P5 CAPITAL HOLDINGS LTD

THE FUSION OF CLEAN ENERGY & LIFESTYLE

Annual Report FY2021

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

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

The contact person for the Sponsor is:

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Address: 6 Raffles Quay, #24-02, Singapore 048580
Email : sponsor@rhtgoc.com

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CORPORATE **PROFILE**

Founded in 1998 and listed on the Singapore Stock Exchange ("5AI.SI") since 2000, P5 Capital Holdings Ltd (the "**Company**" or together with its subsidiaries, the "Group") operates in both the lifestyle ("**Lifestyle Business**") and the renewable and sustainable energy segments ("**Energy Business**").

The Lifestyle Business comprises the distribution and retail of a comprehensive collection of mid-range and High-end European brands of furniture, lighting and accessories, serving both business-to-business ("**B2B**") and business-to-consumer ("**B2C**") customer types across the retail, commercial and hospitality sectors. To date, there are 3 retail showrooms and an online store.

The Energy Business comprises early-stage investments in companies which are involved in the production and sale of advanced biodiesel and activated carbon, as well as within the liquefied natural gas ("**LNG**") value chain. This reflects the Group's commitment to lay the foundation for long-term transformation and growth through its involvement in alternative sources of clean energy.

CORPORATE **INFORMATION**

Board of Directors

Lau Ping Sum Pearce *(Non Executive Chairman and Independent Director)*

Lim Shao-Lin *(Chief Executive Officer and Executive Director)*

Koh Beng Leong *(Executive Director - Finance)*

Leow Sau Wan *(Executive Director)*

Chia Soon Hin William *(Independent Director)*

Lim Kok Chai (Lin Guocai) *(Independent Director)*

Audit Committee

Chia Soon Hin William *(Chairman)*

Lau Ping Sum Pearce

Lim Kok Chai (Lin Guocai)

Nominating Committee

Lau Ping Sum Pearce *(Chairman)*

Chia Soon Hin William

Lim Kok Chai (Lin Guocai)

Remuneration Committee

Lim Kok Chai (Lin Guocai) *(Chairman)*

Lau Ping Sum Pearce

Chia Soon Hin William

Company Secretary

Tan Zi Jing Clara, LLB (Hons)

Registered Office

39 Kaki Bukit Place, Eunos Techpark

Singapore 416217

Telephone: (+65) 6741 3939

Fax: (+65) 6904 9063

Email: capital@p5.com.sg

Registrar and Share Transfer Office

M&C Services Private Limited

112 Robinson Road #05-01

Singapore 068902

Auditors

KPMG LLP

Public Accountants and Certified Public Accountants

16 Raffles Quay #22-00

Hong Leong Building

Singapore 048581

Partner-in-charge: Ong Li Qin

Date of appointment : Financial Year 2019

Continuing Sponsor

RHT Capital Pte. Ltd.

6 Raffles Quay, #24-02, Singapore 048580

(Appointed on 22 March 2012)

Principal Banker

United Overseas Bank Limited

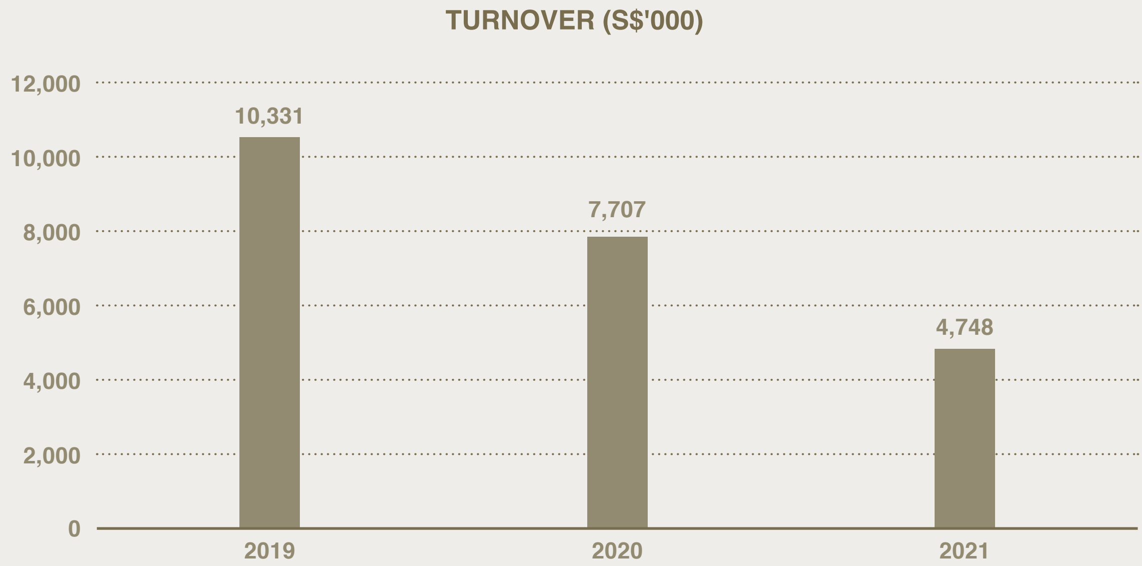
80 Raffles Place

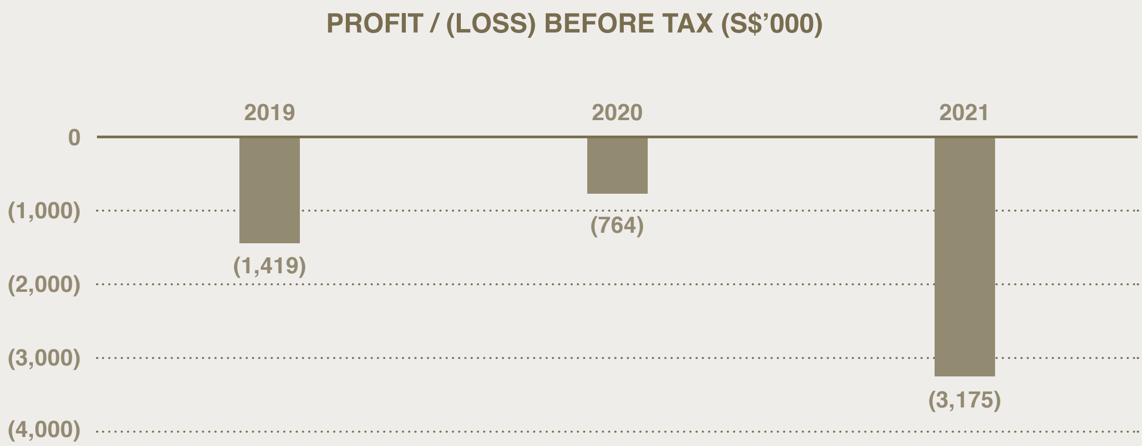
UOB Plaza 1

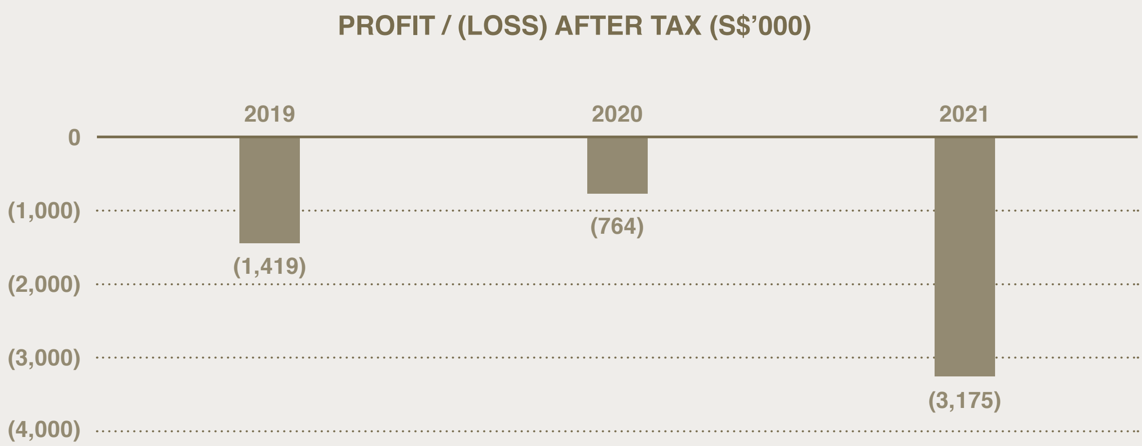
Singapore 048624

FINANCIAL **HIGHLIGHTS**

Financial Year Ended 31 March 2021







CHAIRMAN AND **CEO'S JOINT STATEMENT**

Dear Valued Shareholders,

On behalf of the Board of Directors of P5 Capital Holdings Ltd (the "**Group**" or "**P5**"), we are pleased to present to you the annual report for the financial year ended 31 March 2021 ("**FY2021**").

The Group has been resolute in its drive towards innovation, digitalisation and sustainability amidst the volatile market environment caused by the unprecedented, prolonged effects of the coronavirus ("**COVID-19**") pandemic outbreak. While the COVID-19 pandemic has created significant uncertainty and disrupted market norms, it has also led to new business opportunities for the post COVID-19 era. This is evident as corporates and their employees seek to create functional and safe working environments, as well as the accelerated adoption of green energy initiatives in Singapore. The Group believes that the strategic initiatives undertaken to date have created the foundation to place us in a better position to serve these sectors in the new economy, given the enhanced capabilities of our businesses, namely the lifestyle ("**Lifestyle Business**"), as well as the renewable and sustainable energy segments ("**Energy Business**").

Since the launch of our in-house private label "PlayGround" in the first quarter of 2020, the team continues to strive to expand its revenue stream and enhance its online presence and digital capabilities in the Lifestyle Business by offering a vast array of products and selections in line with emerging regional market trends. This will allow the Group to move upstream from pure retail and position itself as a lifestyle product distributor for furniture and accessories. We also clinched an exclusive distributorship with stylish German fabric brand, HOUSE of JAB Anstoetz and established another physical retail store at Scotts Road in May 2021, a strategically located showroom to target our clients in the upmarket District 9, 10 and 11. We further strengthened our collaboration with Molteni & C through the supply of our Italian home furnishing partner's kitchen system and wardrobes to Park Nova - a freehold luxury residential development in Singapore. This marks the Group's first developer project and will serve as the springboard to support future upmarket residential developments.

As for our Energy Business, it was unfortunate that the COVID-19 pandemic had delayed the Group's set up of its clean energy system project. Nevertheless, the team continues to forge ahead by participating in project tenders related to liquefied natural gas ("**LNG**") supply for downstream industrial and power applications both domestically and in the region.

GROUP RESULTS

The Group's turnover decreased by approximately 38%, from S$7.7 million for the financial year ended 31 March 2020 to S$4.7 million for the financial year ended 31 March 2021 ("**FY2021**") mainly due to lower sales of furniture and lighting products.

While the government grants and rental rebates contributed to other operating income of S$0.9 million in FY2021, this was partially offset by higher distribution, administration and other operating expenses incurred mainly to start up the Group's Energy Business and impairment loss on property, plant and equipment from the lighting and mid-range furniture segments.

Overall, the Group's loss for FY2021 amounted to approximately S$3.2 million.

CHAIRMAN AND **CEO'S JOINT STATEMENT**

BUSINESS OUTLOOK AND FUTURE PLANS

Looking ahead, the Group will continue to invest strategically in opportunities to continue to build its foundation for sustainable long-term growth.

Our Lifestyle Business is expected to complete implementation of its enterprise resource planning ("**ERP**") platform by the end of this year. We are confident that our efforts to enhance our digital infrastructure will allow us to serve our clients better. We will also continue seeking opportunities to expand regionally through our home-grown private label, innovative product offerings and strategic industry partnerships.

Notwithstanding the prevailing COVID-19 situation, the Energy Business remains on the cusp of exponential growth. This is in tandem with Singapore's drive to embrace sustainable development to tackle climate change as well as to promote the rapid growth of the clean technology and renewable sectors. We are collaborating with a local academic institution on research and development activities to remain at the cutting edge of technological developments. The Energy Business will also continue to pursue the setup of its clean energy system to supply biofuel and hydrogen in 2021.

While the gradual long term global economic recovery is hinged on the progress of the vaccine rollouts and effectiveness on containing the resurgence of COVID-19 and its variances, the Group is cognisant that growth may be uneven across various sectors. Nevertheless, with our experience in the past year in dealing with the aftermath of the effects of COVID-19 on our business, we are determined to overcome the challenges which may arise due to global supply chain disruptions, border closures as well as inflationary pressures exerted by tight labour markets and rising production costs.

APPRECIATION

On behalf of the Board, we would like to thank our shareholders, customers and business partners for their continued trust and unwavering support. We would also like to express our appreciation to my fellow directors, management and staff for their unrelenting commitment and hard work during the year.

We believe that the strategic initiatives which we have undertaken will deliver sustainable shareholder value for the Group.

LAU PING SUM PEARCE
Non Executive Chairman and Independent Director

LIM SHAO-LIN
Chief Executive Officer and Executive Director

BOARD OF **DIRECTORS**

Lau Ping Sum Pearce *(Non Executive Chairman and Independent Director)*

Mr Lau Ping Sum Pearce ("**Mr Lau**") was appointed as an Independent Director of the Company and the Chairman of Board of Directors on 11 November 2019 and was last re-elected on 29 September 2020. He is also the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He has held management positions in both the public and the private sectors. Mr Lau was the Member of Parliament for Yio Chu Kang and the Ang Mo Kio GRC from 1980 to 1996. He is an independent director of two other publicly listed companies. Mr Lau holds a Bachelor of Economics from the Australian National University and a Diploma in Business Administration from the then University of Singapore. He is the Chairman of the Advisory Committee on translation and interpretation, an Adjunct Professor at the Singapore University of Social Sciences (SUSS) and an Associate Trainer at the Singapore Civil Service College. In addition, he is a member of the Singapore Institute of Directors.

Lim Shao-Lin *(Chief Executive Officer and Executive Director)*

Mr Lim Shao-Lin ("**Mr Lim**") was appointed as an Executive Director of the Group on 29 July 2019 and was last re-elected on 29 September 2020. Considering his 29 years of experience successfully starting and leading multiple businesses in Singapore, he was subsequently tasked to lead the Group as the Chief Executive Offcer ("**CEO**"). As CEO, he is responsible for the overall performance, strategic direction and business development of the Group. Mr Lim has won multiple awards including the spirit of entrepreneur award. He is also the CEO of the GasHub Group for the past 29 years, after successfully growing it from a startup to having more than 100 employees, focusing on gas engineering and spearheading the greener energy industry in the region through cleaner and more energy-effcient Liquefed Natural Gas.

Koh Beng Leong *(Executive Director - Finance)*

Mr Koh Beng Leong ("**Mr Koh**") was re-designated as an Executive Director on 11 November 2019, after having served as an Independent Director of the Group since 12 August 2005. Mr Koh was also re-designated as Executive Director – Finance on 9 July 2020 and was last re-elected on 29 September 2020. He currently serves as the Deputy CEO (Energy) and oversees the energy division of the Group. He is a Fellow of Certifed Practising Accountant (Australia), a member of Chartered Accountant (ANZ) and a member of Kampuchea Institute of Certifed Public Accountants & Auditors. He holds a Master of Professional Accounting and a Bachelor of Economics. Prior to his current appointment, he was an executive director of a listed company where he was involved in operation and business development. Prior to that, he also held key management positions in various companies in Singapore and Vietnam overseeing businesses in the Asian region.

BOARD OF **DIRECTORS**

Leow Sau Wan *(Executive Director)*

Ms Leow Sau Wan ("**Ms Leow**") was appointed as Executive Director on 18 June 2021. She is responsible for overseeing the Lifestyle division of the Group. She was designated as Finance Manager (Energy) on 1 July 2020. She was formerly working part-time as Deputy Group Finance Manager since 1 October 2019, concurrently taking the lead on corporate digitalisation program and overseeing the finance function of the P5 energy division. Jesimine's achievement and qualifcations includes being Fellow of Certifed Practising Accountant (Australia), Chartered Accountant (Singapore), a member of the ISCA, Association of Taxation Technicians Singapore Specialist (2nd placing) as well as Bachelor of Business (Accounting). She also holds a Master of Business Administration (joint program of Deakin University and CPA Australia), an Advance Diploma in Business Administration (Distinction, validated by local delegacy, University of Oxford) and is also a Certifed Microsoft Specialist. Prior to her current appointment in P5, she helms the position of Finance Manager overseeing the fnancial and accounting functions at New Ocean Ship Management Pte Ltd (a subsidiary of JX Ocean Co Ltd) (2004-2019) for its Asia Pacifc operations, while also serving as senior auditor, accountant and consultant at a local CPA frm (2000-2004).

Chia Soon Hin William (*Independent Director)*

Mr Chia Soon Hin William ("**Mr Chia**") was appointed as Independent Director of the Company on 15 December 2020. He is also the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

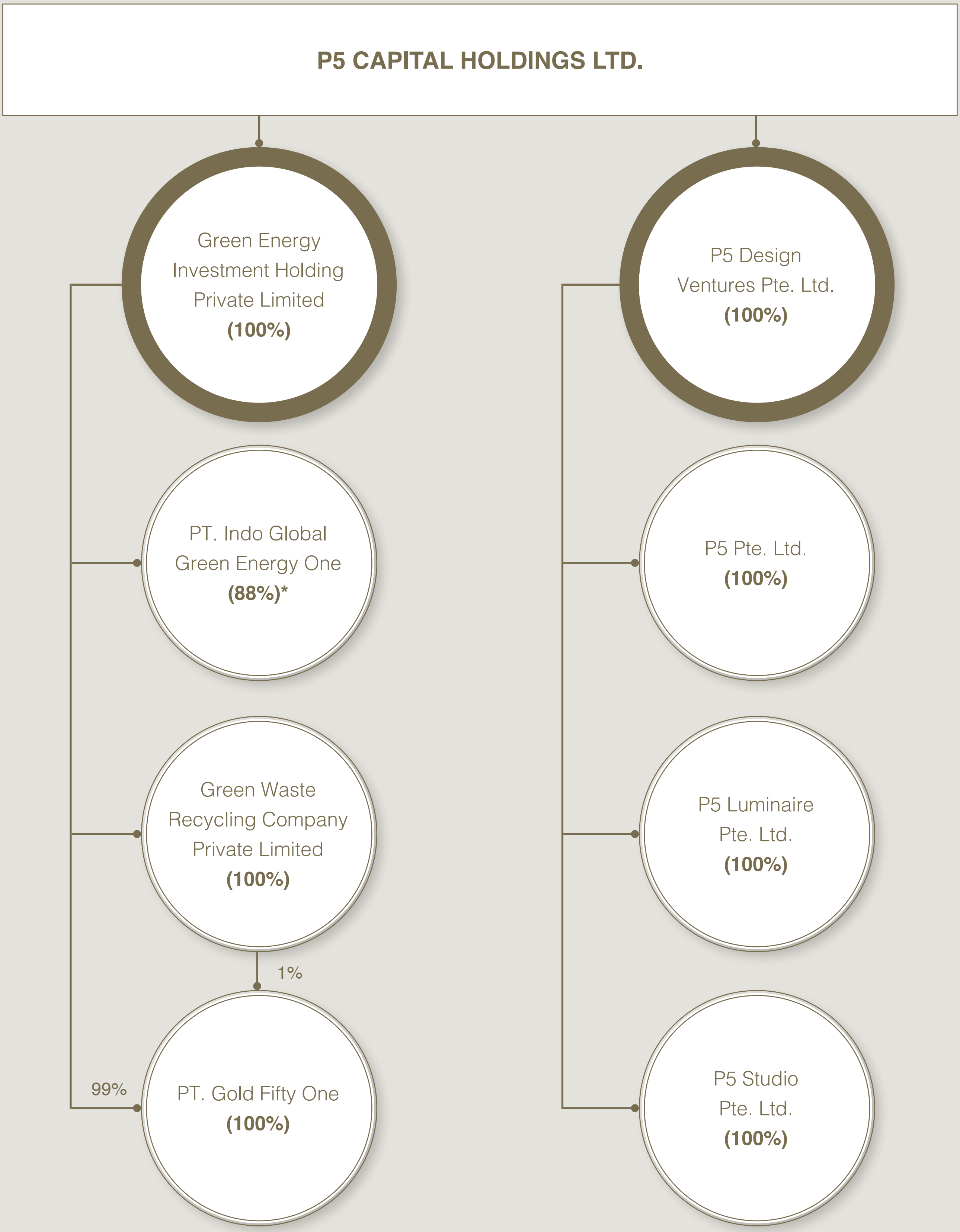
Besides serving as Independent Director on two other listed companies, Mr Chia provides training for financial institutions and business advisory to corporations through his company, Xie Capital Pte Ltd. He has more than 35 years of retail and commercial banking experience with Overseas Union Bank, Standard Chartered Finance, DBS Bank, Malayan Banking Berhad and United Overseas Bank. Prior to his retirement from United Overseas Bank in October 2014, he was an Executive Director with the bank's Group Commercial Banking.

Mr Chia is a Chartered Secretary with and Associate of the Governance Institute of Australia, Fellow with the Chartered Institute of Marketing (UK) and Associate with the Chartered Institute of Bankers (UK). He was conferred IBF Fellow by the Institute of Banking and Finance Singapore in November 2014.

Lim Kok Chai (Lin Guocai) *(Independent Director)*

Mr Lim Kok Chai ("**Mr Lim**") was appointed as an Independent Director on 20 September 2019 and was last re-elected on 29 September 2020. Mr Lim is the Chairman of the Remuneration Committee and a member of the Nominating and Audit Committees. He is a founder and director of Hodaka Motoworld Pte Ltd and My Cosy Room Pte. Ltd. and a partner of My Cozy Room LLP.

CORPORATE **STRUCTURE**



* This company is under liquidation

OPERATIONS **REVIEW**

INVESTMENT IN LNG BOTTLING STATION PROJECT

On 15 December 2020, the Company entered into a project investment agreement with Gashubunited Utility Private Limited ("**GUPL**") and Gashubunited Holding Private Limited ("**GHPL**") to invest S$500,000 in a liquefied natural gas ("**LNG**") bottling station project being undertaken by GUPL ("**Investment**"). Mr Lim Shao-Lin, the Chief Executive Officer and a controlling shareholder of the Company, is the sole director of GUPL as well as a director who holds 55.72% stake in GHPL.

GHPL is principally engaged in providing LNG-based integrated energy solutions and natural gas related services which includes gas piping installation and efficient energy solutions. GHPL operates through three business segments, Gashubin Engineering Private Limited, Gashub Technology Private Limited and GUPL.

GUPL is principally engaged in providing electricity and LNG-based integrated energy solutions to industrial, commercial and residential consumers. It leverages on natural gas as feedstock to provide high efficiency clean technology energy solutions, targeting to be an enabler in Singapore and overseas market.

