For and on behalf of the Board of
ONEAPEX LIMITED

Tan Pei Hong, Alex
Executive Chairman and Chief Executive Officer



ONEAPEX

ONEAPEX LIMITED

(Company Registration Number: 201020806C)

(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

This Proxy Form has been made available on SGXNET and the Company's website and may be accessed at <https://oneapex.wixsite.com/home/investor-relations>.

A printed copy of this Proxy Form will NOT be despatched to members.

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Annual General Meeting ("AGM") are set out in the Company's announcement dated 6 January 2022 which has been uploaded together with the Notice of AGM dated 6 January 2022 on SGXNET on the same day. This announcement may also be accessed at <https://oneapex.wixsite.com/home/investor-relations>.
2. A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
3. For CPF/SRS investors who have used their CPF/SRS monies to buy shares in OneApex Limited, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/ SRS Operators if they have any queries regarding their appointment as proxies and to submit their voting instructions no later than 5 p.m. on 18 January 2022 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10 a.m. on 25 January 2022.
4. By submitting an instrument appointing the Chairman of the AGM as proxy, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 January 2022.

I/We _____ (Name) _____ (NRIC/Passport/ Co. Reg. No.)

of _____ (Address)

being *a member/members of **ONEAPEX LIMITED** (the "Company") hereby appoint:

The Chairman of the AGM

as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the AGM to be held at by way of electronic means on 28 January 2022 at 10 a.m., and at any adjournment thereof.

*I/We direct the Chairman of the AGM to vote for or against the resolutions proposed at the AGM as indicated hereunder.

| No. | Ordinary Resolutions | Number of Votes For** | Number of Votes Against** |
|-----|---|-----------------------|---------------------------|
| 1. | To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2021 together with the Directors' Statement and the Auditors' Report thereon. | | |
| 2. | To re-elect Mr. Chiu Joon Sun, a Director retiring pursuant to Regulation 100 of the Company's Constitution. | | |
| 3. | To re-elect Mr. Chee Teck Kwong Patrick, a Director retiring pursuant to Regulation 100 of the Company's Constitution. | | |
| 4. | To approve the payment of Directors' fees of S\$115,000 for the financial year ending 30 September 2022 to be paid half-yearly in arrears. | | |
| 5. | To re-appoint Messrs Ernst & Young LLP as external auditors of the Company and to authorise the Directors of the Company to fix their remuneration. | | |
| 6. | To grant the Directors the authority to allot and issue shares in the capital of the Company. | | |
| 7. | To approve the proposed renewal of the Share Buy-Back Mandate. | | |
| 8. | To approve the proposed renewal of the IPT General Mandate. | | |

* Delete where inapplicable

** If you wish to exercise all your votes "For" or "Against" the resolution, please tick (√) in the relevant box provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specific direction as to voting, or abstention from voting, the appointment of the Chairman of the AGM as your proxy will be treated as invalid.

Dated this _____ day of _____ 2022.

| Total no. of shares in | No. of shares |
|-------------------------|---------------|
| (a) Depository Register | |
| (b) Register of Members | |

Signature(s) of Member(s) or Common Seal
of Corporate Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



NOTES

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy shall be deemed to relate to all the Shares held by you.
2. A member will not be able to attend the AGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.
3. The Chairman of the AGM, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the AGM as proxy:
 - (a) if sent personally or by post, be lodged at the Company's principal place of business at 38 Jalan Pemimpin, #06-06, Singapore 577178, attention to OneApex AGM; or
 - (b) if submitted by email, be received by the Company at contactus@oneapex.com.sg.in either case, by no later than 10 a.m. on 25 January 2022, and in default the instrument of proxy shall not be treated as valid.
5. Where an instrument appointing the Chairman of the AGM as proxy is sent personally or by post, it must be under the hand of the appointor or his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

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AFFIX
STAMP

ONEAPEX LIMITED

38 Jalan Pemimpin

#06-06

Singapore 577178

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Where an instrument appointing the Chairman of the AGM is submitted by email, it must be authorised in the following manner:

- (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
- (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

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

6. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy).
7. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 10 a.m. on 25 January 2022 certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 January 2022.

3rd fold here and seal



ONEAPEX

38 Jalan Pemimpin #06-06 Singapore 577178