GUPL is in the process of constructing a LNG bottling station in LOT 1229A-MK34 Tembusu Avenue, Jurong Island ("**Project**") to provide clean low-cost natural gas and natural gas solutions to its customers via a greener and more sustainable business model. The Project will allow GUPL to expand its market share to industrial, commercial and residential consumers.

The Investment represents a strategic opportunity for the Group to venture into the energy and natural gas-related business through its participation in the Project. The development of the Group's green energy platform is also aligned with its intention to provide alternative sources of clean energy to meet rising energy consumption in Southeast Asia.

PLACEMENT OF NEW ORDINARY SHARES

On 19 January 2021, the Company announced that it had entered into a subscription agreement with 18 subscribers for an aggregate of 132 million new ordinary shares (the "**Placement Shares**") of the Company at an issue price of S$0.027 per Placement Share (the "**Proposed Placement**"). The net proceeds from the Proposed Placement (after deducting professional fees and related transaction expenses) is approximately S$3.5 million. The Proposed Placement was completed on 4 February 2021.

The Company believes that the Proposed Placement will strengthen the Group's financial position, improve the Group's cash flow to meet anticipated working capital requirements and increase resources and working capital available to the Group to fund expansion and when the opportunities arise for its existing businesses, as part of the Group's strategy for long-term business growth.

OPERATIONS **REVIEW**

PROPOSED ACQUISITION OF INDUSTRIAL PROPERTY

On 12 March 2021, the Company announced the proposed acquisition of an industrial property located at 39 Kaki Bukit Place Singapore 416217 ("**Property**"). The 5-storey Property has an approximate gross floor area of 13,110 square feet with a leasehold tenure of 60 years commencing on 20 November 1995. On 18 March 2021, the Company exercised the option to purchase the Property for a total consideration of S$4.3 million. The proposed acquisition of the Property was completed on 14 May 2021.

The Group intends to consolidate and expand its corporate office as well as centralise the location of its business units, showroom and warehouse. We envisage that this will enhance oversight of the Group's various businesses, increase operational efficiencies and create better synergy and interactions amongst the Group's employees.

GROUP'S PERFORMANCE

The Group's turnover decreased by approximately 38%, from S$7.7 million for the financial year ended 31 March 2020 to S$4.7 million for the financial year ended 31 March 2021 ("**FY2021**") mainly due to lower sales of furniture and lighting products as a result of the circuit breaker measures imposed by the government to curb the spread of the COVID-19 pandemic.

Government grants under the Jobs Support Scheme and rental rebates from the COVID-19 Government Relief Framework contributed to other operating income of S$0.9 million in FY2021. This was partially offset by higher distribution, administrative and other operating expenses incurred mainly to support Green Energy Investment Holdings Private Limited ("**GEI**"), P5 Design Ventures Pte Ltd and their respective subsidiaries. Other operating expenses increased mainly due to impairment loss on property, plant and equipment from the lighting and mid-range furniture segments, offset by better inventory management. The Group booked an operating loss of S$2.8 million in the year under review.

Overall, the Group's loss for FY2021 amounted to approximately S$3.2 million.

The Group also strengthened its financial position during the year under review with the net proceeds of approximately S$3.5 million raised from the placement of 132 million new ordinary shares in February 2021.

SUSTAINABILITY **REPORT**

BOARD STATEMENT

The Board of Directors ("**Board**") is pleased to present P5 Capital Holdings Ltd.'s fourth sustainability report for the financial year ended 31 March 2021 ("**FY2020-21**"). P5 Capital Holdings Ltd. ("**P5**" or the "**Company**", together with its subsidiaries the "**Group**") is committed to sustainable business practices that help to enhance stakeholder trust and the value of our brand.

FY2020-21 marks an extraordinary turning point for P5 as we journey through a bold, visionary transformation amidst the global impact of the COVID-19 outbreak that caused unprecedented disruptions and the market-relevance of many companies and industries to diminish overnight. Whilst suffice to say that no industries will be left entirely unscathed, these market changes also came in a timely manner which help catalyse the business transformation we had started in the second quarter of FY2019.

As a company operating in both the lifestyle and the renewable and sustainable energy segment, we strive to bring about incremental improvements in the quality of life for people and our larger environment by constantly exploring opportunities that allows us to make a difference, powered by our vision, investments, innovations and the skills and passion of our people. As a responsible Board, we engage the management team in reviewing our sustainability strategy against the emerging risks and the opportunities in a rapidly-changing economic landscape. Our sustainability strategy focuses on four key areas: Economic, Environment, Social, and Governance (or "**EESG**").

GOVERNANCE STRUCTURE AND EESG ACCOUNTABILITY

At the macro level, sustainability is governed across various levels in the organisation – from the Board and Management to the business units and supporting departments, enabling innovation, digital citizenship, equal opportunities for personal and career development, continuous learning, community involvement, safety and health considerations in our corporate processes.

For effective implementation, the Board has assigned the responsibilities of monitoring and overseeing the company's sustainability efforts to the Sustainability Steering Committee ("**SSC**"). The SSC consists of the senior management team and heads of subsidiary business units (or "**SBU**") and supporting departments. The head of every business unit and supporting department monitors the overall sustainability performance and provides updates to the Board and C-suite executives on matters relating to sustainability risk and any business malpractices. The Chairman of the SSC who is also the Group's CEO, and together with the Deputy CEO, updates the Board on the sustainability performance of the Group and key material issues identified by stakeholders and the planned follow-up measures.

We implemented a number of practices that are designed to support environmental stewardship through sustainability. We seek to address environmental considerations through our EESG programs including working selectively with manufacturers/suppliers who actively uphold accountability related to deforestation, waste management, energy use, recycling and conservation of resources.

Internally, we have also strategically aligned our environmental responsibility by promoting recycling of waste prints, while consciously minimizing on the need to print. We substituted most of our marketing literatures, coffee table book and product brochures with electronic version, including transiting from printed annual reports to e-report.

We also promote a paperless alternative to Source Books through the presentation of our product assortment digitally, using iPads, mobile devices and eCommerce site to showcase our products to our customers in place of printed catalogues. This aligns perfectly with our progressive goal of driving greater customer engagement online while showcasing our increasing product assortment in our e-shop with real time updates on availability and delivery timeline.

SUSTAINABILITY **REPORT**

This report covers and addresses the EESG factors material to the Group. Based on a materiality assessment undertaken for the Group's business, EESG factors are identified, internally assessed/validated and approved by the Board. This report is prepared in compliance with the requirements of Rules 711A and 711B of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited, and conforms to the Global Reporting Initiative (GRI) Standards 2016 for performance disclosures.

The Board is supported by the SSC and has approved this report that covers the material aspects and their performance indicators.

OUR REPORT

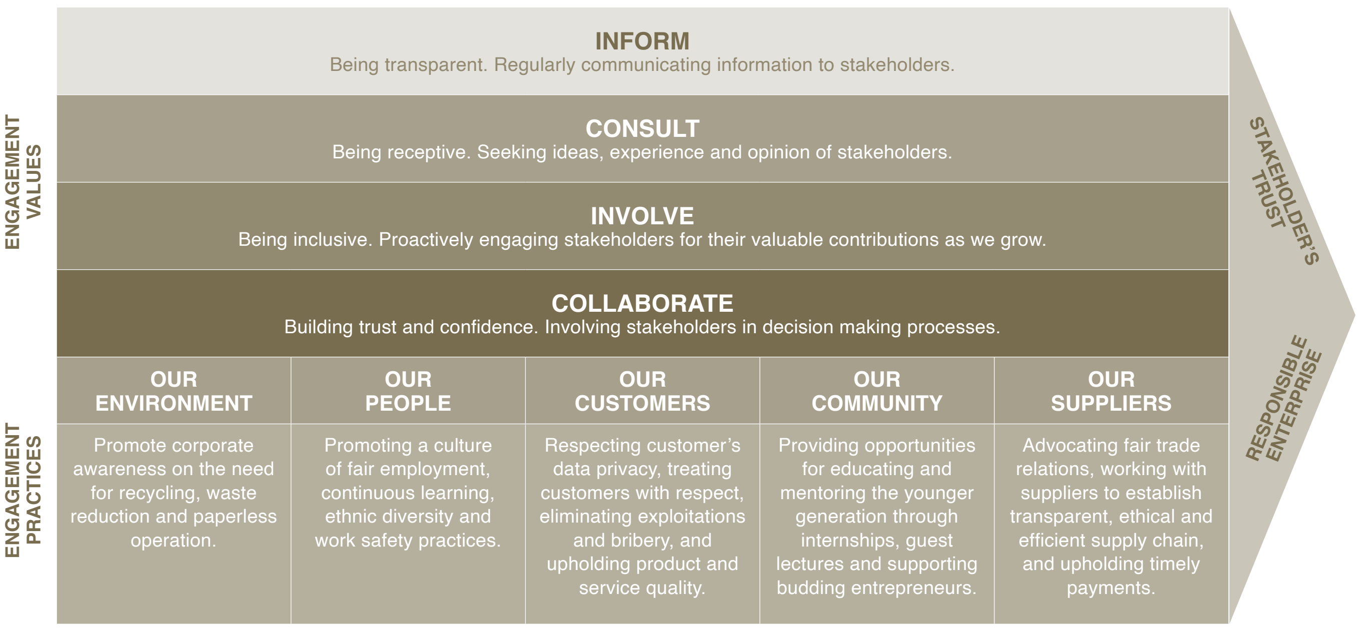
SUSTAINABILITY AT THE CORE

P5 Capital Holdings Ltd. is pleased to present its fourth sustainability report and this report will be published on an annual basis along with the Group's Annual Report.

As we navigate these difficult times, P5 continues to ensure that our efforts result in a positive impact for our stakeholders. We continued to deliver timely financial reports from our operations, upholding our commitment to sustainability and nurturing the resilience of our people and business. As traditional retail continues to face uncertainties in the prolonged pandemic situation, we continue to focus on accelerating our pace of transformation from a traditional retail-focused business to a more forward looking, technology-centric company vested in eCommerce and clean energy for the future, further diversifying with more investments into new economy assets.

We rationalised our existing businesses, increased our digitalisation efforts and upskilled our staff to ensure they remain relevant.

As we transform and evolve, we also consider the needs of our key stakeholder groups such as our customers, investors/shareholders, employees and suppliers, and work with key values that guides us to develop our stakeholder engagement practices in building a trusted and responsible enterprise. In this regard, the below diagram summarises our approach to stakeholder engagement:



SUSTAINABILITY **REPORT**

Our commitment to creating long term sustainable value for our stakeholders must always remain market-relevant amidst changing times. We value, evaluate and act upon feedbacks received over the course of engagement with our stakeholders, which further strengthened the relevance of our reporting and approach to managing the material issues identified by the Group.

To ensure continuous improvement, we advocate initiatives towards proactive relationship-building with our stakeholders in our Board and Management meetings, and maintaining an effective multi-lateral communication channel that serves to manifest our stakeholder Engagement Values. The table below sets out the key stakeholders identified, engagement platforms and the respective stakeholder expectations:

KEY STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY	STAKEHOLDER EXPECTATION
Shareholders & Investors	• Annual general meetings • Quarterly and Semi-annual financial report • Corporate announcements on SGXNET	• Annually • Quarterly/semi-annually • Ad-hoc basis	• Financial performance • Shareholder value • Sustainability reporting • Business updates • COVID-19 responses
Employees	• Weekly sales/operations meetings • Monthly planning and sales brainstorming • Semi-annual companywide townhall meetings • Internal communication chat groups for timely matters reporting	• Regularly, and/or spontaneously for timely contingency response.	• Semi-annual Performance appraisal • Employee career development reviews • Remuneration, incentives and training policies • Work and health safety measures • Flexi-Work Arrangements (FWA)
Customers	• Spontaneous feedbacks at retail outlets and online chats • 24/7 mobile hotline for services, enquiries and feedbacks • Monthly EDMs and newsletters	Regularly	• Product and service quality • Delightful customer experience driven by customer-obsession • Invitation to quarterly industry events and product launches
Suppliers	• Meetings and discussion on pricing, supply chain, and marketing initiatives • Joint exploration and collaboration to build new markets	Regularly	• Compliance with terms and conditions of purchasing policies and procedure • Maintain ethical standards on product quality and customer support
Government and Regulators	• Regular Reporting according to reporting timelines • Review of contractual agreements • Alignment with government initiatives on job support and/or job redesign to minimise redundancies	• Annually • Quarterly/semi-annually • Ad-hoc basis	• Compliance with regulations (e.g. COVID-19 related regulations, Personal Data Protection Act) and reporting timelines • Digitalisation to achieve accuracy, integrity, timeliness and precision of records, internal risk management, audit and reporting
Community	• Internship opportunities • Education (e.g. lectures) • Support for budding entrepreneurs	Regularly	• Employment opportunities • Sponsorship and/or traineeship programs for fresh graduates • Networking events that foster both business and community support

SUSTAINABILITY **REPORT**

Furthermore, we also created assessment parameters that comprise the 4 core areas of Economic, Environment, Social and Governance (or EESG) to provide clarity of our material relevance. The following is a summary of the targets we achieved in FY2020-FY2021 and our goals and targets for FY2021-22:

MATERIAL FACTORS	REFERENCE	ACHIEVED IN FY2020-21	GOALS AND TARGETS FOR FY2021-22
Economic*	Marketplace and Customers	• Expanded portfolio to include provision of clean energy solutions to bolster future revenues and growth. Acquired shares in Gashubunited Utility Pte Ltd to build new revenue streams in utilities model. (Please refer to Company's announcement on 15 December 2020 for more details) • Near completion of Company-wide digitalization initiatives for resource optimization, process automation and real-time performance visibility • Centralized our warehouse-logistics operation in a single location under one roof, achieving improved operational efficiency • Secured exclusive dealership for another major European brand called House of JAB Anstoetz and added new showroom at Scotts Road. • Achieved first breakthrough in securing the contract to supply Molteni & C wardrobes and kitchen systems to a prestigious upmarket residential development in collaboration with our principle Molteni & C which will pave the way for engaging more development projects.	• Commence operation and commercialization of liquefied natural gas ("LNG") bottling plant in Jurong Island, and supply of LNG to downstream customers/users in Singapore by 4Q2021 • Establish a LNG utilities business model with sustainable and recurring revenue with nett positive cashflow by 1H2022 • Invest and accelerate our eCommerce activities to gain more market traction and online revenues for our lifestyle products (furniture-lighting-accessories) to • Achieve its initial milestone of \$0.5m - \$0.7m in online sales. • Increase sales of our private-label furniture-and-lighting products through B2B channel. • Increase sales revenues from new services including BeSpoke customised carpentry and interior design-and-build projects
Environment	• Energy • Recycling	• Selling lights and equipment that have lower energy consumption • Maintain air-conditioning within office and showrooms at a range of 24°C to 25°C • Implemented company-wide Microsoft Sharepoint to reduce paper usage • Recycle printed papers	• Continue to build on 'green' corporate culture to reduce environmental footprint

SUSTAINABILITY **REPORT**

MATERIAL FACTORS	REFERENCE	ACHIEVED IN FY2020-21	GOALS AND TARGETS FOR FY2021-22
Social	• Diversity and equal opportunity • Safety, Health and our community	• Zero incidences of work related injuries • Zero incidences of fines or penalties imposed resulting from breaches in safety standards and/or regulations. • Zero reported issue of gender, nationality or age discrimination • Increased awareness for skills upgrading and number of employees enrolled for various courses. • Progressive knowledge transfer and up-skilling of employees with digital solutions throughout our corporate digitalisation process	• Maintain zero penalty or fines on breaches and non- compliance according to the safety standards and work related injuries. • Maintain zero reported issue of gender, nationality or age discrimination and promote a culture of unity. • Inculcate a corporate culture of incremental improvement and consistent innovation • Promote internal peer-to-peer learning sessions on effective management, product knowledge, digital marketing and selling techniques.
Governance	• Ethics and Integrity • Upholding Good Governance	• Adopted a Code of Conduct and provided access to the guidelines • Zero incidences of non-compliance with relevant laws and regulations	• Maintain zero incidences of non-compliance with relevant laws and regulations. • Create a good system of internal risk management processes that is system-driven to eradicate any poor governance arising from human error or mis-steps.

* *Refer to the Financial Statements section*

ECONOMIC

As a company operating in both the lifestyle and clean sustainable energy business, we need to develop a clear focus on driving customer obsession and product superiority for a more sustainable growth, especially in this increasingly digitalised and disruptive era. The following sections documents our concerted effort in building our competitive advantage:

MARKETPLACE AND CUSTOMERS

For FY2021-22, we continue to invest into the clean energy segment comprising bio-diesel and liquefied natural gas that is expected to contribute positively to our revenue stream in the near future and provide long term value to our shareholders.

We are also nearing the completion of our Company-wide digitalisation initiatives which we envisage to go live by early October 2021. This will integrate with our cloud-based human-resource management system ("HRMS") and logistics-and-fleet management system ("LFMS") to connect our front and back end operations more seamlessly with less human intervention and reduced propensity for error.

In the process of expanding our market share in the markets we operate in, we increased the brands-under-retail from 27 to 57 comprising furniture, lighting and accessories to drive greater customer traction by capitalising on our increasing product offering and superiority.

SUSTAINABILITY **REPORT**

The Company also launched “PlayGround” in the first quarter of FY2020 as our own inhouse private-label to complement our forward strategy in moving upstream from pure retail into channel distribution and regionalisation. In addition, we have gone live with our eCommerce portal and substantially increased our online Stock Keeping Unit (“SKU”) to 1500 with nett addition of 40-60 new SKUs fortnightly. Our collective goal for eCommerce is to be the “Amazon for Design” where both business-to-business (“B2B”) and business-to-consumer (“B2C”) customers can conveniently and confidently procure most of their interior furniture-lighting-accessories from our online store for all their interior projects.

We have also centralised our marketing support and warehouse facilities across all subsidiary business units to achieve long-term cost efficiency and better manpower-and-resource utilisation.

OUR COVID-19 RESPONSE

Capitalize on market changes and opportunities to accelerate growth by assimilating both talents and technology, while ensuring the safety and health aspects of our employees and the community-at-large.

SAFETY, HEALTH AND OUR COMMUNITY

The Company continues to place emphasis on its ability to operate safely in the midst of the on-going COVID-19 pandemic, as well as re-examine our business strategy against our operating environment. Our overriding objective is to achieve and maintain zero COVID-19 contagion to the best of our ability within a safety-first work environment.

At the onset of Phase 1 lockdown since April 2020, we rallied all C-suite and D-suite executives to put in place business continuity plans (BCP) and appoint workplace safety officers to ensure that standard operating procedures and guidelines are in place to address potential threats arising from the spread of COVID-19. All employees are expected to comply with regulatory guidelines relating to work-from-home arrangements as new domestic measures and policies arise. For those employees performing essential duties in the office and/or showroom, we have also purchased and made available disposal face masks, hand sanitisers and electronic thermometers for their use, as well as for customers visiting our showrooms. In addition, we also conduct daily cleaning of our premises every morning to ensure the safety and health of our employees and customers remains a priority. In March 2021, we also installed temperature taking devices with time stamp and facial recognition feature for enhanced monitoring and control of all staff and visitors coming into the showroom and office. This is similarly adopted at our warehouse.

Fortnightly, we also conduct reviews of our business operations when implementing safe distancing measures and work arrangements, to ensure that everyone adheres to health and safety requirements as mandated by the Singapore Government. This is necessary to ensure that adequate and essential health-safety measures remain relevant even as external scenarios change from time to time.

For FY2020-21, there were no incidences of any work related injuries, nor fines or penalties that were imposed on the Group resulting from breaches in safety standards and/or regulations. Our target for the following year is to continue to place emphasis on maintaining a safe and healthy workplace while leveraging on the use of technology to carry out such preventive and control measures effectively.

SUSTAINING OUR BUSINESS

We continue to make progressive improvements to our weekly sales-and-operations meeting across all subsidiary business units and supporting departments led by C-suite executives since April 2020 to facilitate time-critical responses for immediate and decisive measures to meet market changes and act on emerging opportunities. These measures have been effective in enabling the Company to adapt quickly in managing external changes, to stabilise our operations and to instil growth. The meetings are typically focused on the 3 core pursuits of Capitalisation, Consolidation and Digitalisation, which guides our decisions on the exploration of new growth avenues, prudence on cashflow management, operational efficiency, manpower-and-resource optimisation, as well as internal risk-control with increased performance visibility through digitalisation.

While the overall retail market condition remains uncertain, we took a more visionary move to capitalise on the opportunity by hiring new talents at subsidised employment cost, leveraging on the various government assisted programs that supports job creation as well as technology adoption. This is expected to enhance our capabilities and drive better performance in the mid-to-long term as the company moves ahead with its business transformation initiatives and in adopting more ‘tech-centric’ operations.

SUSTAINABILITY **REPORT**

ENVIRONMENT

At P5, we believe environmental protection is a necessity for achieving sustainable development. We are committed to continue protecting the environment and natural resources for the present and future generations.

ENERGY

P5 strives to use energy efficiently to combat climate change and reduce our overall environmental footprint, which in turn helps us to reduce operational costs as well.

The Group has replaced all its lightings with energy-efficient light-emitting diode ("LED") lights in its offices, showrooms, and motion-sensor lights at the stair wells since FY2017-18. We have also made plans to integrate motion sensors on all existing toilets and general areas LED lighting to better our energy efficiency from June 2021. As part of this eco-initiative, we are also promoting a 'green' corporate culture by promoting and selling lights and equipment that have a lower energy consumption. Additionally, air-conditioning within our office is maintained at a temperature range of 24°C to 25°C and all employees adopt a conscious effort to turn off lights and air-conditioners when not required.

RECYCLING

On minimising paper usage, P5 has been taking conscious steps to promote a "go electronic" culture. To cut down on printing, we embrace solutions that allows common access to information, documents and catalogues by implementing Microsoft Sharepoint company-wide to centralise information-sharing in digitalized format. Additionally, we recycle printed papers that has no commercially sensitive information and are otherwise meant to go into the waste bin. Progressively as a Company, we continue to make innovative changes that gradually propels us forward as an environmentally responsible company while being more operationally efficient at the same time.

SOCIAL

P5 believes in equality at the workplace. Equality of opportunity is about treating people fairly and without bias and creating conditions in the workplace and the wider society that value diversity and promote dignity. In our policies for fair employment as well as in practice, we have been committed to providing decent and meaningful work across the organisation by:

- Always ensuring that workplaces are safe and contribute to the healthy development of people.
- Always ensuring that the insurance policies we put in place for the benefit of our people meet the fundamental requirements and is adequate based on the current health care and/or medical cost in Singapore.
- Ensuring access to training and courses that contributes to skills development and increased competency, enabling people to grow and reach their full potential, and encouraging them to embark on life-long learning.
- Providing regular employee reviews at business unit or department level to understand employee's changing aspirations or challenges faced in their course of work.
- Making gender equality a reality with appraisals for promotions focused on capability and individual's aspiration.
- Ensuring transparency, having all employment related policies or new directives published in our HRMS that is easily assessable by all employees.
- Striving to be a preferred-employer by planning and putting into practice Flexi-Work Arrangement (FWA) that is aligned with Singapore's national policy to promote good work-life balance.
- Actively encouraging intrapreneurship and visionary leadership across all levels of the company, advocating fair and equal opportunities for all.

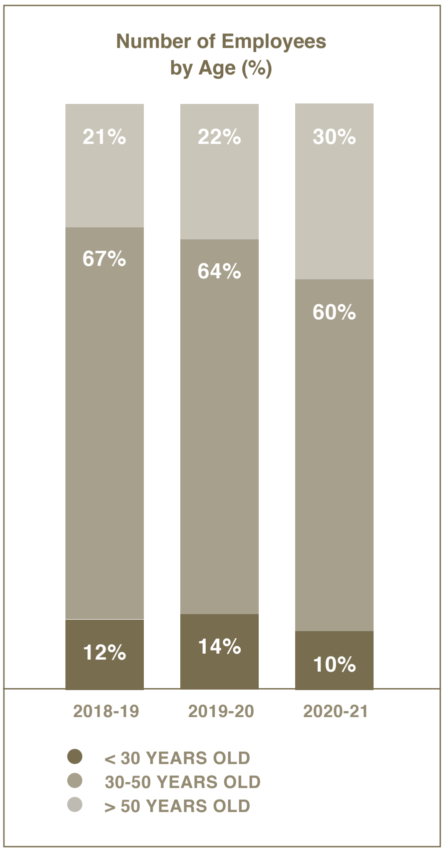
SUSTAINABILITY **REPORT**

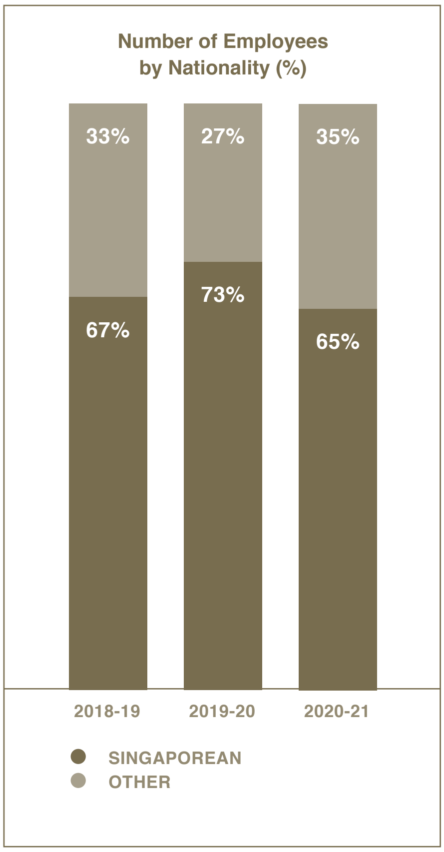
DIVERSITY AND EQUAL OPPORTUNITY

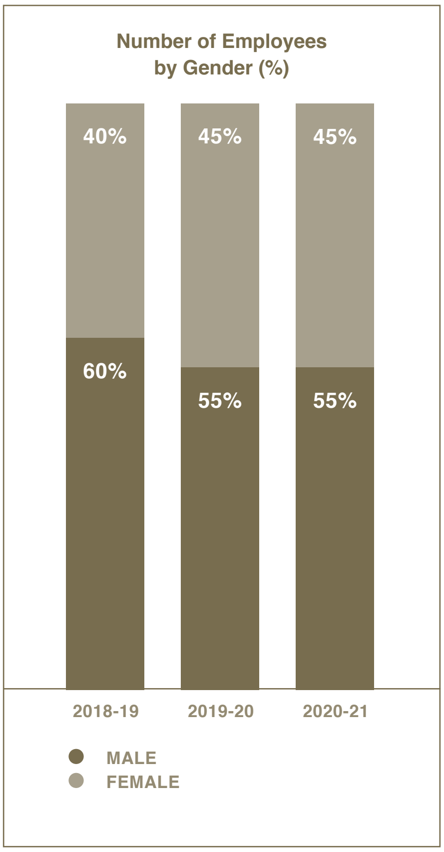
At P5, we believe a diverse workforce is critical to our overall business success. As a responsible company, the Group strives to implement hiring practices in a fair and consistent manner, being mindful to plan and provide career progression opportunities to its employees.

The Group's human resource management practices are based on the key principles defined by the Tripartite Guidelines on Fair Employment Practices and Fair Consideration Framework, and also actively supports pro-family policies and policies related to parental / childcare leave recommended by the Ministry of Manpower. The Group's recruitment process and promotion system are based on meritocracy. We consider candidates for promotion based on attitude and aptitude, and not their nationality, race nor age.

For FY2020-21, the Group completed 100% of its employee annual performance review and made suitable adjustments that promotes recognition of employees' contributions, and their career progression. In the same period, there were no reported incidences of any unfair treatment or complaints from employees based on their gender, age or nationality. We endeavour to maintain this target for the next reporting year. The diagrams below shows the distribution of employees segregated according to their age, gender and nationality from the past three financial years:







Going forward, our target is to ensure that all our employees continue to have access to equal opportunities for career development, progression and success, and that all management decisions related to recruitment and promotion continues to be premised on merits, capability and performance. By inculcating a culture of incremental improvement in tandem with the direction and needs of the business, we seek to promote internal peer-to-peer learning sessions to better equip our employees on product knowledge, digital marketing, and sale techniques.

SUSTAINABILITY **REPORT**

GOVERNANCE

P5's Board recognises that effective management of social and environmental risks can improve the Company's business performance. This realisation has surfaced the need for the Board to accord greater focus over how the company is managing its social and environmental performance.

ETHICS AND INTEGRITY

The Group adopts a zero tolerance stance against corruption and malpractice. P5 does not tolerate any impropriety, statutory non-compliance or wrongdoing by employees in their work. The Code of Conduct strictly prohibits any acts by employees to use their position to obtain advantages for themselves or for related parties.

The Group is strongly committed to a high legal and moral standard in all of our business activities. We have formally adopted a Code of Conduct in July 2020 that is signed by all employees, emphasizing high standards of professionalism and ethics at work. A complete set of the Code of Conduct guideline is also made accessible to all employees in our cloud-based HRMS. All newly hired employees are also required to read, understand and sign on the Code of Conduct document on the first day of their onboarding.

The Audit Committee has also developed and approved whistleblowing procedures to put in place official and proper protocol for complaints and allegations against malpractices. Employees of the Group and any other persons may, in confidence, raise concerns about possible improper financial reporting or other matters to Chairman of Audit Committee via written email. The objective for such arrangement is to ensure independent investigations of such matters and for timely and appropriate follow-up actions. The Company did not receive any whistle-blowing reports throughout FY2020-21.

For public and outward communications catered towards external stakeholders, all marketing collaterals and distribution channels are reviewed and approved by the respective general managers of the business units for accuracy and to ensure compliance with the Singapore Code of Advertising Practice and the Personal Data Protection Act ("PDPA"). Communication outreach materials are reviewed regularly and prior consent is obtained from our customers for the usage of any data or information which are deemed personal. Contractual agreements are reviewed by external legal advisers to ensure that the terms and conditions are not detrimental to the company, and adhere to the relevant laws and regulations of Singapore.

UPHOLDING GOOD GOVERNANCE

In FY2020-21, there were no incidents of non-compliance with relevant laws and regulations in the social and economic area, including marketing laws and regulations as well as all mandatory and/or regulatory COVID-19 requirements issued by the government of Singapore. The Board and Management of P5 will continue to uphold good governance across all aspects of its operation as it evolves new policies and guidelines from time to time in response to changing business landscapes and external socio-economic environment.

Please send all comments and feedback to: info@P5.com.sg

CORPORATE GOVERNANCE AND FINANCIAL CONTENTS

CORPORATE **GOVERNANCE**

The Board of Directors (the "**Board**") of P5 Capital Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") is committed and dedicated to maintaining high standards of corporate governance within the Company and the Group, with a view to ensure transparency, accountability and sustainability while safeguarding the interests of its shareholders.

This report ("**CG Report**") describes the Company's corporate governance practices for the financial year ended 31 March 2021 ("**FY2021**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") issued on 6 August 2018, and the accompanying practice guidance that was issued in August 2018, which formed part of the continuing obligations of the Listing Manual – Section B: Rules of the Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The Company confirms that it has adhered to the principles and provisions as set out in the Code and Catalist Rules, where applicable for FY2021. Explanations in the respective relevant sections have been provided below on how the practices it had adopted are consistent with the intent of the relative principle insofar as there are any deviations from the Code and/or the Catalist Rules.

BOARD MATTERS

The Board's Conduct of Affairs

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

The Board comprises:

Name of Current Directors	
Lau Ping Sum Pearce	(Non Executive Chairman and Independent Director)
Lim Shao-Lin	(Chief Executive Officer and Executive Director)
Koh Beng Leong	(Executive Director - Finance)
Leow Sau Wan	(Executive Director)
Chia Soon Hin William	(Independent Director)
Lim Kok Chai (Lin Guocai)	(Independent Director)
Name of Former Directors	
Roger Daeson Khoo Kim Peng[(1)]	(Executive Director)
Tan Siew San[(2)]	(Independent Director)
Tan Mun Choy Kenneth Bertram[(3)]	(Independent Director)

Notes:

(1) Mr Roger Khoo Kim Peng has ceased to be Executive Director of the Company on 31 March 2021.

(2) Ms Tan Siew San retired as Independent Director of the Company at the conclusion of the Company's AGM held on 29 September 2020.

(3) Mr Tan Mun Choy Kenneth Bertram retired as Independent Director of the Company at the conclusion of the Company's AGM held on 29 September 2020.

Provision 1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board is responsible for the overall management of the business affairs of the Group and sets the overall strategy and policies to achieve its objectives, protect and enhance shareholders' long-term value. The Board acts objectively in the best interests of the Company and ensures proper accountability within the Company. Management is accountable to the Board for the performance of the Group whilst the Board is accountable to shareholders.

In addition to discharging their fiduciary responsibilities and statutory duties, the primary functions of the Board include to:

(a) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

CORPORATE **GOVERNANCE**

(c) review management performance;

(d) identify the key stakeholder groups and recognize that their perceptions affect the Company's reputation;

(e) set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) consider sustainability issues eg. environmental and social factors, as part of its strategic formulation.

The Company has in place practices to address potential conflicts of interest. All Directors are required to notify the Company promptly of all conflicts of interests and declare any conflict of interests both annually and as soon as they are aware of the circumstances giving rise to such conflict. In matters where the relevant Director has a conflict of interest in, he/she is required to recuse himself/herself and abstain from all deliberations and voting on such matters.

Provision 1.2 Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

All Directors are regularly briefed on the Group's business development and financial operations of the Group's operations. The Board conducts regular scheduled meetings at least four (4) times every year, and on an ad-hoc basis as and when circumstances require.

Where necessary and from time to time, the Directors are provided with updates by the Sponsor and Company Secretary respectively relating to changes in the Catalist Rules, the Code, the Companies Act (Chapter 50) of Singapore (the "**Companies Act**"), etc. and changing commercial risks to enable them to make informed decisions in carrying out their expected roles and responsibilities. Directors are also updated on developments in corporate, financial, legal and other compliance requirements.

For newly appointed Directors, they will receive the relevant orientation and induction with details on the background information of the Group, an overview of the Group's operations, structure, corporate strategies, corporate governance practices and policies. As prescribed by the Catalist Rules, newly appointed Directors with no prior experience as directors of companies listed on the SGX-ST are required to attend training programmes conducted by Singapore Institute of Directors ("**SID**"), which will be funded and arranged by the Company so to equip them with the skills and knowledge to discharge their statutory and fiduciary duties.

Ms Leow Sau Wan, who was appointed as Executive Director on 18 June 2021 had no prior experience as director of a listed company on the SGX-ST will be attending the relevant training modules conducted by SID under the Mandatory Training (as defined in Practice Note 4D of the Catalist Rules).

In order to contribute to the Board and serve effectively, the Board recognises the importance of ongoing trainings as part of their continual professional development during the term of their appointment. Such trainings may relate to a particular subject area, committee membership, key developments in the Company's operating environment or specific trainings that are provided by accredited training providers such as the Singapore Institute of Directors.

Provision 1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Board's approval is also required to be sought on matters that are set out in the terms of reference, which lists the powers and authority of the Board. Such matters include the entry or abortion of major funding proposals such as investment/divestment decisions or corporate or financial restructuring decisions relating its subsidiaries and associates, material financing or borrowing not in the ordinary course of business, interested person transactions, material acquisitions and disposals of assets, share issuances and dividend payments to shareholders and transactions of a material nature that requires announcement under the Catalist Rules.

Other matters reserved for the Board's decision includes considering and approving appointments and re-appointments to the Board, determining the remuneration (including annual increment or bonus) of and reviewing the terms and conditions of the service agreement of directors and/or Chief Executive Officer ("**CEO**"), key management and employee related to substantial shareholders.

CORPORATE **GOVERNANCE**

The Board has in place financial authorisation limits, for the operations and capital budgets. Financial and operational matters that require the Board's decision include the approval of annual budgets, adopting of the audited financial statements and the respective periodic reporting (both full year and half year) of the Group's results. Additional matters reserved for the Board decisions also includes any proposed amendments to the Company's Constitution, interested person transactions, acquisitions and disposals of assets and any changes to the Group's capital structure.

To facilitate the Board's decision-making process, the Company's Constitution provides for directors to participate in Board meetings by conference telephone and similar communications equipment, and for Board resolutions to be passed in writing, including by electronic means.

Provision 1.4 ***Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.***

The Board delegates the implementation of the business strategies and day-to-day operations to the Executive Directors of the Company.

To assist in the discharge of the Board's function and execution of its responsibilities, the Board is supported by committees established by the Board, namely a Nominating Committee ("**NC**"), a Remuneration Committee ("**RC**") and an Audit Committee ("**AC**"). Each committee is chaired by Independent Directors with its own respective composition, written terms of reference and operating procedures which are approved by the Board and reviewed periodically to ensure its continued relevance. The delegation of authority by the Board to committees empowers these committees to decide on matters within the scope of their duties and responsibilities, as well as enable the Board to achieve operational efficiencies as these committees serve as a check and balance to provide independent oversight of management. All recommendations of the respective committees are subsequently reviewed and approved by the Board.

Provision 1.5 ***Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.***

The number of Board meetings (including Board committee meetings as well as shareholders' general meetings) held and the record of attendance of each Director of the Company from the financial year beginning from 1 April 2020 to 31 March 2021 is set out below:-

		Board Committees				Extraordinary
		Audit	Nominating	Remuneration	AGM	General
Meetings	**Board**	**Committee**	**Committee**	**Committee**	**for FY2020**	**Meeting**
Total no. of meetings	4	3	1	1	1	1
No of meetings attended						
Name of Current Directors						
Lau Ping Sum Pearce	4	3	1	1	1	1
Lim Shao-Lin	4	N/A	N/A	N/A	1	1
Koh Beng Leong	4	N/A	N/A	N/A	1	1
Leow Sau Wan [(a)]	-	N/A	N/A	N/A	-	-
Chia Soon Hin William [(b)]	-	-	-	-	-	-
Lim Kok Chai (Lin Guocai)	4	3	1	1	1	1
Name of Former Directors						
Roger Daeson Khoo Kim Peng [(c)]	4	N/A	N/A	N/A	1	1
Tan Siew San [(d)]	3	2	1	1	1	-
Tan Mun Choy Kenneth Bertram [(e)]	3	2	1	1	1	-

N/A: Not applicable as he or she is not a member of the respective Board Committees of the Company.

Notes:

(a) Ms Leow Sau Wan was appointed as an Executive Director of the Company on 18 June 2021.

(b) Mr Chia Soon Hin William was appointed as an Independent Director, Chairman of the Nominating Committee and Member of the Audit and Remuneration Committees of the Company on 15 December 2020.

(c) Mr Roger Daeson Khoo Kim Peng has ceased to be Executive Director of the Company on 31 March 2021.

(d) Ms Tan Siew San retired as an Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 29 September 2020. Upon her retirement, she ceased to be the Chairman of the Nominating Committee and Members of the Audit and Remuneration Committees of the Company.

(e) Mr Tan Mun Choy Kenneth Bertram retired as an Independent Director of the Company at the conclusion of the Company's Annual General Meeting held on 29 September 2020. Upon his retirement, he ceased to be Members of the Audit, Nominating and Remuneration Committees of the Company.

CORPORATE **GOVERNANCE**

Provision 1.6 ***Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.***

Prior to each Board meeting or as and when requested, the Directors are provided with complete, adequate and timely information to ensure that the Directors have sufficient time to review on the matters to be discussed so to facilitate meaningful and productive discussions. Such information includes draft financial results and financial related matters, auditors' reports (both internal and external auditors), operational and corporate issues for the Directors to deliberate on. Additional information, documents and materials are provided to the Directors as and when required to enable them to make informed decisions and discharge their duties and responsibilities.

Provision 1.7 ***Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.***

All Directors, either collectively or individually, have separate and independent access to the management team, external advisers (where necessary) and Company Secretary at all times. The Directors, either collectively or individually, may seek separate independent professional advice concerning any aspect of the Group's affairs or in respect of his fiduciary or other duties where necessary. The cost of seeking all professional advice is borne by the Company.

The Board also has separate and independent access to the Company Secretary. The Company Secretary attends to corporate secretariat administration matters of the Company and monitors and advises on corporate governance matters, and on compliance with the Constitution, Companies Act, and the Catalist Rules. The Company Secretary (or her representatives) attends all meetings of the Board (including Board committees) and facilitates the effective functioning of the Board (including Board committees according to their terms of reference and best practices. The directors have access to the professional corporate secretarial services firm and they can seek independent professional advice when required at the Company's expense. The appointment and the removal of the Company Secretary are subject to the Board's approval.

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 ***An "independent director" is one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.***

As of the date of publication of the CG Report, the Board comprises six Directors, of whom three are Executive Directors and three are Independent Directors. None of the directors had an alternate director.

The Board and NC will review the independence of Directors based on the guidelines defined in the Code and the Catalist Rules to ensure that the Board consists of professionals who, collectively, will provide a set of core competencies to achieve the Company's objectives. The NC conducts annual reviews and requires each Independent Director to submit their respective confirmations of independence provided in the Code.

Based on the respective confirmation of independence submitted by the Independent Directors of the Company and results of the NC's review, the NC is satisfied that the Independent Directors of the Company, namely, Mr Lau Ping Sum Pearce, Mr Chia Soon Hin William and Mr Lim Kok Chai (Lin Guocai) are independent in accordance with both the Code and the Catalist Rules, having considered that the Independent Directors:

(i) are not employed by the Company or any of its related corporations for the current or any of the past three financial years; or

(ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC.

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

CORPORATE **GOVERNANCE**

None of the Independent Directors has served on the Board for more than nine years as at 31 March 2021.

Provision 2.2 Independent directors make up a majority of the Board where the Chairman is not independent.

The Board currently comprises six (6) members, three (3) of whom are Executive Directors and the remaining three (3) are Independent Directors. The Chairman of the Board (the "**Chairman**"), Mr Lau Ping Sum Pearce is an Independent Director of the Company and not part of the Management team. The Chairman and the CEO are also not immediate family members as defined in the Catalist Rules. With an Independent Chairman of the Board, the Independent Directors formed at least one-third of the Board.

Provision 2.3 Non-executive directors make up a majority of the Board.

As at the date of this Annual Report, the Board consisted of six (6) members, three (3) of whom are Independent Directors of the Company (one of which is the Chairman of the Board). Notwithstanding that, the Non-Executive Directors do not make up majority of the Board, the Board is of the view that the Company complies with the intent of Principle 2 of the Code, having considered that, amongst others, (i) half of the Board comprises Independent Non-Executive Directors and (ii) the Board Committees are chaired by Independent Directors. As such, the NC is of the view that the Board is able to exercise independent judgement on corporate affairs and ensure that the decision making process are not dominated by one individual or groups of individuals. The NC and the Board will continue to asses its independence, Board composition and diversity to so ensure the decisions made are in the best interests of the Company and Shareholders.

Provision 2.4 The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the Company's annual report.

Although the Board and NC have not implemented a fixed diversity policy, the Board recognizes the importance to achieve an optimal balance and mix of skills, knowledge, experience, age and gender in its composition to avoid groupthink and foster constructive debate. The Board comprises business leaders and professionals with diverse backgrounds such as financial (including audit and accounting), engineering, banking and management backgrounds. The members of the Board with their combined business, management and professional experience, industry knowledge and expertise, provide an objective perspective for the Board to discharge their duties. For further information on the individual Directors' background information and qualifications, please refer to the "Board of Directors" section of the Annual Report on pages 7 to 8.

Taking into account the scope and nature of the operations of the Group, the Board is satisfied with the composition and size as at the date of this annual report, having considered that it complies with the Code's requirement and Catalist Rules, the Board is of the view that there is a strong and independent element and no individual or small group of individuals are able to dominate the Board's decision-making process for FY2021, since all Board committees, and the Chairman of the Company is an Independent Director and the Independent Directors make up more than one-third of the Board.

Mr Lau Ping Sum Pearce, Mr Chia Soon Hin William and Mr Lim Kok Chai (Lin Guocai) are Independent Directors of the Company for FY2021. Based on the assessment and review of the NC, the NC's view is that these Independent Directors are able to exercise independent and objective judgment and that there are no relationships or circumstances which will affect their judgment and ability to discharge their duties and responsibilities as independent directors. The NC therefore recommended to the Board that they can remain as Independent Directors of the Company. The Board also concurred with the NC's review and findings.

Each Independent Director exercises his/her own judgment independently and none of the Independent Directors have any relationship with the Company, its subsidiaries, its related corporations, its substantial shareholders or its officers that could interfere, or reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view on the best interests of the Company. The Independent Directors also do not receive any remuneration, significant payments or material services payments from the Company and its subsidiaries apart from the Directors' fees which are subject to shareholders' approval in annual general meeting. In addition, none of the Independent Directors or their immediate family members are or were substantial shareholders of the Company as defined in the Code and the Catalist Rules.

CORPORATE **GOVERNANCE**

None of the Independent Director has been appointed as director to the Company's principal subsidiaries. None of the Independent Director has been employed by the Company or any of its related corporations for the current or any of the past three financial years. None of the Independent Director has an immediate family who is employed or has been employed by the Company or any of its related corporations for the past three financial years, and whose remuneration is determined by the RC of the Company.

Provision 2.5 ***Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.***

The Independent Directors provide, amongst other things, strategic guidance to the Group based on their professional knowledge, in particular, assisting to constructively challenge and develop proposals on strategies.

The Independent Directors meet among themselves at any time without the presence of management. The Chairman of such meetings will provide feedback to the Board and/or CEO as appropriate.

During FY2021, the Group's Independent Directors held periodic meetings without the presence of Management.

Chairman and Chief Executive Officer

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

Provision 3.1 ***The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.***

There is clear division of responsibilities and increased accountability when the roles and responsibilities between Chairman and CEO are separated. The Chairman of the Board and the CEO should, in principle, be separate persons to ensure an appropriate balance and greater capacity for the Board for independent decision-making.

The Chairman of the Board, Mr Lau Ping Sum Pearce is responsible for ensuring that Board meetings are held when necessary, facilitating the effective contribution of all Board members, lead the Board to ensure its effectiveness on all aspects of its role, scheduling and preparing agendas and exercising control over the information flow between the Board and management team.

The CEO, Mr Lim Shao-Lin is responsible for the Group's business strategy and direction including all executive decision-makings, the operational running of the Company based on the powers delegated by the Board, ensure effective communications with shareholders and encourage constructive relations within the Board and between the Board and Management.

Provision 3.2 ***The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.***

All major proposals and decisions made by the Chairman and CEO are discussed and reviewed by the Board, supported by the relevant Board committees. For FY2021, the Board is of the view that there are adequate safeguards in place and the strong independent elements to ensure that the decision-making process of the Board is objective and not hindered.

CORPORATE **GOVERNANCE**

Provision 3.3 ***The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.***

Whilst there is no Lead Independent Director in the Company for FY2021, the Board is of the view that there is no need to appoint a Lead Independent Director, having taken into account that Mr Lau Ping Sum Pearce is an Independent Director and the Chairman of the Board and there exists sufficient and strong independent element in the Board which enables the exercise of judgement regarding the corporate affairs of the Group as of the date of this CG Report.

Board Membership and Board Performance

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

Provision 4.1 ***The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:***

(a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) the review of training and professional development programmes for the Board and its directors; and

(d) the appointment and re-appointment of directors (including alternate directors, if any.)

The NC is established and governed by its terms of reference which are approved by the Board. The NC will select, review and propose/ recommend the appointment and re-appointments of Directors to the Board and where applicable, to the relevant Board committees. Pursuant to its written terms of reference, the NC shall:-

(a) regularly review the structure, size and composition of the Board and make recommendations to the Board with regards to any adjustments that are deemed necessary;

(b) annually review whether or not a Director is independent, in accordance to Provision 2.1 of the Code and the Catalist Rules and other salient factors;

(c) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;

(d) review and recommend to the Board for re-election of the Directors due for renewal by rotation;

(e) review and decide whether or not a Director is able to and has been adequately carrying out his / her duties as Director of the Company;

(f) decide how the Board's performance may be evaluated and propose objective performance criteria;

(g) decide on the performance evaluation process;

(h) assess the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board; and

(i) make recommendations for succession planning, in particular, of the Chairman and the Chief Executive Officer.

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Provision 4.2 ***The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.***

The NC currently comprises the following members, all of whom are Independent Directors:

Lau Ping Sum Pearce*	Chairman
Chia Soon Hin William#	Member
Lim Kok Chai (Lin Guocai)	Member

* Mr Lau Ping Sum Pearce was appointed as Chairman of the NC of the Company on 1 May 2021.

\# Mr Chia Soon Hin William ceased to be Chairman of the NC of the Company on 1 May 2021.

Provision 4.3 ***The Company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the Company's annual report.***

Provision 4.4 ***The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the Company discloses the relationships and its reasons in its annual report.***

In assessing the suitability of a candidate to be appointed or to be re-elected to the Board, the NC will consider if he is able to make the appropriate contributions to the Board and the Group. The key factors, including and not limited to, which the NC will take into consideration are:

(i) qualifications, industry knowledge and functional expertise which are relevant and beneficial to the nature and scope of operations of the Group;

(ii) extensive experience and business contacts in the industry in which the Group operates;

(iii) where applicable, the other directorships and principal commitments of each director, and whether such directorships and principal commitments will affect the Director's ability to set aside sufficient time and attention to prioritize the Company's affairs over his/her personal commitments; and

(iv) in cases of re-appointments and re-nomination, some factors that are relied on include the attendance at Board meetings and participation during Board discussions, strength and shortcomings of the Company and how the existing strategies, budgets and business plans are compatible with the Group's objectives, performance in relation to specific tasks assigned, etc.

When a vacancy arises and/or any changes to the Board composition under any circumstances arise or where it is considered that the Board and the Company would benefit from the services of a new director with some particular skills, the NC would review and nominate the most suitable candidate to the Board subject to the NC's satisfactory assessment.

The Board will consider each candidate's ability to value add to the Group's business and objectives. The Board then selects the candidates that possess the appropriate qualifications and experience. Directors appointed by the Board during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM.

In accordance with the Company's Constitution, at least one-third of the Board, or if the number is not a multiple of three, the number nearest to one third but not greater than one-third is required to retire from office at each annual general meeting and by rotation. Pursuant to Catalist Rule 720(4), all Directors, including Executive Directors, must submit themselves for re-nomination and re-appointment at least once every three (3) years.

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The NC has recommended to the Board for Mr Koh Beng Leong, Mr Chia Soon Hin William and Ms Leow Sau Wan, to retire pursuant to Regulations 106 and 110 of the Company's Constitution for approval by the Shareholders at the forthcoming AGM of the Company (collectively, the "**Retiring Directors**").

The Retiring Directors have expressed their willingness to be re-elected as Directors of the Company.

Each of the members of the NC have abstained from voting on any resolutions in respect of the assessment of their own performance for re-appointment as Directors. The table below summarizes the dates of initial appointment and last re-election of each Director as of the date of this Annual Report:

Name of Director	Position	Date of initial appointment	Date of last re-election
Lau Ping Sum Pearce	Non Executive Chairman and Independent Director	11 November 2019	29 September 2020
Lim Shao-Lin	Chief Executive Officer & Executive Director	29 July 2019	29 September 2020
Koh Beng Leong	Independent Director / Executive Director / Executive Director - Finance	12 August 2005 / 11 November 2019 / 9 July 2020	29 September 2020
Leow Sau Wan	Executive Director	18 June 2021	-
Chia Soon Hin William	Independent Director	15 December 2020	-
Lim Kok Chai (Lin Guocai)	Independent Director	20 September 2019	29 September 2020

Note: Please refer to the section entitled "Additional Information on Directors Nominated for Re-election - Appendix 7F to the Catalist Rules" on pages 47 to 54 of this Annual Report for more information on the Retiring Directors.

Provision 4.5 ***The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the Company. The Company discloses in its annual report the listed Company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.***

The Directors declare their board representations as and when there are changes. Annually, each Director declares that he has devoted sufficient time and attention to the affairs of the Company. There are no alternative Directors on the Board. Based on the knowledge of the directorships held by the Directors and their respective declarations, the NC is satisfied that all Directors are able to carry out their duties as directors of the Company. Currently the NC does not determine the maximum number of listed company board representations which a Director may hold as the NC is of the view that each Director would be able to manage and assess his own capacity and ability to undertake other obligations or commitments when serving on the Board effectively. 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. The Board is of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the directors would depend on many factors such as whether they were in full time employment and their other responsibilities. The Board will examine this issue on a case-by-case basis.

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A list of the directorships in other listed companies and other principal commitments of each current Director are set out in the table below:

Name of Directors (Designation)	Directorships in other listed companies (excluding the Company) and principal commitments	
	Present	Past *(for the last 5 years)*
Lau Ping Sum Pearce (Non Executive Chairman and Independent Director)	**Directorships:** - Cortina Holdings Limited (Independent Director) - Sunpower Group Ltd (Independent Director) **Principal Commitments:** - Napier Healthcare Solutions Pte. Ltd. (Director) - Chairman of the Advisory Committee on translation and interpretation - Adjunct Professor at the Singapore University of Social Sciences (SUSS) - Associate Trainer at the Singapore Civil Service College - Member of the Singapore Institute of Directors	**Directorships:** - Huan Hsin Holdings Ltd (Independent Director)
Lim Shao-Lin (Chief Executive Officer and Executive Director)	**Principal Commitments:** - Avier Engineering Pte Ltd (Director) - Gashub Pte Ltd (Director) - Gashubin Engineering Private Limited (Director) - GashubUnited Holding Private Limited (Director) - Green Waste Recycling Company Private Limited (Director) - Green Energy Investment Holding Private Limited (Director) - GasHub United Malaysia LNG Sdn Bhd (Director) - GashubUnited (SEA) LNG Pte Ltd (Director) - Proton Power Pte Ltd (Director) - LNG Hub Private Limited (Director) - Lim Shao Lin Investments (Director) - LIMSL Investments Pte. Ltd. (Director) - P5 Pte. Ltd. (Director) - P5 Luminaire Pte. Ltd. (Director) - P5 Studio Pte. Ltd. (Director) - P5 Design Ventures Pte. Ltd. (Director) - PT. Indo Global Green Energy One (Director)	**Principal Commitments:** - Gashubin Technology Private Limited (Director) - Gashubunited Utility Private Limited (Director)

CORPORATE **GOVERNANCE**

Name of Directors (Designation)	Directorships in other listed companies (excluding the Company) and principal commitments	
	Present	**Past** *(for the last 5 years)*
Koh Beng Leong (Executive Director - Finance)	**Principal Commitments:** - Green Energy Investment Holding Private Limited (Director) - Green Waste Recycling Company Private Limited (Director) - PT. Gold Fifty One (Director)	**Directorships:** - Annaik Limited (Executive Director) **Principal Commitments** - Ann Aik Pte. Ltd. (Director) - Annaik & Partners (S) Pte. Ltd. (Director) - Anxon Envirotech Pte. Ltd. (Director) - Anxon Engineering Pte. Ltd. (Director) - Anxon Environmental Pte. Ltd. (Director) - Anxon Eco Holdings Pte. Ltd. (Director) - Anxon Oasis Pte. Ltd. (fka Wesco Steel Pte. Ltd.) (Director) - Chaoda Valve Singapore Pte. Ltd. (Director) - Ichinose Emico Valves (S) Pte. Ltd.(Director) - Metal Wang Pte. Ltd.(Director) - Pioneer Environment Technology Pte. Ltd (Director) - Dalian Shicheng Property Development (S) Pte. Ltd. (Alternate Director)
Leow Sau Wan (Executive Director)	**Principal Commitments:** - Gashub United Malaysia LNG Sdn Bhd (Director)	
Chia Soon Hin William (Independent Director)	**Directorships:** - Asiatic Group (Holdings) Limited (Independent Director) - Ley Choon Group Holdings Limited. (Independent Director) **Principal Commitments:** - Mitsuba Japanese Restaurant Pte. Ltd. (Director) - Xie Capital Pte. Ltd. (Director)	**Directorships:** - Sincap Group Limited (Independent Director) **Principal Commitments:** - MBZ International Exchange Pte. Ltd. (Director)
Lim Kok Chai (Lin Guocai) (Independent Director)	**Principal Commitments:** - Hodaka Motoworld Pte Ltd (Director) - My Cozy Lifestyle Pte. Ltd. (Director) - My Cosy Room Pte. Ltd. (Director) - My Cosy Room LLP (Partner, Manager) - G3 Investment Holdings Pte. Ltd.(Director) - G3 Alpha Investment Holdings Pte. Ltd. (Director)	**Principal Commitments:** - My Cozy Room Lifestyle Pte. Ltd. (Director) - Dong Yong Ji Pte. Ltd. (Director) - Hypoxi Lifestyle Studio Pte. Ltd. (Director)

The full details of each Director is set out on pages 7 to 8 of the Annual Report.

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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 recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

The Board recognises the merit of having some degree of formal assessment of the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board. On an annual basis, the NC will review the questionnaire which are individually submitted by each Director for the purposes of evaluating the performance of the Board and the respective Board committees, as well as each individual Director. The assessment of each Board committee was performed by having all members of the NC to complete a questionnaire which are submitted to the Board for review.

Provision 5.2 The Company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its directors.

The NC did not receive any proposed changes to the performance criteria for FY2021 as compared to the previous financial year, having taken into account the economic climate, Board composition and business activities. The Board was of the view that during the financial year, its members had performed efficiently and effectively for the Board to function as a whole.

For FY2021, there were no external facilitator that was engaged by the Company and/or the RC in assessing the effectiveness of the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provision 6.1 The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:

(a) a framework of remuneration for the Board and key management personnel; and

(b) the specific remuneration packages for each director as well as for the key management personnel.

The RC is responsible for overseeing the executive remuneration and development in the Company. With reference to its terms of reference, the RC shall:-

(a) determine and agree with the Board the framework or broad policy for the remuneration of the Company's Board and to determine specific remuneration packages for the Executive Directors and the key management executives;

(b) in determining such policy, take into account all factors which it deems necessary. The objective of such policy shall be to ensure that the Group provides the appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group;

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(c) determine targets for any performance related pay schemes operated by the Group, taking into account pay and employment conditions within the industry and in comparable companies;

(d) within the terms of the agreed policy, determine the total individual remuneration package of each Executive Director including, where appropriate, allowances, bonuses, benefits in kind, incentive payments and share options;

(e) determine the policy for and scope of service agreements including fixing appointment period for the Executive Directors and in the event of early termination the compensation commitments; and

(f) determine whether Directors and key management should be eligible for benefits under the long-term incentive schemes.

Provision 6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.

In compliance with the Code, the RC is established and governed by its terms of reference and comprise at least three Directors, all members to be non-executive, a majority of whom, including the Chairman, are Independent Directors. The RC currently comprises the following members, all of whom are Independent Directors:

Lim Kok Chai (Lin Guo Cai)	Chairman
Lau Ping Sum Pearce	Member
Chia Soon Hin William	Member

Provision 6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments. The RC has full authority to obtain any external professional advice on matters relating to remuneration as and when the need arises. This is to ensure that competitive compensation and progressive policies, with appropriate mix of short and long term incentives, are in place to attract, retain and motivate competent and committed Management.

The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Provision 6.4 The Company discloses the engagement of any remuneration consultants and their independence in the Company's annual report.

The RC did not engage any remuneration consultants during FY2021. The RC and the Board were of the view that the Company does not need to engage remuneration consultants as the remuneration for Executive Directors and the key management personnel are based on their respective existing service agreements. The Company will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external firm before any engagement.

Each RC member abstain from reviewing and approving any remuneration, compensation or any form of benefit to be granted to him/her or someone related to him/her.

CORPORATE **GOVERNANCE**

<u>**Level and Mix of Remuneration**</u>

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.**

Provision 7.1 ***A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company.***

Provision 7.2 ***The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.***

No individual Director is involved in deciding his own remuneration or the remuneration of another Director related to him. The Directors' fees are pro-rated according to their appointment and retirement date for the year, where applicable. Non-executive Directors do not have any service agreements with the Company and are paid Directors' fees annually after approval by shareholders at the AGM. The Directors' fees are reviewed annually to ensure that the Independent Directors are not overcompensated to the extent that their independence may be compromised. Each member of RC abstains from making recommendation on his remuneration.

Provision 7.3 ***Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.***

In recommending and determining the Directors' remuneration packages, the RC reviews and considers all aspects of remuneration to ensure that the remuneration is competitive in attracting and retaining talent, commensurate with the Directors' scope of work and responsibilities and sufficient to reward them for achieving corporate performance targets.

The payment of Directors' fee is recommended by the RC and endorsed by the Board for shareholders' approval at the AGM of the Company. For FY2021, the RC had reviewed their level of contributions, taking into account factors such as effort, time spent and responsibilities and is satisfied that the performance conditions were met.

The Company does not have contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. However, the RC may consider such mechanisms if it deems necessary in the future.

CORPORATE **GOVERNANCE**

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 company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:***

(a) each individual director and the CEO; and

(b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.

The breakdown (in percentage terms) of the remuneration bands of the directors of the Company for FY2021 is set out in the table below:

Remuneration Band	Name of Director	Salary and CPF	Fees
S$250,000-S$499,999	Lim Shao-Lin[(1)]	100%	-
S$0-S$249,999	Roger Daeson Khoo Kim Peng[(3)]	100%	-
	Koh Beng Leong	100%	-
	Leow Sau Wan[(2)]	-	-
	Lau Ping Sum Pearce	-	100%
	Chia Soon Hin William[(4)]	-	100%
	Lim Kok Chai (Lin Guocai)	-	100%

Notes:

(1) Mr Lim Shao-Lin is the husband of Ms Leow Sau Wan.

(2) Ms Leow Sau Wan is the wife of Mr Lim Shao-Lin. She was appointed as Executive Director of the Company on 18 June 2021.

(3) Mr Roger Daeson Khoo Kim Peng ceased to be Executive Director of the Company on 31 March 2021.

(4) Mr Chia Soon Hin William was appointed as Independent Director of the Company on 15 December 2020.

In addition to the base/fixed salary, the Executive Directors are entitled to a profit sharing incentive based on the following formula:

Executive Directors, managers and staff	Group's audited consolidated profit after tax and minority interest, excluding exceptional items ("Profit")
Lim Shao-Lin, Roger Daeson Khoo Kim Peng, Koh Beng Leong and Managers	21% on Profit
All other Staff	9% on Profit

As the Group incurred a net loss in FY2021, no performance bonus was recommended.

For FY2021, the top key executives (who is not a director) of the Group are Ms Ong Bee Hoon (Group Finance Manager and Company Secretary, resigned on 31 December 2020), Ms Yap Suat Kam (Group Financial Controller and Company Secretary, appointed and resigned on 4 January 2021 and 30 April 2021, respectively) and Ms Leow Sau Wan (Finance Manager-Energy). Each of their remuneration did not exceed $250,000. 100% of their remuneration are earned through base/fixed salary.

The Board is of the opinion that the information disclosed above would be sufficient to the shareholders for their understanding of the Company's compensation policies as remuneration matters are commercially sensitive and confidential information. Further disclosure is prejudicial to the Group's interests and may hamper its ability to retain the Group's talent pool.

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Provision 8.2 ***The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.***

Save as disclosed below, there is no employee who is a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or substantial shareholder of the Company, whose remuneration for FY2021 exceeds S$100,000.

Ms Leow Sau Wan is the spouse of Mr Lim Shao-Lin, the CEO and a substantial shareholder of the Company, whose remuneration did not exceed S$100,000 during FY2021.

Provision 8.3 ***The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.***

The Company does not have any employee share scheme in place for FY2021.

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 determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.***

Based on the current composition of the AC and Board for FY2021, the Board had assessed that, for more efficient use of its existing resources, to subsume the risk management function under the AC as opposed to setting up a separate Board committee specifically for this purpose.

The Board acknowledges that risk is inherent in business and there are commercial risks to be taken in the course of generating a return on business activities. The Board oversees the implementation and monitoring of its risks in line with the Group's overall risk tolerance levels in order to safeguard its assets and Shareholders' interests.

Management assesses the key risks facing the Group and formulates plans to mitigate such risks. The management of principal subsidiaries also reported on any exceptions on compliance to regulatory authorities for the financial year. These are submitted to the AC and the Board which determines the risk tolerance acceptable to the Group.

Information relating to financial risk management objective and processes are set out on page 111 to 123 of the Annual Report.

As risk management is a continuous, iterative and integrated process that evolve with business developments, constant review and monitoring are necessary, as and when there are changes. The Group is also subjected to other additional business risks.

For FY2021, the Group's core business is dependent on local construction industry and property market sentiment. Any decline in the local construction industry or property market sentiment will result in a decrease in demand for furniture and lighting and increase price competition which will in turn affect turnover and profitability. The Group continues to maintain good relationships and work closely with its customers. There is also constant monitoring on collection of debts.

The Group's success is dependent on the continued services of our key management personnel. The Group provided ample training to general staff to upgrade their skills and opportunities for identified management staff to take up more responsibilities as part of the succession plan.

The Board fully recognises that it has a responsibility to provide timely, reliable and fair disclosure of material information to the shareholders. In order to ensure that the Board is able to fulfil its responsibilities, the management provides the Board with management accounts on a monthly basis, which present a balanced and understandable assessment of the Company's performance, position and prospects.

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The Company has procured Appendix 7H (Form of Undertaking with regard to Directors or Executive Officers) pursuant to Rule 720(1) of Catalist Rules from all the Directors and Executive Officers of the Company.

The Company maintains a system of internal controls for all companies within the Group. The internal controls are designed to provide reasonable assurance that proper accounting records are maintained, assets are adequately safeguarded, operational controls are in place and business risks are suitably addressed. The Board reviews the adequacy and effectiveness of the Company's risk management annually. While acknowledging the Group's responsibilities for the system of internal controls, the Board is aware that it is not able provide absolute assurance against human errors, losses, poor judgement in decision making as such systems are designed to manage its existing risk, as opposed to completely eliminating such risks.

Provision 9.2 ***The Board requires and discloses in the company's annual report that it has received assurance from:***

(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

For FY2021, the Board has received assurance from the CEO and Executive Director - Finance:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the Company's risk management and internal control systems are adequate and effective.

The Board, with the concurrence of the AC, is of the opinion that the risk management and internal controls of the Group are adequate and effective to address operational, financial, compliance and information technology controls of the Group. In arriving at the opinion, the AC and the Board reviewed the work performed by the internal and external auditors as well as discussions with management on the risks identified by internal audit as well as significant issues arising from internal and external audits had been appropriately addressed.

Audit Committee

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

Provision 10.1 ***The duties of the AC include:***

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance. Where the external auditors, in their review or audit of the company's year-end financial statements, raise any significant issues (e.g. significant adjustments) which have a material impact on the interim financial statements or financial updates previously announced by the company, the AC should bring this to the Board's attention immediately, for the Board to consider whether an immediate announcement is required under Rule 703 of the Catalist Rules. Where needed, the AC should advise the Board if changes are needed to improve the quality of future interim financial statements or financial updates to be disclosed in the company's annual report.;

(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

CORPORATE **GOVERNANCE**

(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and

(f) reviewing 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 company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

The AC performs the following functions: -

(a) review with the external auditors the audit plan, the external auditors' evaluation of the internal accounting controls, the assistance given by the Company's officers to the external auditors and the audit report;

(b) review of the half-year and full year consolidated financial statements of the Group and the announcements prior to submission to the Board for approval focusing in areas such as changes in accounting policies and practices, major areas of judgement, significant adjustments resulting from audit, going concern matters, compliance with accounting standards and statutory or regulatory requirements;

(c) review the adequacy of the Company's internal controls and risk exposures, as set out in Principle 9 and discuss (if any) areas of concerns arising from financial audits and other matters which the external auditors may wish to discuss (in the absence of management);

(d) review and recommend to the Board the appointment or re-appointment of external auditors, taking into consideration the non-audit services rendered by the external auditors and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors;

(e) review interested person transactions; and

(f) reviewing any whistle blowing reports by which the staff may, in confidence, raise issues about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and follow-ups (if any).

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 personnel to attend its meetings.

<u>Whistle-Blowing Policy</u>

The Company has a whistle-blowing policy in place, which sets out the procedures for whistleblower to make a report on misconduct or wrongdoings in relation to the Company and its employees. The whistleblower can report any possible improprieties directly to AC Chairman via his email address william.chia@p5.com.sg.

The purpose of establishing such a policy is not only to communicate to employees the Company's commitment to identifying and remedying any wrongdoings, but also serves as a reinforcement and communication of the Company's values and expectations.

As such, the Company chooses to pre-adopt disclosures requirements in relation to the amendments to the Catalist Rules 1204 (18A) and (18B) relating to whistleblowing which will take effect from 1 January 2022.

The AC Chairman is the dedicated independent function that is responsible for overseeing and the monitoring of whistblowing. To prevent and ensure the protection of the whistleblower against any detrimental or unfair treatment, the AC Chairman will be the point of direct contact with the whistleblower and has the authority to investigate any matters within its terms of reference, including any whistleblowing reports made in good faith.

CORPORATE **GOVERNANCE**

All information pertaining to the whistleblower, including the identity of the whistleblower, will be treated in strict confidence and assessed fairly by the AC based on the merit of the content of the allegations, subject to legal or regulatory requirements to ensure the appropriate follow-up action will be taken.

In cases where the AC is legally obligated to provide such information to any governmental or regulatory authorities as part of their investigation, the AC will inform the whistleblower in advance to advise him/her of the process.

During FY2021, there were no reported whistle-blowing incidents.

Provision 10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The AC currently comprises the following members, all of whom are Independent Directors:

Chia Soon Hin William*	Chairman
Lau Ping Sum Pearce#	Member
Lim Kok Chai (Lin Guocai)	Member

* Mr Chia Soon Him William was appointed as Chairman of the AC of the Company on 1 May 2021.

\# Mr Lau Ping Sum Pearce ceased to be Chairman of the AC of the Company on 1 May 2021.

When appointing an independent director to the AC, the Board will consider the qualification of the person and that at least two members should have accounting or related financial management experience.

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

All members of the AC 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 Company’s existing external audit firm.

Provision 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

Internal Audit

The AC is responsible for the adequacy of the internal audit function, its resources and its standing within the Group to perform its functions properly. The Company has outsourced the internal audit review to an internal audit service provider, One e-Risk Services Pte Ltd (“**Internal Auditor**”). The Internal Auditor reports primarily to the Chairman of the AC. The AC is responsible for the hiring, removal, compensation and evaluation of the Internal Auditor.

CORPORATE **GOVERNANCE**

The AC oversees and monitors if the improvements suggested on internal controls are implemented. The AC is satisfied that the Internal Auditor is:

(a) independent, having it reporting directly to the AC and not any management personnel;

(b) have unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company;

(c) is adequately qualified, having carried out its function according to the standards set by internationally-recognised professional bodies, such as the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors; and

(d) is adequately resourced and staffed, taking into account the experience of the firm and engagement partner, number and experienced supervisory and professional staff assigned to internal audits.

Provision 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.

The AC will meet with the external and internal auditors at least once a year and may meet them at any time, without the presence of the Company's management.

The external auditors regularly update the AC on the changes to accounting standards and issues which will have a direct impact on financial statements.

External Audit

The AC also considered the report from the external auditors, KPMG LLP, including their findings on the key areas of audit focus. Significant matters that were discussed with management and external auditors have been included as key audit matters ("**KAM**") in the independent auditors' report for the financial year ended 31 March 2021 on pages 58 to 61 of this Annual Report.

In assessing the KAM, the AC considered the approach and methodology applied in the valuation of assets, including the estimates and key assumptions used. The AC concluded that management's accounting treatment and estimates adopted on the KAM were appropriate. The management is responsible to follow up and implement the recommendations by the external and internal auditors in a timely and appropriate manner.

In reviewing the re-appointment of external auditors for the FY2021, the AC considered the Audit Quality Indicators relating to KPMG LLP, adequacy of the resources, experience and competence of the external auditors, taking into account the experience of the team and partner.

The AC assessed the independence of KPMG LLP annually and has reviewed the volume of non-audit services provided to the Group by the external auditors. The AC was satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Please refer to Page 106 for the audit fees and non-audit fees paid or payable to external auditors by the Group.

KPMG LLP has also confirmed that they are registered with the Accounting and Corporate Regulatory Authority and hence, the Company is in compliance with Catalist Rules 712 and 715 (read with Catalist Rule 716) in relation to the appointment of its external auditors. Accordingly, the AC has recommended to the Board that the auditors, KPMG LLP (or "**External Auditors**"), be nominated for re-appointment as auditors at the forthcoming AGM of the Company.

CORPORATE **GOVERNANCE**

SHAREHOLDERS 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 ***The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.***

In line with continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, the Company endeavours to maintain constant and effective communications with shareholders through timely and comprehensive announcements. Material information that could have a material impact on the share price of the Company is released on a timely basis.

The Company disseminates latest corporate news, strategies, announcements, notices of meetings, annual reports, circulars and press releases promptly through SGXNET. The Group's corporate governance practices are disclosed in annual reports of the Company to enable the shareholders to have a better understanding of the Group's stewardship role.

Shareholders are informed of general meetings through the announcement released on the SGXNET and notices contained in the Annual Report or circulars sent to all shareholders. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance.

On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. With this amended legislation, the Company allows relevant intermediaries to appoint more than two proxies to attend the Company's general meetings.

At the AGM and any other general meetings of the Company, shareholders are given the opportunities to express their views and ask the Board questions regarding the operations of the Company. The minutes of general meetings are available to shareholders upon request.

For FY2021, the Company put in place alternative arrangements pursuant to the COVID-19 (Temporary measures) (Alternative Arrangements for Meetings of Companies, variable Capital Companies, Business Trust, Unit Trusts and Debenture Holders) Order 2020 ("Order") to hold its upcoming AGM via electronic means. The Notice of AGM, FY2021 annual report, Appendix in relation to the proposed renewal of the Share Buy-back mandate and Proxy Form were disseminated to Shareholders through publication on SGXNET.

CORPORATE **GOVERNANCE**

Provision 11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.

There are separate resolutions at general meetings on each distinct issue and are not "bundled" or made inter-conditional on each other, including resolutions on the re-election of Directors. Where the resolutions are "bundled", the reasons and material implications for doing so will be provided in the annual report and related documents, including the notice of general meeting. All resolutions tabled shall be put to vote by way of a poll pursuant to Catalist Rule 730A(2).

The results of each resolution, detailing all votes cast, for or against or abstain, and the aggregate number of votes including the respective percentages, in respect of each resolution are tallied and disclosed at the meeting. An announcement with the results encompassing the above details showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.

Provision 11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's annual report.

The Chairman of the respective Board committees - AC, NC and RC will be present and available to address questions at the AGM. The External Auditors will also be present to address any shareholders queries about the auditor's report. Please refer to the table as set out on page 24 of this Annual Report detailing the number of Board and Board Committees meetings held during FY2021, along with the record of attendance of each Director during their respective terms as Directors and members of the respective Board Committees of the Company.

However, as the upcoming AGM will be held via electronic means due to the current COVID-19 restriction orders that are put in place, the Company put in place alternative arrangements pursuant to the Order. As such, Shareholders will not be able to ask questions during the AGM but are encouraged to submit their questions in advance prior to the cut-off time as set out in its Notice of AGM and related documents. The Company will endeavour to address relevant and substantial queries (if any) prior the AGM through publication on SGXNET.

Provision 11.4 The Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Company does not allow absentia voting as it is not practical to do so as the identity of the shareholder is difficult to verify.

Privision 11.5 The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management

In compliance with the joint guidance published by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation in relation to the "Conduct of General Meetings Amid Evolving Covid-19 Situation" ("**Guidance**"), the Company will publish the minutes of the AGM to be held on 28 July 2021on SGXNET within one month after the AGM.

Provision 11.6 The company has a dividend policy and communicates it to shareholders

There is no formal dividend policy adopted by the Company. The Board, having considered the financial performance of the Group for the financial year ended 31 March 2021, did not recommend any dividend payment.

CORPORATE **GOVERNANCE**

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with 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.

Provision 12.1 The Company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

In line with continuous disclosure obligations, the Company is committed to regular and proactive communication with its shareholders upon consideration advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders on SGXNET, as well as through scheduled general meetings.

In addition to the half yearly and full year financial results announcements and announcements on material information, annual reports that provide information on the prospects of the Company, Board of Directors, management, report on Code and audited financial statements for the past financial year were circulated to the shareholders prior to the AGM.

Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company currently does not have investor relations policy and dedicated investor relations team as based on the current structure of the Company, the Board is of the view that the existing communication channels are sufficient and cost effective. The Company will consider appointing professional investor relations officer to manage the function should the need arises.

Provision 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Company does not engage in selective disclosures of material information. All material information pertaining to the Company's developments are disseminated through SGXNET in an accurate and timely manner to ensure all shareholders are informed simultaneously, in compliance with the Catalist Rules and the Company's Act. Shareholders are also able to liaise with the Company via the respective communication channels either by mail to the Company's registered office address or through email as stated in the Corporate information section of the Annual Report.

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.

Provision 13.1 The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Executive Directors and senior management actively engage with key stakeholders of the Group, which are identified through the Board, of the Group. Any updates on any relevant feedbacks received are communicated to the Board. The Company has in place a process to identify its various stakeholders and understand their expectations and concerns so as to improve its standards and align the business interest with those of the stakeholders so as to be able to generate sustainable value to Shareholders in the long term.

CORPORATE **GOVERNANCE**

Provision 13.2 The Company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

Please refer to the Company's sustainability report for the assessment process (to include material environmental, social and governance factors) and full details on how the Company conducts its stakeholder management. The sustainability report for FY2021 is part of this Annual Report and can be found on pages 12 to 20.

Provision 13.3 The company maintains a current corporate website to communicate and engage with stakeholders.

The Company updates its corporate website https://p5capital.com.sg regularly with information released on the SGXNET and business developments of the Group. Stakeholders can also contact the Company through phone or e-mail, the details of which can be found on the Company's website.

OTHER CORPORATE GOVERNANCE MATTERS

1. Interested Person Transaction

The Company has not obtained a general mandate from shareholders for interested person transactions (IPT). During FY2021, the aggregate value of interested person transactions entered into during the financial year under review are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Lim Shao-Lin	Executive Director, Chief Executive Officer and controlling shareholder	S$500,000[(1)]	N.A.

Note: -

(1) As announced by the Company on 15 December 2020, the Company entered into a project investment agreement with Gashubunited Utility Private Limited ("**GUPL**") and Gashubuntied Holding Private Limited ("**GHPL**") for the proposed investment amounting to S$500,000. Mr Lim Shao-Lin ("**Mr Lim**"), the Executive Director and Chief Executive Officer, and controlling shareholder of the Company, is the sole director of GUPL. Mr Lim is also a director and 55.72%-shareholder of GHPL.

Save for the above, there were no other interested person transactions entered into with Mr Lim or any other interested persons during the financial year under review.

CORPORATE **GOVERNANCE**

2. Material Contracts

Save for the below, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

a. *Entry into project investment agreement*

On 15 December 2020, the Company entered into a project investment agreement with Gashubunited Utility Private Limited and Gashubunited Holding Private Limited for an investment amounting to $500,000 to fund the construction of the Liquefied Natural Gas "LNG" Bottling Station in Jurong Island. ("Project Investment") Details of the Project Investment can be found in the Company's announcement on SGXNET dated 15 December 2020 and 21 December 2020.

Subsequent event post FY2021

a. Entry into binding memorandum of understanding in relation to the proposed acquisition of shares in the capital of Gashubunited Holding Private Limited

The Company had on 8 June 2021 entered into a binding memorandum of understanding ("MOU") with Mr Lim Shao-Lin, the CEO and a controlling shareholder of the Company ("Mr Lim"). The MOU sets out the key understandings to explore the Company's proposed acquisition of the 22,984,007 shares held by Mr Lim in Gashubunited Holding Private Limited ("GHPL") ("Sale Shares"), representing 60.25% of the total shares in the capital of GHPL as at the date of this Announcement ("Proposed Acquisition"). The Proposed Acquisition is conditional upon and subject to the entry into a definitive sale and purchase agreement ("Definitive SPA") within nine months from the date of the MOU, and the MOU will expire automatically thereafter if the Definitive SPA is not entered into and the expiry date of the MOU is not extended. Full details can be found in the Company's announcement on SGXNET dated 8 June 2021.

3. Dealings in Securities

Under the Code of Best Practices on Securities Transactions adopted by the Company in compliance with Catalist Rule 1204(19), key employees of the Group (including Directors and officers) are required to abide and comply in relation to dealing in the Company's securities.

Directors and officers should not deal in the Company's securities on short-term considerations and when they are in possession of price sensitive information that is not publicly available.

The Company and its officers should not deal in the Company's securities during the period commencing one month before the announcement of the Company's half-year and full year financial statements. In addition, the officers are also reminded that the law on insider dealing is applicable at all times, notwithstanding the window periods.

4. Non-sponsor Fees

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is RHT Capital Pte. Ltd. In compliance to Rule 1204 (21) of the Catalist Rules, there were no non-sponsor fees paid to RHT Capital Pte. Ltd. by the Company for the year ended 31 March 2021.

5. Treasury Shares

There are no treasury shares held at the end of the financial year ended 31 March 2021.

CORPORATE **GOVERNANCE**

6. Update on Use of Placement Proceeds

The Company received net proceeds approximately S$3.5 million from the completion of the Placement of 132,000,000 new ordinary shares as announced on 19 January 2021, 20 January 2021, 2 February 2021, and 4 February 2021. The net proceeds have yet to be utilized and the allocation are as follows:

Use of net proceeds from Placement	Amount allocated (S$'000)	Utilised as at 31 March 2021 (S$'000)	Balance as at 31 March 2021 (S$'000)
General corporate requirements (including funding of expansion and opportunities) of the existing lifestyle and renewable and sustainable energy segments of the Group	2,826	–	2,826
General working capital (including meeting general overheads and other operating expenses of the Group)	706	–	706
Total	3,532	–	3,532

7. Additional Information on Directors seeking Re-election

The table below summarizes the following Directors who will be seeking re-election as Directors of the Company pursuant to Regulation 106 and 110(1) respectively of the Company's Constitution at the forthcoming annual general meeting of the Company under the Ordinary Resolution No. 2 to 4. (collectively, the "Retiring Directors" and each a "Retiring Director")

Pursuant to Catalist Rule 720(5), the information on the Retiring Directors as set out in Appendix 7F to the Catalist Rules set out below:

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
Date of appointment	12 August 2005	15 December 2020	18 June 2021
Date of last re-appointment (if applicable)	26 July 2019	-	-
Age	55	69	50
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Koh Beng Leong ("**Mr Koh**") as a Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Koh's contributions, qualifications, expertise and past experiences.	The re-election of Mr Chia Soon Hin William ("**Mr Chia**") as a Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Chia's contributions, expertise and past experiences.	The re-election of Ms Leow Sau Wan ("**Ms Leow**") as a Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Ms Leow's contributions, expertise and past experiences.
Whether appointment is executive, and if so, the area of responsibility	Executive – Business Unit Overall Management and Finance	No, the appointment is non-executive	Executive – Business Unit Overall Management

CORPORATE **GOVERNANCE**

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director – Finance	- Chairman of Audit Committee - Member of Nominating Committee - Member of Remuneration Committee	Executive Director
Professional qualifications (if any)	- FCPA (Australia) - CPA (Kampuchea) - Chartered Accountant of CA Australia and New Zealand - Master of Professional Accounting - Bachelor of Economics	- Chartered Secretary; Associate of the Governance Institute of Australia Ltd, - Fellow of the Chartered Institute of Marketing (UK), - Associate of The London Institute of Banking & Finance, - Diploma in Marketing (The Institute of Marketing UK), - Diploma in Banking and Finance(The Institute of Banking & Finance Singapore); and - Diploma in Business Administration (Institute of Business Administration Australia)	- Master of Business Administration (joint program of Deakin University and CPA Australia) - FCPA (Australia) - Chartered Accountant (Singapore) - Bachelor of Business (Accounting) (Charles Sturt University) - Association of Taxation Technicians Singapore Specialist (2nd Placing) - Advance Diploma in Business Administration(Distinction, validated by local delegacy, University of Oxford) - Microsoft Office(Specialist) - Microsoft Office Expert (Excel &Word) - ISCA Infrastructure & Project Finance Qualification - Project Risks and Financing & Project Lifecycle
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	Spouse of Mr Lim Shao-Lin (Controlling Shareholder, CEO and Executive Director of the Company)
Conflict of interest (including any competing business)	None	None	None

CORPORATE **GOVERNANCE**

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
Working experience and occupation(s) during the past 10 years	Mr Koh was an executive director of Ann Aik Limited(2011 to 2017) and its subsidiary Ann Aik Pte Ltd (2017 till 2019) where he was involved in operation and business development. Prior to that, he was the Chief Financial Officer for Phu Thai Group of Companies (Vietnam) (2007 to 2010) and also held key management positions in various non-listed companies in Singapore and Vietnam overseeing businesses in the Asian region.	Mr Chia currently provides training for financial institutions and business advisory to corporations through his company, Xie Capital Pte Ltd and has more than 35 years of retail and commercial banking experience with Overseas Union Bank, Standard Chartered Finance, DBS Bank, Malayan Banking Berhad and United Overseas Bank. Prior to his retirement from United Overseas Bank in October 2014, he was Executive Director with the bank's Group Commercial Banking.	Ms. Leow was working part-time as Deputy Group Finance Manager since 1 October 2019, and designated as Finance Manager (Energy) on 1 July 2020, concurrently taking the lead on corporate digitalisation program and overseeing the fnance function of the P5 energy division. Prior to her current appointment in P5, she helms the position of Finance Manager overseeing the fnancial and accounting functions at New Ocean Ship Management Pte Ltd (a subsidiary of JX Ocean Co Ltd) (2004-2019) for its Asia Pacifc operations, while also serving as senior auditor, accountant and consultant at a local CPA from (2000-2004).
Undertaking submitted to the listed issuer in the form of Appendix 7H (Catalist Rule 704(6)	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	None	None	None

CORPORATE **GOVERNANCE**

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
Past (for the last 5 years)	Principal Commitments Please see information under "working experience and occupation(s) during the past 10 years" Directorships in listed* and non-listed companies: - Annaik Limited* - Ann Aik Pte. Ltd - Annaik & Partners (S) Pte Ltd - Anxon Envirotech Pte. Ltd. - Anxon Engineering Pte. Ltd. - Anxon Environmental Pte. Ltd. - Anxon Eco Holdings Pte. Ltd. - Anxon Oasis Pte. Ltd (fka Wesco Steel Pte. Ltd.) - Chaoda Valve Singapore Pte. Ltd. - Ichinose Emico Valves (S) Pte. Ltd. - Metal Wang Pte. Ltd. - Pioneer Environmental Technology Pte. Ltd. - Dalian Shicheng Property Development (S) Pte. Ltd.	Principal Commitments Please see information under "working experience and occupation(s) during the past 10 years" Directorships in listed* and non-listed companies: - Sincap Group Limited* - MBZ International Exchange Pte. Ltd.	Principal Commitments Please see information under "working experience and occupation(s) during the past 10 years"
Present	Directorships in listed* and non-listed companies - P5 Capital Holdings Ltd.* - Green Energy Investment Holding Private Limited - Green Waste Recycling Company Private Limited - PT. Gold Fifty One	Directorships in listed* and non-listed companies - P5 Capital Holdings Ltd.* - Asiatic Group (Holdings) Limited* - Ley Choon Group Holdings Limited* - Mitsuba Japanese Restaurant Pte. Ltd. - Xie Capital Pte. Ltd.	Directorships in listed* and non-listed companies - P5 Capital Holdings Ltd. * - Gashub United Malaysia LNG Sdn Bhd.

CORPORATE **GOVERNANCE**

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
(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	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	No
(c) Whether there is any unsatisfied judgment against him?	No	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	No

CORPORATE **GOVERNANCE**

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
(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	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	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	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	No

CORPORATE **GOVERNANCE**

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
(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	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	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

CORPORATE **GOVERNANCE**

Name of Directors	Mr Koh Beng Leong	Mr Chia Soon Hin William	Ms Leow Sau Wan
(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	No
Any prior experience as a director of an issuer listed on the Exchange? If Yes, Please provide details of prior experience 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 as this is a re-election of director.	Not applicable as this is a re-election of director.	Not applicable as this is a re-election of director.
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 as this is a re-election of director.	Not applicable as this is a re-election of director.	Not applicable as this is a re-election of director.

DIRECTORS' **STATEMENT**

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2021.

In our opinion:

(a) the financial statements set out on pages 62 to 126 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

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

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Lim Shao-Lin	
Roger Daeson Khoo Kim Peng	(Resigned on 31 March 2021)
Koh Beng Leong	
Leow Sau Wan	(Appointed on 18 June 2021)
Tan Mun Choy Kenneth Bertram	(Retired on 29 September 2020)
Lau Ping Sum Pearce	
Tan Siew San	(Retired on 29 September 2020)
Lim Kok Chai (Lin Guocai)	
Chia Soon Hin William	(Appointed on 15 December 2020)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment if later	Holdings at end of the year
Lim Shao-Lin		
P5 Capital Holdings Ltd.		
- ordinary shares		
- interests held	83,699,808	83,699,808
- deemed interests	80,000,000	80,000,000

DIRECTORS' **STATEMENT**

By virtue of Section 7 of the Act, Lim Shao-Lin is deemed to have interests in the other subsidiaries of the Company, all of which are wholly-owned, at the beginning and at the end of the financial year.

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

Except as disclosed above, there were no other changes in the interests in the Company between the end of the financial year and 21 April 2021.

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.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are:

Chia Soon Hin William (Chairman)	Independent director	(Appointed on 15 December 2020)
Tan Mun Choy Kenneth Bertram	Non-Executive Non-Independent director	(Retired on 29 September 2020)
Tan Siew San	Independent director	(Retired on 29 September 2020)
Lau Ping Sum Pearce	Non Executive Chairman and Independent Director	
Lim Kok Chai (Lin Guocai)	Independent director	

The Audit Committee performs the functions specified in Section 201B of the Act, the listing rules of Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") and the Code of Corporate Governance.

The Audit Committee has held three meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' **STATEMENT**

The Audit Committee also reviewed the following:

(i) assistance provided by the Company's officers to the external and internal auditors;

(ii) half yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption;

(iii) interested person transactions (as defined in Chapter 9 of the Catalist Rules); and

(iv) significant matters impacting the financial statements and the accounting principles and judgement of items as adopted by management for these significant matters.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors of the Company and subsidiaries, we have complied with Catalist Rules 712 and 715.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Lim Shao-Lin
Director

Koh Beng Leong
Director

9 July 2021

INDEPENDENT **AUDITORS' REPORT**

Members of the Company
P5 Capital Holdings Ltd.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of P5 Capital Holdings Ltd. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 March 2021, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information set out on pages 62 to 126.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the 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 *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

INDEPENDENT **AUDITORS' REPORT**

The key audit matter	How was the matter addressed in our audit
Valuation of inventories	
Refer to Note 2.4 and Note 10 – Inventories of S$2,263,652 The Group's inventories mainly comprise luxury furniture and lighting products which are primarily sold to a niche market. Inventories are written down to net realisable value if they are damaged, slow-moving or become obsolete due to no market demand. The determination of net realisable value is subject to significant estimation uncertainty, particularly due to dependency on customers demand and market trends. Judgement is required to assess the appropriate level of provisioning for items which may be ultimately sold below costs. Such judgement includes management's expectations for future sales and inventory liquidation plans.	We reviewed management's process for identifying specific inventory obsolescence for luxury furniture and lighting products. We also assessed the adequacy of the inventory allowances made against past historical trends and ageing profile of inventories. We considered management's expectations about future sales by reviewing historical markdowns of inventory values, sales pattern and pricing strategy during sale events. On a sampled basis, we compared the carrying values of inventories to recent sale transactions and, where available, publicly available market prices of similar products carried by the Group.

Findings:

We found the Group's assessment of inventory provisions, net realisable value of inventories and their estimated write-down of inventory values to be reasonable.

The key audit matter	HOW WAS THE MATTER ADDRESSED IN OUR AUDIT
Impairment assessment on non-financial assets	
Refer to Note 2.4, Note 4 – Property, plant and equipment of S$3,107,008, Note 5 – Right-of-use assets of S$2,727,432 and Note 6 – Intangible assets of S$665,287. Due to continued losses, there are indications of impairment in the Group's non-financial assets. The recoverable values of the respective cash generating units (CGUs) to which the non-financial assets relate to, are determined based on value-in-use calculations, using discounted cash flow projections. Significant judgements are applied by management in preparing the value-in-use calculations. This includes their assessment of future market conditions which impacts future cash flows, the discount rates and terminal growth rates. The Group recognised an impairment loss of $212,251 on non-financial assets related to the lighting and mid-range furniture CGUs during the current year.	We reviewed the process, systems and controls implemented in relation to the impairment assessment on non-financial assets. We assessed the appropriateness of CGUs identified by management against the requirements of financial reporting standards, taking into account any business changes during the year. We reviewed the historical accuracy of the Group's estimates in the previous periods, identified and analysed key changes in the assumptions from prior periods. We also challenged the appropriateness of key assumptions underlying the discounted cash flows (including discount rates and terminal growth rates) by comparing these assumptions against historical trends of the Group and the industry. We tested the mathematical accuracy of the discounted cash flow models and checked that the estimated recoverable amount is calculated in accordance with SFRS(I) 1-36 *Impairment of Assets*.

Findings:

We found that the actual results of CGUs relating to lighting and mid-range furniture did not track past projections. This was in part due to the slower than expected recovery from the Covid-19 pandemic. We have re-computed the recoverable amounts using reduced growth estimates agreed with management and an impairment charge of $212,251 was consequently recorded for these CGUs.

INDEPENDENT **AUDITORS' REPORT**

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained all other information prior to the date of this auditors' report.

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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' 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 auditors' 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.

INDEPENDENT **AUDITORS' REPORT**

- 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 auditors' 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 auditors' 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.

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 auditors' 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 auditors' report is Ong Li Qin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 July 2021

STATEMENTS OF FINANCIAL POSITION

as at 31 March 2021

		Group		Company	
	Note	2021	2020	2021	2020
		$	$	$	$
Assets					
Property, plant and equipment	4	3,107,008	2,822,661	14,251	–
Right-of-use assets	5	2,757,430	872,001	–	–
Intangible assets	6	665,287	665,287	–	–
Subsidiaries	7	–	–	2,039,498	5,694,531
Other investment	8	500,000	–	500,000	–
Trade and other receivables	9	–	–	3,650,029	881,064
Non-current assets		7,029,725	4,359,949	6,203,778	6,575,595
Inventories	10	2,263,652	2,195,325	–	–
Contract assets	18	100,697	72,873	–	–
Trade and other receivables	9	2,416,485	1,868,148	661,817	65,032
Cash and cash held with financial institutions	11	9,930,018	10,873,031	7,892,100	9,798,969
Current assets		14,710,852	15,009,377	8,553,917	9,864,001
Total assets		21,740,577	19,369,326	14,757,695	16,439,596
Equity					
Share capital	12	22,798,553	19,263,691	22,798,553	19,263,691
Reserves	13	14,440	1,102	–	–
Accumulated losses		(9,174,339)	(5,999,116)	(8,399,419)	(3,234,170)
Total equity		13,638,654	13,265,677	14,399,134	16,029,521
Liabilities					
Deferred tax liabilities	14	99,946	99,946	–	–
Loans and borrowings	17	731,701	–	–	–
Lease liabilities	15	1,811,327	233,459	–	–
Non-current liabilities		2,642,974	333,405	–	–
Trade and other payables	16	2,201,294	3,805,469	358,561	410,075
Contract liabilities	18	2,043,721	1,204,404	–	–
Loans and borrowings	17	190,566	–	–	–
Lease liabilities	15	1,023,368	760,371	–	–
Current liabilities		5,458,949	5,770,244	358,561	410,075
Total liabilities		8,101,923	6,103,649	358,561	410,075
Total equity and liabilities		21,740,577	19,369,326	14,757,695	16,439,596

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2021

	Note	2021 $	2020 $
Revenue	18	4,747,771	7,706,710
Cost of sales		(2,580,408)	(4,343,428)
Gross profit		2,167,363	3,363,282
Other operating income	19	926,618	266,394
Distribution expenses		(1,366,347)	(1,197,651)
Administrative expenses		(4,276,450)	(4,116,718)
Other operating expenses		(252,405)	(201,931)
Impairment loss on trade receivables and contract assets		(21,744)	(22,561)
Results from operating activities		(2,822,965)	(1,909,185)
Finance income	20	28,937	1,240,294
Finance costs	20	(381,195)	(95,018)
Net finance (costs)/income		(352,258)	1,145,276
Loss before tax	21	(3,175,223)	(763,909)
Tax expense	22	–	–
Loss for the year		(3,175,223)	(763,909)
Loss per share (cents)			
Basic and diluted	23	(0.55)	(0.14)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2021

	2021	2020
	$	$
Loss for the year	(3,175,223)	(763,909)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences – foreign operations	13,338	1,102
Other comprehensive income for the year, net of tax	13,338	1,102
Total comprehensive income for the year	(3,161,885)	(762,807)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2021

	Share capital $	Translation reserve $	Accumulated losses $	Total equity $
At 1 April 2019	19,263,691	–	(5,235,207)	14,028,484
Total comprehensive income for the year				
Loss for the year	–	–	(763,909)	(763,909)
Other comprehensive income				
Foreign currency translation differences – foreign operations	–	1,102	–	1,102
Total comprehensive income for the year	–	1,102	(763,909)	(762,807)
At 31 March 2020	19,263,691	1,102	(5,999,116)	13,265,677
At 1 April 2020	19,263,691	1,102	(5,999,116)	13,265,677
Total comprehensive income for the year				
Loss for the year	–	–	(3,175,223)	(3,175,223)
Other comprehensive income				
Foreign currency translation differences – foreign operations	–	13,338	–	13,338
Total comprehensive income for the year	–	13,338	(3,175,223)	(3,161,885)
Contribution by Owners				
Issuance of ordinary shares	3,534,862	–	–	3,534,862
At 31 March 2021	22,798,553	14,440	(9,174,339)	13,638,654

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Loss for the year		(3,175,223)	(763,909)
Adjustments for:			
Depreciation of property, plant and equipment	4	163,160	172,254
Depreciation of right-of-use assets	5	922,636	811,105
Impairment loss on property, plant and equipment	21	212,251	–
Gain on bargain purchase	25	–	(114,185)
(Gain)/loss on disposal of property, plant and equipment	21	(3,076)	37,705
Interest expense	20	153,730	95,018
Interest income	20	(28,937)	(138,543)
Net fair value gain on other investments	20	–	(923,332)
		(1,755,459)	(823,887)
Changes in:			
- Inventories		(97,474)	(243,905)
- Contract assets		(27,824)	8,539
- Trade and other receivables		(548,337)	2,978,150
- Contract liabilities		839,317	(911,317)
- Trade and other payables		253,533	(38,940)
Net cash (used in)/generated from operating activities		(1,336,244)	968,640
Cash flows from investing activities			
Acquisition of property, plant and equipment		(855,617)	(2,375,457)
Debt investment	8	(500,000)	–
Acquisition of subsidiaries, net of cash acquired	25	–	(16,699)
Proceeds from disposal of investment in unquoted investment fund	8	–	4,600,017
Proceeds from disposal of property, plant and equipment		4,501	16,355
Interest received		28,937	138,543
Net cash (used in)/generated from investing activities		(1,322,179)	2,362,759
Cash flows from financing activities			
Interest paid		(12,112)	–
Payment of interest on lease liabilities		(34,801)	(45,444)
(Repayment)/proceeds from loan from a director		(1,834,367)	86,473
Repayment of lease liabilities		(860,439)	(827,342)
Repayment of bank loan		(77,733)	–
Proceeds from share issuance		3,534,862	–
Proceeds from bank loan		1,000,000	–
Net cash from/(used in) financing activities		1,715,410	(786,313)
Net (decrease)/increase in cash and cash equivalents		(943,013)	2,545,086
Cash and cash equivalents at beginning of the year		10,873,031	8,327,945
Cash and cash equivalents at end of the year	11	9,930,018	10,873,031

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

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors 9 July 2021.

1. DOMICILE AND ACTIVITIES

P5 Capital Holdings Ltd. (the "Company") is incorporated in the Republic of Singapore and has its registered office at 39 Kaki Bukit Place Eunos Techpark Singapore 416217 and principal place of business at 213 Henderson Road #03-08 Henderson Industrial Park Singapore 159553.

The consolidated financial statements of the Group as at and for the year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise stated in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (Cont'd)

In particular, the information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amount recognised in the financial statements and that have a significant risk of resulting in a material adjustment within the next financial year are described in the following notes:

Notes 4, 6	–	assessment of impairment of non-financial assets.
Note 10	–	assessment of the allowance for inventory obsolescence or slow-moving inventories or for any shortfall in net realisable value of inventories.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in Note 26 – Financial instruments.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 April 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business (Amendments to SFRS(I) 3)*
- *Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I)1- 8)*
- *Interest Rate Benchmark Reform (Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7*
- *Covid-19-Related Rent Concessions (Amendment to SFRS(I) 16)*

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies (Cont'd)

Other than the amendment to SFRS(I) 16, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has early adopted COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on accumulated losses at 31 March 2020. Details of the accounting policies are set out in Note 3.8.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

Business combinations (Cont'd)

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests (NCI) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(i) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group entity and any gain/loss arising is recognised directly in equity.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, any related NCI and the other components of equity related to the subsidiary. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Accounting for subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (Cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Financial assets: Business model assessment **(Cont'd)**

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (Cont'd)

(ii) Classification and subsequent measurement (Cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (Cont'd)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(vi) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Construction-in-progress is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The estimated useful lives are as follows:

Plant and machinery	5 to 10 years
Renovation, furniture and fittings	4 to 8 years
Office equipment	1 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current year are as follows:

Patented technology	15 years
Unpatented technology	15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to make the sale.

3.7 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs and contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

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

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

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

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

General approach (cont'd)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset remains outstanding for more than the reasonable range of past due days, taking into consideration historical payment track records, current macroeconomics situation as well as the general industry trend.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being outstanding for more than the reasonable range of past due days;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and contract assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Leases

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

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Leases (cont'd)

As a lessee (cont'd)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.11 Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Revenue (cont'd)

Sale of goods (i.e. furniture and lightings)

Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied. Generally, invoices are generated prior to revenue recognition. For protective reasons, a portion of the contract consideration may be received upfront. As the payment terms are for reasons other than financing, no financing component has been recognised. Invoices are payable ranging from before delivery to three months.

Products usually come with a standard warranty term of 1 year under which the customers are able to replace any defective products.

Bespoke carpentry services

Revenue from bespoke carpentry services are recognised over time as performance obligations are satisfied as work progresses. Invoices are generated based on the agreed billing milestone stipulated in the contracts. Invoices are usually payable within 30 days.

Revenue is recognised progressively based on the percentage of completion method. The stage of completion is typically assessed by reference to the cost incurred relative to total estimated costs (input method), which is commensurate with the pattern of transfer of control to the customer. The related costs are recognised in profit or loss when they are incurred, unless they relate to future performance obligations.

If the value of services rendered exceeds payments received from the customer, a contract asset is recognised and presented separately on the balance sheet. The contract asset is transferred to receivables when the entitlement to payment becomes unconditional. If the amounts invoiced to the customer exceeds the value of services rendered, a contract liability is recognised and separately presented on the statements of financial position.

3.12 Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other operating income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.13 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised, using the effective interest method.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Finance income and finance costs (cont'd)

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Tax (cont'd)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.15 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 New standards and interpretations not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

Management is currently assessing the impact of adopting these new standards, interpretations and amendment to standards on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to SFRS(I) 16)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- Annual Improvements to SFRS(I)s 2018 – 2020
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16)
- Amendments to SFRS(I) 17
- *Extension of the Temporary Exemption from Applying SFRS(I) 9* (Amendments to SFRS(I) 4)

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Construction in progress	Plant and machinery	Renovation, furniture and fittings	Office equipment	Motor vehicles	Total
		$	$	$	$	$	$
Group							
Cost							
At 1 April 2019		–	14,100	489,460	241,835	173,519	918,914
Additions		2,257,795	–	96,942	20,720	–	2,375,457
Disposals/Write off		–	(14,100)	(59,002)	(25,088)	–	(98,190)
Effect of movements in exchange rates		48,594	–	–	90	–	48,684
At 31 March 2020		2,306,389	–	527,400	237,557	173,519	3,244,865
Reclassification to right-of-use assets	5	–	–	–	–	(173,519)	(173,519)
Additions		784,389	–	34,986	36,242	–	855,617
Transfer from inventories	10	–	–	29,147	–	–	29,147
Disposals/Write off		–	–	(3,287)	(2,080)	–	(5,367)
Effect of movements in exchange rates		(124,399)	–	–	(126)	–	(124,525)
At 31 March 2021		2,966,379	–	588,246	271,593	–	3,826,218
Accumulated depreciation and impairment losses							
At 1 April 2019		–	2,170	117,313	134,951	39,626	294,060
Depreciation for the year		–	235	101,848	35,419	34,752	172,254
Disposals/Write off		–	(2,405)	(22,245)	(19,480)	–	(44,130)
Effect of movement in exchange rates		–	–	–	20	–	20
At 31 March 2020		–	–	196,916	150,910	74,378	422,204
Reclassification to right-of-use assets	5	–	–	–	–	(74,378)	(74,378)
Depreciation for the year		–	–	117,324	45,836	–	163,160
Impairment loss		–	–	184,243	28,008	–	212,251
Disposals/Write off		–	–	(1,863)	(2,079)	–	(3,942)
Effect of movement in exchange rates		–	–	–	(85)	–	(85)
At 31 March 2021		–	–	496,620	222,590	–	719,210
Carrying amounts							
At 1 April 2019		–	11,930	372,147	106,884	133,893	624,854
At 31 March 2020		2,306,389	–	330,484	86,647	99,141	2,822,661
At 31 March 2021		2,966,379	–	91,626	49,003	–	3,107,008

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment $
Company	
Cost	
At 1 April 2019 and 31 March 2020	–
Additions	19,002
At 31 March 2021	19,002
Accumulated depreciation	
At 1 April 2019 and 31 March 2020	–
Depreciation for the year	4,751
At 31 March 2021	4,751
Carrying amounts	
At 1 April 2019 and 31 March 2020	–
At 31 March 2021	14,251

Sources of estimation uncertainty

An impairment exists when the carrying value of the cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. Where value-in-use calculations are undertaken, management will estimate the expected future cash flows from the cash-generating unit (CGU) and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment testing

As a result of the continued losses suffered by the Group, management performed impairment testing on the Group's CGUs by estimating the recoverable amount of each CGU. Management has identified each segment to be a CGU. During the financial year, an impairment loss of $212,251 has been recognised for the lighting segment (comprising of P5 Luminaire Pte. Ltd.) and mid-range furniture segment (comprising of P5 Studio Pte. Ltd.). The impairment loss is derived based on the excess of carrying amount over the recoverable amount of the CGU. The recoverable amount is computed based on value-in-use calculations using discounted cash flow projections derived from the CGU's 5-year business plans, discounted at a pre-tax discount rate of 13% and a terminal growth rate of 2.6%.

The recoverable amount of the CGUs for which impairment loss has been recognised was as follows:

	2021 $
Lighting	834,215
Mid-range furniture	618,457

Following the impairment loss recognised, the recoverable amounts are the same as the carrying amounts and any adverse movements in the key assumptions can lead to further impairment losses in future periods.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Leased motor vehicles

The Group leases motor vehicles under a number of leases. During the financial year, the motor vehicles were reclassed to right-of-use assets. At 31 March 2021, the net carrying amount of leased motor vehicle was $64,384 (2020: $99,141).

Property, plant and equipment under construction

During the financial year, the Group acquired a synthetic diesel production equipment with the intention of producing renewable diesel and biochar. The Group has incurred costs relating to the acquisition of the machine of $609,911 (2020: $2,286,859) and the construction of a shelter for the equipment of $174,478 (2020: $19,530).

5. RIGHT-OF-USE ASSETS

	Note	Leasehold building	Leasehold land	Office equipment	Motor Vehicles	Total
		$	$	$	$	$
Group						
Cost						
As at 1 April 2019		462,060	–	19,437	–	481,497
Additions		1,067,498	124,394	9,717	–	1,201,609
At 31 March 2020		1,529,558	124,394	29,154	–	1,683,106
Reclassification from property, plant and equipment	4	–	–	–	173,519	173,519
Additions		2,701,304	–	–	–	2,701,304
Disposals		(202,332)	–	–	–	(202,332)
Effect of movement in exchange rates		–	7,561	–	–	7,561
At 31 March 2021		4,028,530	131,955	29,154	173,519	4,363,158
Accumulated depreciation						
At 1 April 2019		–	–	–	–	–
Depreciation for the year		(799,634)	(4,147)	(7,324)	–	(811,105)
At 31 March 2020		(799,634)	(4,147)	(7,324)	–	(811,105)
Reclassification from property, plant and equipment	4	–	–	–	(74,378)	(74,378)
Depreciation for the year		(853,206)	(26,699)	(7,972)	(34,759)	(922,636)
Disposals		202,332	–	–	–	202,332
Effect of movement in exchange rates		–	59	–	–	59
At 31 March 2021		(1,450,508)	(30,787)	(15,296)	(109,137)	(1,605,728)
Carrying amounts						
As at 1 April 2019		462,060	–	19,437	–	481,497
At 31 March 2020		729,924	120,247	21,830	–	872,001
At 31 March 2021		2,578,022	101,168	13,858	64,382	2,757,430

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

6. INTANGIBLE ASSETS

	Note	Goodwill $	Patented and Unpatented Technology $	Total $
Group				
Cost				
At 1 April 2019		77,367	–	77,367
Acquisition through business combinations	25	–	587,920	587,920
At 31 March 2020 and 31 March 2021		77,367	587,920	665,287
Accumulated amortisation				
At 1 April 2019, 31 March 2020 and 31 March 2021		–	–	–
Carrying amounts				
At 1 April 2019		77,367	–	77,367
At 31 March 2020 and 31 March 2021		77,367	587,920	665,287

Patented and unpatented technology

The patented and unpatented technology were acquired as part of the acquisition of subsidiaries in the energy segment (refer to Note 25).

The amortisation of patented and unpatented technology has not commenced as the technology is not yet available for use as at 31 March 2021.

Sources of estimation uncertainty

An impairment exists when the carrying value of the cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. Where value-in-use calculations are undertaken, management shall estimate the expected future cash flows from the cash-generating unit (CGU) and choose a suitable discount rate in order to calculate the present value of those cash flows.

Annual impairment testing for cash-generating units containing goodwill and cash-generating units containing intangible assets not yet available for use

For the purposes of impairment testing, the intangible assets are allocated to the following CGU of the Group:

Intangible asset	CGU
Goodwill	High-end furniture segment (comprising of P5 Pte Ltd)
Patented and unpatented technology not yet available for use	Energy segment (comprising of Green Energy Investment Holding Private Limited and its subsidiaries)

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

6. INTANGIBLE ASSETS (CONT'D)

Annual impairment testing for cash-generating units containing goodwill and cash-generating units containing intangible assets not yet available for use (Cont'd)

The recoverable amounts of the CGUs are determined based on value-in-use calculations, using discounted cash flow projections derived from the CGU's five-year business plans. The key assumptions used in the calculation of the recoverable amounts are as follows:

Key assumptions	Basis	Goodwill	Patented and Unpatented Technology
Terminal growth rate	Nominal gross domestic product (GDP) rates of the country in which the operations are based in.	3% (2020: 3.0%)	0% (2020: 3.0%)
Pre-tax discount rate	Weighted cost of capital of the CGU.	13% (2020: 13%)	13% (2020: 13%)

No sensitivity analysis was disclosed as the Group believes that any reasonable change in the key assumptions is not likely to materially cause the recoverable amount to be lower than its carrying amount.

7. SUBSIDIARIES

	Company	
	2021	2020
	$	$
Investments in subsidiaries, at cost	5,694,531	5,694,531
Impairment losses	(3,655,033)	–
	2,039,498	5,694,531

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

7. SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Group	
			2021	2020
			%	%
P5 Design Ventures Pte. Ltd. ("P5DV")[2]	Investment holding company and provision of management services	Singapore	100	100
Green Energy Investment Holding Private Limited[1]	Recycling of non-metal waste	Singapore	100	100
Subsidiaries of P5 Design Ventures Pte. Ltd.				
P5 Pte. Ltd. ("P5PL")[1]	Sale and distribution of furniture, kitchen and wardrobe systems and decorative lighting	Singapore	100	100
P5 Luminaire Pte. Ltd. ("PLPL")[1]	Sale and distribution of lightings	Singapore	100	100
P5 Studio Pte. Ltd. ("PSPL")[1]	Supply of mid-range furniture	Singapore	100	100
Subsidiaries of Green Energy Investment Holding Private Limited				
PT. Indo Global Green Energy One[2, 3]	Sale of advanced biodiesel and activated carbon	Indonesia	88	88
PT. Gold Fifty One[2]	Sale of advanced biodiesel and activated carbon	Indonesia	100	100
Green Waste Recycling Company Private Limited[1]	Recycling of non-metal waste	Singapore	100	100

1 Audited by KPMG LLP Singapore.
2 There is no statutory audit requirement for these entities for the current year.
3 Undergoing liquidation

Impairment testing

As a result of the continued losses suffered by the Group, management performed impairment testing on the Group's CGUs by estimating the recoverable amount of each CGU. Management has identified each segment to be a CGU. During the financial year, an impairment loss for investments in subsidiaries of $3,655,033 has been recognised for the lighting segment (comprising of P5 Luminaire Pte. Ltd.) and mid-range furniture segment (comprising of P5 Studio Pte. Ltd.). Further information about the impairment loss is included in Note 4.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

8. OTHER INVESTMENT

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Debt investment – mandatorily at FVTPL	500,000	–	500,000	–

In 2020, the Group disposed its investment in an unquoted investment fund for a net sale proceeds of approximately $4,600,017.

During the financial year, the Group entered into a project investment agreement with Gashubunited Utility Private Limited ("GUPL") and Gashubunited Holding Private Limited for an investment amounting to $500,000 to fund the construction of the Liquefied Natural Gas "LNG" Bottling Station in Jurong Island. The investment is for a period of two years and the Company is entitled to receive 7% per annum plus a 6.5% share of the net profit after tax attributable to the operations of the LNG Bottling Station from the date on which GUPL obtains the temporary occupation permit.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade receivables	555,080	749,917	–	–
Impairment losses	(97,801)	(136,956)	–	–
	457,279	612,961	–	–
Loans to subsidiaries	–	–	3,650,029	881,064
Grant receivables	254,766	140,671	126,335	13,800
Other receivables	20,959	12,770	544	11,470
Deposits	321,458	223,135	–	–
Financial assets measured at amortised costs	1,054,462	989,537	3,776,908	906,334
Prepayments	1,307,837	759,466	508,219	21,813
GST receivables	54,186	119,145	26,719	17,949
	2,416,485	1,868,148	4,311,846	946,096
Non-current	–	–	3,650,029	881,064
Current	2,416,485	1,868,148	661,817	65,032
	2,416,485	1,868,148	4,311,846	946,096

The loans to subsidiaries are unsecured, interest-free and are repayable on demand. The amounts are classified as non-current as the Company does not expect to receive the payment within the next 12 months. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

The Group has been awarded government grant under the Jobs Support Scheme which is a wage subsidy programme introduced in Singapore in response to the COVID-19 coronavirus pandemic. The grant, received in 2021, amounted to $480,410. The grant was recognised in profit or loss in 'Other operating income' (Note 19) and the related wages and salaries for local employees were recognised in 'Administrative expenses'. Grant receivables include Job Support Scheme receivables of $39,923.

The Group and the Company's exposure to credit and foreign currency risks, impairment losses for trade and other receivables, and the sensitivity analysis for trade and other receivables is disclosed in Note 26.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

10. INVENTORIES

	Group	
	2021	2020
	$	$
Finished goods	2,171,340	2,051,859
Goods-in-transit	92,312	143,466
	2,263,652	2,195,325

The cost of inventories included in the Group's 'cost of sales' amounted to $2,250,619 (2020: $4,054,059).

During the financial year, inventories amounting to $29,147 were reclassified to property, plant and equipment as these inventories were repurposed for use in the showroom.

Allowance for stock obsolescence of $40,153 (2020: $164,225) was made based on management's assessment of future demand of certain aged products.

Source of estimation uncertainty

The Group has assessed the net realisable value of its inventories on a yearly basis. Inventories have been written down to net realisable value to be consistent with the view that assets should not be carried in excess of amounts expected to be realised from their sale or use. Estimates of net realisable value are based on the most reliable evidence available at the balance sheet date. These estimates take into consideration market demand, competition, selling price and cost directly relating to events occurring after the end of the financial year, to the extent that such events confirm conditions existing at the end of the financial year.

11. CASH AND CASH HELD WITH FINANCIAL INSTITUTIONS

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Cash at bank and in hand	5,859,400	2,768,085	3,821,482	1,694,023
Fixed deposits with banks	4,070,618	8,104,946	4,070,618	8,104,946
	9,930,018	10,873,031	7,892,100	9,798,969

The weighted average effective interest rate per annum relating to fixed deposits with banks at the reporting date for the Group and the Company are 0.15% (2020: 1.32%) and 0.15% (2020: 1.32%), respectively. Interest rates reprice at intervals of one to twelve months.

The Group and the Company's exposure to foreign currency risk for cash and cash held with financial institutions are disclosed in Note 26.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

12. SHARE CAPITAL

	Company	
	2021	2020
	No. of shares	No. of shares
At 1 April	557,524,443	557,524,443
Issuance during the year	132,000,000	–
At 31 March	689,524,443	557,524,443

On 19 January 2021, the Company announced that it had entered into a subscription agreement with 18 subscribers ("Placement") to issue 132,000,000 new ordinary shares at $0.027 per share. The placement was completed on 4 February 2021. Incremental costs directly attributable to the issue of ordinary shares amounting to $29,138 was deducted from share capital.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares are fully paid, with no par value. All ordinary shares rank equally with regard to the Company's residual assets.

Capital management

The Group defines capital as share capital, translation reserve and accumulated losses.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes on the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

13. RESERVES

	Group	
	2021	2020
	$	$
Translation reserve	14,440	1,102

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

14. DEFERRED TAX LIABILITIES

(a) Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2021 $	2020 $
Group		
Intangible assets	99,946	99,946

Movement in deferred tax balances

	At 1 April 2019 $	Acquired in business combination (Note 25) $	At 31 March 2020 and 31 March 2021 $
Group			
Intangible assets	–	99,946	99,946

(b) Unrecognised deferred tax assets

Deferred tax assets for the Group have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

	2021		2020	
	Gross amount $	Tax effect $	Gross amount $	Tax effect $
Deductible temporary differences	554,951	94,341	247,881	42,139
Tax losses	3,734,005	634,781	2,671,292	454,120
	4,288,956	729,122	2,919,173	496,259

The deductible temporary differences and tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the Group operates. The deductible temporary differences and tax losses do not expire under current tax legislation.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

15. LEASE LIABILITIES

	Group	
	2021	2020
	$	$
Lease liabilities	2,834,695	993,830
Repayable:		
Within 1 year	1,023,368	760,371
After 1 year but within 5 years	1,811,327	233,459
	2,834,695	993,830

Leases as lessee

The Group leases land and building for its office space, warehouse and showroom. The leases typically run for a period of 2 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group also leases motor vehicles and office equipment with contract terms of 7 years and 5 years respectively.

Information about leases for which the Group is a lessee is presented below.

Amounts recognised in profit or loss

	2021	2020
	$	$
Interest on lease liabilities	34,801	45,444
Expenses relating to short-term leases	–	65,651
Amounts recognised in statement of cash flows		
Total cash outflow for leases	895,240	938,437

Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liabilities of $711,683 (2020: $1,696,525).

The Group's exposure to liquidity risk, interest rate risk and foreign currency risk for lease liabilities are disclosed in Note 26.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

15. LEASE LIABILITIES (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Amount due to affiliated companies	Loan from a director	Lease liabilities	Total
	$	$	$	$
Balance at 1 April 2019	–	–	619,563	619,563
Changes from financing cash flows				
Proceeds from loan from a director	–	86,473	–	86,473
Payment of lease liabilities	–	–	(827,342)	(827,342)
Interest paid	–	–	(45,444)	(45,444)
Total changes from financing cash flows	–	86,473	(872,786)	(786,313)
Change arising from business combination	415,958	2,199,103	–	2,615,061
The effect of changes in foreign exchange rates	–	43,735	–	43,735
Other changes				
New leases	–	–	1,201,609	1,201,609
Interest expense	7,885	41,689	45,444	95,018
Total other changes	7,885	41,689	1,247,053	1,296,627
Balance at 31 March 2020	423,843	2,371,000	993,830	3,788,673

	Amount due to affiliated companies	Loan from a director	Lease liabilities	Loans and Borrowings	Total
	$	$	$	$	$
Balance at 1 April 2020	423,843	2,371,000	993,830	–	3,788,673
Changes from financing cash flows					
Proceeds from bank loan	–	–	–	1,000,000	1,000,000
Repayment from loan from a director	–	(1,834,367)	–	–	(1,834,367)
Repayment of bank loan	–	–	–	(77,733)	(77,733)
Repayment of lease liabilities	–	–	(860,439)	–	(860,439)
Interest paid	–	–	(34,801)	(12,112)	(46,913)
Total changes from financing cash flows	–	(1,834,367)	(895,240)	910,155	(1,819,452)
The effect of changes in foreign exchange rates	–	(52,158)	–	–	(52,158)
Other changes					
New leases	–	–	2,701,304	–	2,701,304
Interest expense	22,563	84,254	34,801	12,112	153,730
Other payables	38,894	51,158	–	–	90,052
Total other changes	61,457	135,412	2,736,105	12,112	2,945,086
Balance at 31 March 2021	485,300	619,887	2,834,695	922,267	4,862,149

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16. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Trade payables and accruals	475,887	765,410	184,060	180,278
Other payables	208,334	–	–	–
Accruals for employee benefits	66,494	71,392	17,551	18,256
Amounts due to subsidiaries	–	–	30,615	197,741
Loan from a director	619,887	2,371,000	–	–
Amounts due to affiliated companies	485,300	423,843	–	–
Financial liabilities	1,855,902	3,631,645	232,226	396,275
Deferred grant income	254,766	140,671	126,335	13,800
GST payables	90,626	33,153	–	–
	2,201,294	3,805,469	358,561	410,075

The Group and the Company's exposure to liquidity risk and foreign currency risk for trade and other payables are disclosed in Note 26.

Loan from a director and amounts due to his affiliated companies were part of the liabilities assumed under the acquisitions of subsidiaries during the year (see Note 25). They are non-trade in nature, unsecured and interest-free.

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

17 LOANS AND BORROWINGS

	Group	
	2021	2020
	$	$
Unsecured bank loan		
Non-current	731,701	–
Current	190,566	–
	922,267	–

Terms and conditions of outstanding loans and borrowings are as follows:

Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
			$	$	$	$
SGD	3%	2025	922,267	922,267	–	–

The Group's exposure to liquidity risk for loans and borrowings are disclosed in Note 26.

Intra-group financial guarantee

The Company has provided a financial guarantee to the bank for the unsecured bank loan obtained by a subsidiary. Management of the Company has assessed the fair value of the financial guarantee on inception to be insignificant. At the reporting date, the Company has not recognised a provision as the Company does not consider it probable that a claim will be made against the Company under the guarantee.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

18. REVENUE

	2021 $	2020 $
Revenue from contracts with customers	4,747,771	7,706,710

The following tables provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Furniture segment

Nature of goods or services	The Group sells and distributes furniture, kitchen, and wardrobe systems to its customers.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance has been met.
Significant payment terms	Payment is received just before or when the goods are delivered to customers. For protective reasons, a portion of the contract consideration may be received upfront. As such, no financing component has been recognised as the payment terms are for reasons other than financing.
Obligations for returns and refunds, if any	Customers are not entitled to returns or refunds; unless due to defective products.
Obligations for warranties	Products usually come with a standard warranty term of 1 year under which the customers are able to replace any defective products.

Lighting segment

Nature of goods or services	The Group sells and distributes lighting products to its customers.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance has been met.
Significant payment terms	Payment is received before or when the goods are delivered to customers. For certain corporate customers, the payment terms are governed by contracts signed with customers. For protective reasons, a portion of the contract consideration may be received upfront. As such, no financing component has been recognised as the payment terms are for reasons other than financing.
Obligations for returns and refunds, if any	Customers are not entitled to returns or refunds; unless due to defective products.
Obligations for warranties	Products usually come with a standard warranty term of 1 year under which the customers are able to replace any defective products.

18. REVENUE (CONT'D)

Bespoke carpentry segment

Nature of goods or services	The Group supplies contract furniture and bespoke carpentry works to its customers. Bespoke carpentry services are constructed and tailored to specifications detailed in contracts with customers.
When revenue is recognised	The Group has assessed that these contracts qualify for over time revenue recognition as bespoke carpentry works have no alternative use for the Group due to the contractual restrictions, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract.
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified milestones. If the value of the services rendered exceeds payments received from the customer, a contract asset is recognised. Where the period between the satisfaction of a performance obligation and payment by the customer exceeds a year, the Group adjust the transaction price with its customer and recognises a financing component. In adjusting for the financing component, the Group uses a discount rate that would reflect that of a separate financing transaction between the Group and its customer at contract inception. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

The construction contracts qualify for over time revenue recognition. Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs incurred to fulfil a contract are capitalised only if the costs relate directly to the contract, generate or enhance resources used in satisfying future performance obligations, and are expected to be recovered. These costs would be amortised consistently with the pattern of revenue for the related contract. Other costs are expensed as incurred. The Group has applied the practical expedient and recognised the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

NOTE TO THE **FINANCIAL STATEMENTS**

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18. REVENUE (CONT'D)

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition.

	Furniture		Lighting		Bespoke Carpentry		Energy		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$	$	$	$	$
Primary geographical markets										
Singapore	4,107,469	5,420,196	399,486	2,253,664	239,538	32,850	1,278	–	4,747,771	7,706,710
Major products/ service line										
Sales of goods	4,107,469	5,420,196	399,486	2,253,664	–	–	1,278	–	4,508,233	7,673,860
Bespoke carpentry services	–	–	–	–	239,538	32,850	–	–	239,538	32,850
	4,107,469	5,420,196	399,486	2,253,664	239,538	32,850	1,278	–	4,747,771	7,706,710
Timing of revenue recognition										
Products transferred at a point in time	4,107,469	5,420,196	399,486	2,253,664	–	–	1,278	–	4,508,233	7,673,860
Products and services transferred over time	–	–	–	–	239,538	32,850	–	–	239,538	32,850
	4,107,469	5,420,196	399,486	2,253,664	239,538	32,850	1,278	–	4,747,771	7,706,710

18. REVENUE (CONT'D)

Contract balances

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

	Note	2021 $	2020 $
Trade receivables, net	9	457,279	612,961
Contract assets		100,697	72,873
Contract liabilities		(2,043,721)	(1,204,404)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date for lighting and bespoke carpentry works. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The contract liabilities primarily relate to advance consideration received from customers for sale of furniture, lightings and bespoke carpentry works.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows.

	Contract assets		Contract liabilities	
	2021 $	2020 $	2021 $	2020 $
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	941,689	1,936,901
Increases due to cash received, excluding amounts recognised as revenue during the year	–	–	(1,781,006)	(1,025,584)
Contract assets reclassified to trade receivables	–	(48,739)	–	–
Changes in measurement of progress	27,824	40,200	–	–

Significant judgements are used to estimate total contract costs to complete. In making these estimates, management has relied on the expertise of craftsmen to determine the progress of the construction and also on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding adjustment to profit margin being recognised prospectively from the date of change.

The Group's exposure to impairment losses for contract assets is disclosed in Note 26.

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

19. OTHER OPERATING INCOME

	Note	Group 2021 $	Group 2020 $
Gain on disposal of property, plant and equipment		3,076	–
Gain on bargain purchase	25	–	114,185
Government grants		594,316	68,727
Rental concessions		216,188	–
Miscellaneous income		113,038	83,482
		926,618	266,394

20. NET FINANCE (COSTS)/INCOME

	Group 2021 $	Group 2020 $
Net fair value gain on other investments	–	923,332
Interest income	28,937	138,543
Net foreign exchange gain	–	178,419
Finance income	28,937	1,240,294
Interest expense		
- lease liabilities	(34,801)	(45,444)
- unsecured bank loan	(12,112)	–
- accretion of interest on interest-free loans	(106,817)	(49,574)
Net foreign exchange loss	(227,465)	–
Finance costs	(381,195)	(95,018)
Net finance (costs)/income recognised in profit or loss	(352,258)	1,145,276

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

21. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2021	2020
	$	$
Staff costs	(2,996,161)	(2,832,503)
Contributions to defined contribution plans	(290,678)	(232,598)
Allowance for inventory obsolescence	(40,153)	(164,225)
Depreciation of property, plant and equipment	(163,160)	(172,254)
Depreciation of right-of-use assets	(922,636)	(811,105)
Audit fees paid and payable to auditors of the Company	(108,000)	(115,000)
Non-audit fees paid and payable to auditors of the Company	(28,000)	(13,789)
Impairment loss on property, plant and equipment	(212,251)	–
Gain/(loss) on disposal of property, plant and equipment	3,076	(37,705)

22. TAX EXPENSE

	Group	
	2021	2020
	$	$
Current tax expense		
Current year	–	–
Deferred tax expense		
Movements in temporary differences	–	–
Total tax expense	–	–
Reconciliation of effective tax		
Loss before tax	(3,175,223)	(763,909)
Tax calculated using Singapore tax rate of 17% (2020: 17%)	(539,788)	(129,865)
Expenses not deductible for tax purposes	398,170	51,146
Tax-exempt income	(91,245)	(196,876)
Change in unrecognised temporary differences	52,202	9,420
Recognition of tax effect of previously unrecognised tax losses and unutilised capital allowance	–	(62,860)
Current year losses for which no deferred tax asset is recognised	180,661	329,035
	–	–

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

23. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share has been based on the following loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2021 $	2020 $
Basic loss per share is based on:		
Loss attributable to ordinary shareholders	(3,175,223)	(763,909)
Weighted average number of ordinary shares during the year	577,414,854	557,524,443
Basic loss per share	(0.55)	(0.14)

Diluted loss per share

There were no instruments that would have an effect of diluting the earnings of the Group that existed during or as at the end of the financial year.

24. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

High-end Furniture	:	Sale and distribution of high-end furniture, kitchen and wardrobe systems and decorative lighting
Lighting	:	Sale and distribution of lightings
Mid-range Furniture	:	Supply of mid-range contract furniture
Energy	:	Production and sale of advanced biodiesel and activated carbon. This segment is not operational yet.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

24. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	High-end Furniture		Lighting		Mid-range Furniture		Energy		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$	$	$	$	$
Group										
External revenue	2,855,069	3,647,472	399,486	2,253,664	1,252,400	1,805,574	1,278	–	4,508,233	7,706,710
Inter-segment revenue	279,102	419,365	152,082	21,980	19,388	608	–	–	450,572	441,953
Interest income	–	–	–	–	–	–	–	46	–	46
Interest expense	(30,358)	(36,416)	(8,357)	(7,216)	(4,497)	(1,165)	(110,518)	(50,221)	(153,730)	(95,018)
Depreciation and amortisation	(726,442)	(632,522)	(230,453)	(249,676)	(94,289)	(96,457)	(28,606)	(4,704)	(1,079,790)	(983,359)
Reportable segment (loss)/profit before tax	(244,090)	(492,558)	(315,846)	216,904	(282,235)	(361,826)	(630,140)	(1,282)	(1,472,311)	(638,762)
Other material non-cash items:										
Allowance for inventory obsolescence	104	41,951	40,000	119,216	49	3,058	–	–	40,153	164,225
Impairment loss on receivables	3,465	–	18,279	14,536	–	8,025	–	–	21,744	22,561
Impairment loss on property, plant and equipment	–	–	86,151	–	126,100	–	–	–	212,251	–
Capital expenditure	54,540	97,766	21,426	8,852	4,051	7,664	784,785	2,260,106	864,802	2,374,388
Reportable segment assets	6,082,108	3,586,602	1,320,699	1,323,179	1,206,007	1,797,280	3,931,508	3,658,214	12,540,322	10,365,275
Reportable segment liabilities	5,169,205	1,819,502	446,872	529,419	572,088	470,453	1,493,627	3,052,394	7,681,792	5,871,768

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

24. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2021 $	2020 $
Revenue		
Total revenue for reportable segments	4,508,233	7,706,710
Loss before tax		
Total loss for reportable segments	(1,472,311)	(638,762)
Unallocated amounts:		
- Finance (cost)/income	(35,286)	138,497
- Other corporate expenses	(1,907,164)	(1,186,977)
- Net fair value gain on investment	–	923,333
Unallocated revenue	239,538	–
Consolidated loss before tax	(3,175,223)	(763,909)
Assets		
Total assets for reportable segments	12,540,322	10,365,275
Other unallocated amounts	9,200,255	9,004,051
Consolidated total assets	21,740,577	19,369,326
Liabilities		
Total liabilities for reportable segments	7,681,792	5,871,768
Other unallocated amounts	420,131	231,881
Consolidated total liabilities	8,101,923	6,103,649

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of business operations. Segment assets are based on the geographical location of the assets.

	2021		2020	
	External revenues $	Non-current assets $	External revenues $	Non-current assets $
Singapore	4,747,771	6,734,553	7,706,710	4,220,172
Indonesia	–	295,174	–	139,777
	4,747,771	7,029,727	7,706,710	4,359,949

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

25. ACQUISITION OF SUBSIDIARIES

On 13 November 2019, the Group acquired 100% of the shares and voting interests in Green Energy Investment Holding Private Limited ("GEI") and Green Waste Recycling Company Private Limited ("GWRC") from the controlling shareholder, Mr Lim Shao-Lin, who is the current Chief Executive Officer and Executive Director. As a result, the Group's equity interest in GEI and GWRC increased to 100%, obtaining control of GEI and GWRC.

Taking control of GEI and GWRC will enable the Group to diversify its business into the renewable and sustainable energy industry by investing into the production of advanced biodiesel and activated carbon, including the provision of plant maintenance services.

For the year ended 31 March 2020, GEI and GWRC contributed nil revenue and loss of $13,090 to the Group's results. If the acquisition had occurred on 1 April 2019, management estimates that consolidated revenue would have been the same and consolidated loss for the year would have been approximately $767,166. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2019.

Consideration transferred

The total cash consideration transferred for the acquisition amounted to $51,381.

Acquisition-related costs

The Group incurred acquisition-related costs of $24,840 on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Note	$
Intangible assets	6	587,920
Other receivables		2,322,371
Cash and cash equivalents		34,682
Deferred tax liabilities	14	(99,946)
Loans from a director and affiliated companies		(2,615,061)
Other payables		(64,400)
Total identifiable net assets		165,566
Purchase consideration settled in cash		(51,381)
Cash and cash equivalents acquired		34,682
Cash outflow on acquisition of subsidiaries		(16,699)

Loan from a director and his affiliated companies are non-trade in nature, unsecured and interest-free. The Director has provided an undertaking to the Company that he and his affiliated companies will not demand for repayment for a period of 1 year from the acquisition date.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

25. ACQUISITION OF SUBSIDIARIES (CONT'D)

Measurement of fair values

The valuation techniques used for measuring the fair value of material asset acquired are as follows:

Asset acquired	Valuation technique
Intangible assets	The cost approach uses the concept of replacement or reproduction cost as an indicator of fair value. The premise of the cost approach is that a prudent investor would pay no more for an asset than the amount for which the asset could be replaced/reproduced.
Interest-free loans from a director and affiliated companies	The fair value of interest-free loans from a director and affiliated companies are determined based on the present value of future cash flows discounted using the Singapore prime lending rate at 5.25%. The discounted cash flow model uses various assumptions, including market rates of interest and expected repayment terms.

Bargain purchase

Bargain purchase arising from the acquisition has been recognised as follows:

	$
Total consideration transferred	51,381
Fair value of identifiable net assets	(165,566)
Bargain purchase	(114,185)

The bargain purchase is attributable to the assets being acquired at less than fair value, which is expected to be integrated into the Group's new business segment to bolster future earnings. The entities are currently in the start-up phase and the acquisition will allow the Group to tap into the energy business opportunities in the renewable energy market both on a domestic and international scale and provide recurring revenue streams.

26. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

26. FINANCIAL INSTRUMENTS (CONT'D)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities.

The Group's Audit Committee oversees how management monitors the compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets and contract assets represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not require any collateral in respect of their financial assets.

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

	2021	**2020**
	$	**$**
Impairment loss on trade receivables and contract assets arising from contracts with customers	21,744	22,561

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 24.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. Sale limits are established for each customer and these limits are reviewed periodically. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

NOTE TO THE FINANCIAL STATEMENTS

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26. FINANCIAL INSTRUMENTS (CONT'D)

Trade receivables and contract assets (cont'd)

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of up to three months for individual and corporate customers respectively.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The exposure to credit risk for trade receivables and contract assets at the reporting date by geographic region was as follows:

	Group	
	Carrying amount	
	2021	2020
	$	$
Singapore	557,976	685,834

The exposure to credit risk for trade receivables and contract assets at the reporting date by type of counterparties was:

	Group	
	2021	2020
	$	$
Corporate customers	377,522	613,766
Individual customers	180,454	72,068
	557,976	685,834

At the reporting date, the Group's credit risk is mainly from trade receivables due from ten (2020: ten) customers amounting to 90% (2020: 93%) of trade receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

A summary of the exposure to credit risk for trade receivables and contract assets is as follows:

	Group			
	2021		2020	
	Not credit-impaired	Credit-impaired	Not credit-impaired	Credit-impaired
	$	$	$	$
Trade receivables and contract assets	557,976	97,801	685,834	136,956
Loss allowance	–	(97,801)	–	(136,956)
Total	557,976	–	685,834	–

NOTE TO THE **FINANCIAL STATEMENTS**

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26. FINANCIAL INSTRUMENTS (CONT'D)

Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets for customers:

	Group			
	Weighted average loss rate	**Gross carrying amount**	**Impairment loss allowance**	**Credit impaired**
	%	**$**	**$**	
2021				
Current (not past due)	–	338,234	–	No
Past due 1 to 30 days	–	437	–	No
Past due 31 to 90 days	–	17,502	–	No
More than 90 days	32.64	299,604	(97,801)	Yes
		655,777	(97,801)	
2020				
Current (not past due)	–	277,168	–	No
Past due 1 to 30 days	–	71,006	–	No
Past due 31 to 90 days	–	87,130	–	No
More than 90 days	35.34	387,486	(136,956)	Yes
		822,790	(136,956)	

Loss rates are based on actual credit loss experience over the past three years. These rates are adjusted by scalar factors to reflect the differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. No scalar factors have been applied.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

26. FINANCIAL INSTRUMENTS (CONT'D)

Movements in allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	Group	
	2021	2020
	$	$
Balance at 1 April	136,956	114,395
Impairment loss recognised	28,748	26,322
Impairment loss reversed	(7,004)	(3,761)
Write-off	(60,899)	–
Balance at 31 March	97,801	136,956

Loans to subsidiaries

The Company held loans to subsidiaries of $3,650,029 (2020: $881,064). These balances are amounts lent to subsidiaries to satisfy short term funding requirements. The Company has considered qualitative factors in the assessment of ECLs for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $9,930,018 and $7,892,100 respectively at 31 March 2021 (2020: $10,873,031 and $9,798,969 respectively) with reputable financial institutions.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Other receivables

Other receivables are short-term in nature. Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturities of exposures. The Group considers its other receivables to have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on other receivables is insignificant.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

26. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

			<--------------------- Cash outflows		---------------------->
	Carrying amount	**Contractual cash flows**	**Within one year**	**Within one to five years**	**More than five years**
	$	**$**	**$**	**$**	**$**
Group					
31 March 2021					
Non-derivative financial liabilities					
Trade and other payables*	1,855,902	(1,871,920)	(1,871,920)	–	–
Lease liabilities	2,834,695	(2,938,799)	(1,084,355)	(1,854,444)	–
Loans and borrowings	922,267	(988,295)	(215,628)	(772,667)	–
	5,612,864	(5,799,014)	(3,171,903)	(2,627,111)	–
31 March 2020					
Non-derivative financial liabilities					
Trade and other payables*	3,631,645	(3,752,125)	(2,800,498)	(951,627)	–
Lease liabilities	993,830	(1,012,533)	(780,353)	(230,939)	(1,241)
	4,625,475	(4,764,658)	(3,580,851)	(1,182,566)	(1,241)
Company					
31 March 2021					
Non-derivative financial liabilities					
Trade and other payables	232,226	(232,226)	(232,226)	–	–
Intra-group financial guarantee	–	(988,295)	(215,628)	(772,667)	–
	232,226	(1,220,521)	(447,854)	(772,667)	–
31 March 2020					
Non-derivative financial liabilities					
Trade and other payables	396,275	(396,275)	(396,275)	–	–

* Excludes deferred grant income and GST payables

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

26. FINANCIAL INSTRUMENTS (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to its interest-bearing financial instruments. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates. The Group does not use any derivative financial instruments to hedge its interest rate risk.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, was as follows:

	Group		Company	
	Carrying amount		Carrying amount	
	2021	2020	2021	2020
	$	$	$	$
Fixed rate instrument				
Fixed deposits with banks	4,070,618	8,104,946	4,070,618	8,104,946
Debt investment – mandatorily at FVTPL	500,000	–	500,000	–
Unsecured bank loan	(922,267)	–	–	–
	3,648,351	8,104,946	4,570,618	8,104,946

Sensitivity analysis

For debt investment accounted at FVTPL, an increase of 100 basis points in interest rate would have decreased profit or loss by approximately $7,913 (2020: $Nil) for the Group and Company. A decrease of 100 basis points in interest rate would have increased profit or loss by approximately $8,115 (2020: $Nil) for the Group and Company. This analysis assumes that all other variables, in particularly foreign currency exchange rates, remains constant.

For other fixed rate instruments, they are not accounted at FVTPL. Therefore, in respect of those fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

26. FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

The Group is exposed to transactional foreign currency risk on sales, purchases, including inter-company sales, purchases and inter-company balances that are denominated in currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily US dollar (USD), Euro (EUR) and Indonesian Rupiah (IDR).

There is no formal hedging policy with respect to foreign currency exposure. Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposures at an acceptable level.

The Group's exposure to foreign currency risk was as follows:

	USD	EUR	IDR
	$	$	$
Group			
31 March 2021			
Trade and other receivables	–	–	28,867
Cash and cash held with financial institutions	589,254	–	13,563
Trade and other payables	(141,937)	(59,783)	–
Net financial assets/(liabilities)	447,317	(59,783)	42,430

	USD	EUR	IDR
	$	$	$
Group			
31 March 2020			
Trade and other receivables	394,985	199,889	11,117
Cash and cash held with financial institutions	1,089,932	–	62,853
Trade and other payables	(57,910)	(116,015)	(66)
Net financial assets	1,427,007	83,874	73,904

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

26. FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

A 5% strengthening of the Singapore dollar against the following currencies of the Group entities at the reporting date would increase/(decrease) the Group's loss before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020 and 2021, that the reasonably possible foreign exchange rate variances were different, as indicated below:

	Group	
	Increase/(Decrease)	
	2021	2020
	$	$
US dollar	22,366	71,350
Euro	(2,989)	4,194
Indonesian Rupiah	2,122	3,695

A 5% weakening of Singapore dollar against the above functional currencies of the Group entities at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables, in particular interest rates, remain constant.

As all the Company's transactions are denominated in Singapore dollar, the Company is not exposed to currency risk.

Determination of fair values

A number of the Group's accounting and disclosures require the determination of fair value, for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Other investments

The fair value of the debt investment is based on the expected future cash flows from the investment, discounted using a risk-adjusted discount rate.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash held with financial institutions, and trade and other payables) are reasonable approximations of their fair values because of the short period to maturity.

For loans to subsidiaries classified as non-current, the effect of discounting is assessed to be immaterial.

The carrying amount of loan from a director and amounts due to affiliated companies are discounted using the Singapore prime lending rate, which approximates the Company's cost of borrowing.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

26. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

		Carrying amount				Fair value			
	Note	Fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$	$	$	$	$	$	$	$
Group									
31 March 2021									
Financial asset measured at fair value									
Other investment	8	500,000	–	–	500,000	–	–	500,000	500,000
Financial assets not measured at fair value									
Trade and other receivables#	9	–	1,054,462	–	1,054,462				
Cash and cash held with financial institutions	11	–	9,930,018	–	9,930,018				
		–	10,984,480	–	10,984,480				
Financial liabilities not measured at fair value									
Trade and other payables*	16	–	–	1,855,902	1,855,902				
Loans and borrowings	17	–	–	(922,267)	(922,267)				
		–	–	(2,778,169)	(2,778,169)				

Excludes prepayments and GST receivables

* Excludes deferred grant income and GST payables

26. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

		Carrying amount			Fair value			
	Note	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$	$	$	$	$	$	$
Group								
31 March 2020								
Financial assets not measured at fair value								
Trade and other receivables#	9	989,537	–	989,537				
Cash and cash held with financial institutions	11	10,873,031	–	10,873,031				
		11,862,568	–	11,862,568				
Financial liabilities not measured at fair value								
Trade and other payables*	16	–	(3,631,645)	(3,631,645)				

Excludes prepayments and GST receivables
* Excludes deferred grant income and GST payables

26. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

		Carrying amount				Fair value			
	Note	Fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		$	$	$	$	$	$	$	$
Company									
31 March 2021									
Financial asset measured at fair value									
Other investment	8	500,000	–	–	500,000	–	–	500,000	500,000
Financial assets not measured at fair value									
Trade and other receivables#	9	–	3,776,908	–	3,776,908				
Cash and cash held with financial institutions	11	–	7,892,100	–	7,892,100				
		–	11,669,008	–	11,669,008				
Financial liability not measured at fair value									
Trade and other payables*	16	–	–	(232,226)	(232,226)				
31 March 2020									
Financial assets not measured at fair value									
Trade and other receivables#	9	–	906,334	–	906,334				
Cash and cash held with financial institutions	11	–	9,798,969	–	9,798,969				
		–	10,705,303	–	10,705,303				
Financial liability not measured at fair value									
Trade and other payables*	16	–	–	(396,275)	(396,275)				

\# Excludes prepayments and GST receivables

* Excludes deferred grant income

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

26. FINANCIAL INSTRUMENTS (CONT'D)

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Debt investment – mandatorily at FVTPL	The fair value of the debt investment is based on the expected future cash flows from the investment, discounted using a risk-adjusted discount rate.	• Expected future cash flows (2021: $570,000) • Risk-adjusted discount rate (2021: 7.9%)	The estimated fair value would increase/(decrease) if: • the expected future cash flows were higher/(lower) • the risk-adjusted discount rate was lower/(higher)

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for level 3 fair values:

	Group	
	2021	2020
	$	$
At 1 April	–	3,676,685
Net fair value gain on other investments	–	923,332
Addition	500,000	–
Disposal	–	(4,600,017)
At 31 March	500,000	–

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. There were no transfers between Level 1, Level 2 and Level 3 during 2021 and 2020.

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

27. RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The directors and senior management team are considered as key management personnel of the Group.

Key management personnel compensation comprised:

	Group	
	2021	2020
	$	$
Short-term employee benefits	871,641	792,847
Contributions to defined contribution plans	64,119	50,565
	935,760	843,412

The Company's directors receiving remuneration and fees from the Group as at the reporting date:

	Number of directors	
	2021	2020
$250,000 to $499,999	1	–
Below $250,000	5	7
	6	7

Director transactions

The aggregate value of transactions entered by the Group entities with a Director and controlling shareholder and entities in which he controls were as follows:

	Group	
	Transaction value for the year ended 31 March	
	2021	2020
	$	$
Expenses paid on behalf by a Director	89,724	90,215
Debt investment	500,000	–
Acquisition of subsidiaries from controlling shareholder, net of cash acquired	–	16,699

28. COMMITMENTS

Capital commitments

	Group and Company	
	2021	2020
	$	$
Capital expenditure contracted for but not provided in the financial statements	4,085,000	–

NOTE TO THE FINANCIAL STATEMENTS

For year ended 31 March 2021

29. SUBSEQUENT EVENTS

Acquisition of property - 39 Kaki Bukit Place Singapore 416217

On 12 March 2021, the Company announced the proposed acquisition of an industrial property located at 39 Kaki Bukit Place Singapore 416217 (the "Property"). The 5-storey Property has an approximate gross floor area of 13,110 square feet with a leasehold tenure of 60 years commencing on 20 November 1995. On 18 March 2021, the Company exercised the option to purchase the Property for a total consideration of S$4.3 million. The transaction was completed on 14 May 2021.

Binding memorandum of understanding in relation to the proposed acquisition of shares in the capital of Gashubunited Holding Private Limited

On 8 June 2021, the Board of Directors of the Company entered into a binding memorandum of understanding ("MOU") with Mr Lim Shao-Lin.

The MOU sets out the key understandings to explore the Company's proposed acquisition of the 22,984,007 shares held by Mr Lim in Gashubunited Holding Private Limited ("GHPL") ("Sale Shares"), representing 60.25% of the total shares in the capital of GHPL as at the date of this Announcement ("Proposed Acquisition"). The Proposed Acquisition is conditional upon and subject to the entry into a definitive sale and purchase agreement ("Definitive SPA") within nine months from the date of the MOU, and the MOU will expire automatically thereafter if the Definitive SPA is not entered into and the expiry date of the MOU is not extended.

GHPL is principally engaged in the business of providing a full range of smart energy efficient solutions and utility with natural gas at its core for sustainable future energy. To keep up with shifting global trends and complemented by its core expertise in gas piping, GHPL also intends to expand its cleaner energy business to include the sale of electricity, natural gas and liquefied natural gas in Singapore, and pioneer liquefied natural gas distribution in cylinders in Singapore.

The exploration of the green energy platform is aligned with group intention to venture into the energy and natural gas-related business through this proposed acquisition.

The purchase consideration for the Sale Shares is $18,074,634.90 ("Purchase Consideration"), assuming the valuation of 100% of GHPL's shares as $30,000,000 ("Indicative Valuation").

The Purchase Consideration will be adjusted based on the final valuation of 100% of GHPL's shares set out in the formal valuation report issued by the independent valuer to be appointed by the Company ("Final Valuation"), in the following manner:

(i) where the Final Valuation falls within the range of $20,000,000 to $29,999,999, the Purchase Consideration will be adjusted and determined according to the shareholding interest of the Sale Shares, based on the total number of shares in GHPL as at such date, multiplied by the Final Valuation;

(ii) where the Final Valuation is equal to or higher than the Indicative Valuation, there will be no adjustment to the Purchase Consideration; and

(iii) where the Final Valuation is lower than $20,000,000, the MOU or the Definitive SPA will cease and determine.

NOTE TO THE **FINANCIAL STATEMENTS**

For year ended 31 March 2021

29. SUBSEQUENT EVENTS (CONT'D)

Binding memorandum of understanding in relation to the proposed acquisition of shares in the capital of Gashubunited Holding Private Limited (Cont'd)

The Purchase Consideration will be satisfied by the issue of new ordinary shares in the capital of the Company ("Shares") ("Consideration Shares") to Mr Lim. The issue price of the Consideration Shares will be based on the volume weighted average of the prices of Shares traded on the SGX-ST during the three-month period preceding (but excluding) the date of the MOU, being S$0.0361.

In consideration of Mr Lim entering into the MOU, the Company will procure the repayment of outstanding loans owing by the Group to Mr Lim amounting to an aggregate of $551,627 ("Loan"), within 1 week from the date of the MOU, waiving the condition for repayment of the Loan.

As the transaction is still in progress, the Group have not completed their purchase price allocation and, as such, no further information is available at the time of issuing the financial statements.

SHAREHOLDINGS **STATISTICS**

as at 21 June 2021

Issued and Fully Paid-Up Capital	: S$23,448,932.30
Number of Shares	: 689,524,443
Class of shares	: Ordinary shares
Number of Subsidiary Holdings Held	: Nil
Voting rights	: 1 vote for each ordinary share (excluding treasury shares)

There are no treasury shares held by the Company as at 21 June 2021.

% of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares in issue (excluding treasury shares and subsidiary holdings) – 0%

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 21 June 2021, the percentage of shareholdings held in the hands of the public was approximately, 76.26% and Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	25	1.94	1,127	0.00
100 – 1,000	105	8.15	63,086	0.01
1,001 - 10,000	180	13.96	953,999	0.14
10,001 - 1,000,000	911	70.67	162,320,190	23.54
1,000,001 and above	68	5.28	526,186,041	76.31
Total	1,289	100.00	689,524,443	100.00

SHAREHOLDINGS **STATISTICS**

as at 21 June 2021

TOP 21 SHAREHOLDERS

S/No.	Name of Shareholder	No. of Shares	%
1	Citibank Nominees Singapore Pte Ltd	98,164,100	14.24
2	Lim Shao-Lin	83,699,808	12.14
3	Sim Siew Tin Carol (Shen Xiuzhen Carol)	22,879,000	3.32
4	DBS Nominees Pte Ltd	22,494,966	3.26
5	Phillip Securities Pte Ltd	22,342,500	3.24
6	Chua Weijie	19,000,000	2.76
7	OCBC Securities Private Ltd	17,055,499	2.47
8	Ho Chwee Seng	15,950,000	2.31
9	Tan Kheng Chai	15,318,000	2.22
10	Lim Kwang Joo	13,500,000	1.96
11	Low Lay Kheng	13,000,000	1.89
12	Tan Boon Seng	10,166,666	1.47
13	Tan Wee Han	9,872,800	1.43
14	Maybank Kim Eng Securities Pte Ltd	8,594,798	1.25
15	Goh Leng Thong	8,531,600	1.24
16	Tee Chui Yong	7,100,000	1.03
17	Tee Heng Thai	5,200,000	0.75
18	Tjioe Tjiong Bin	5,200,000	0.75
19	Ong Ji Yi Terence	5,100,000	0.74
20	Lee Wan Yee	5,000,000	0.73
21	Tan Yow Tong	5,000,000	0.73
	TOTAL	413,169,737	59.93

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest			
Name of Substantial Shareholder	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	Total	Percentage (%)
Lim Shao-Lin[(1)]	83,699,808	12.14	80,000,000	11.60	163,699,808	23.74

Note:

(1) Mr Lim Shao-Lin is deemed to be interested in 80,000,000 shares held in Citibank Nominees Singapore Pte Ltd.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting (the "**AGM**") of P5 Capital Holdings Ltd. (the "**Company**") will be held by way of electronic means on Wednesday, 28 July 2021 at 10 a.m. to transact the following businesses:-

AS ORDINARY BUSINESS

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

2. To re-elect Mr Koh Beng Leong, who is retiring in accordance with Regulation 106 of the Company's Constitution, as Director of the Company. **(Resolution 2)**
[See Explanatory Note (i)]

3. To re-elect Mr Chia Soon Hin William, who is retiring in accordance with Regulation 110(1) of the Company's Constitution, as Director of the Company. **(Resolution 3)**
[See Explanatory Note (ii)]

4. To re-elect Ms Leow Sau Wan, who is retiring in accordance with Regulation 110(1) of the Company's Constitution, as Director of the Company. **(Resolution 4)**
[See Explanatory Note (iii)]

5. To approve the payment of Directors' fees of S$80,000 for the financial year ending 31 March 2022. (2021: S$89,603) **(Resolution 5)**

6. To re-appoint Messrs KPMG LLP as the Independent Auditors of the Company and authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

7. 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:

8. **Authority to allot and issue shares** **(Resolution 7)**

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

NOTICE OF **ANNUAL GENERAL MEETING**

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

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed one hundred percent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to Shareholders of the Company does 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);

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

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

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

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

    Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

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

(4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion 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, whichever is earlier; or in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (iv)]

NOTICE OF **ANNUAL GENERAL MEETING**

9. **The Proposed Renewal of the Share Buy Back Mandate** **(Resolution 8)**

(a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors be authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "**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 the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Catalist Rules as may for the time being be applicable (the "**Share Buy Back Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by Shareholders of the Company at a general meeting, the authority conferred on the Directors for the purchases or acquisition of shares pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution 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 pursuant to the Share Buy Back Mandate the share buy back is carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by Shareholders of the Company in a general meeting;

(d) for the purposes of this resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings);

NOTICE OF **ANNUAL GENERAL MEETING**

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, and other related expenses) not exceeding:

(i) in the case of a Market Purchase: One hundred and five per cent (105%) of the Average Closing Price (as defined below); and

(ii) in the case of an Off-Market Purchase: One hundred and twenty per cent (120%) of the Average Closing Price (as defined below),

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, the day of making of the offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) market days period and the day on which the purchases or acquisitions of shares are made;

"**day of making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from members of the Company for an Off-Market Purchase, 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

"**market day**" means a day on which the SGX-ST is open for trading in securities, and

(e) any of the Directors be and/or any of them 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 or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (v)]

By Order of the Board

Tan Zi Jing, Clara
Company Secretary

Singapore,
13 July 2021

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes:

(i) Mr Koh Beng Leong, if re-elected, will remain as Executive Director of the Company. Please refer to the "Additional Information on Directors Seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

(ii) Mr Chia Soon Hin William, if re-elected, will remain as Independent Director, Chairman of the Audit Committee and member of the Nominating and Remuneration Committees of the Company. He is considered independent by the Board of Directors of the Company for the purpose of Rule 704(7) of the Catalist Rules. Please refer to the "Additional Information on Directors Seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

(iii) Ms Leow Sau Wan, if re-elected, will remain as Executive Director of the Company. Please refer to the "Additional Information on Directors Seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.

(iv) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company from the date of this AGM until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, or the date on which such authority is varied or revoked by the Company at a general meeting, whichever is the earlier, to issue new ordinary shares, make or grant Instruments convertible into new ordinary shares and to issue new ordinary shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per cent (100%) of the total number of issued ordinary shares, (excluding treasury shares and subsidiary holdings), up to fifty per cent (50%) of the total number of issues shares, (excluding treasury shares and subsidiary holdings), may be issued other than on a *pro rata* basis to Shareholders of the Company.

(v) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors, from the date of the AGM until the date on which the next AGM is held or is required by law to be held, the date on which the share buy back is carried out to the full extent mandated, or the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the Company at a general meeting, whichever is the earliest, 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 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 the Addendum accompanying this notice.

Notes:-

Measures to Minimise Risk of Community Spread of 2019 Novel Coronavirus ("COVID-19"):

This AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

The Notice of AGM, Annual Report 2021, Appendix dated 13 July 2021 relating to the Proposed Renewal of the Company's Share Buy-back Mandate and Proxy Form have been sent to Shareholders by electronic means via publication on the SGX Website at URL: https://www.sgx.com/securities/company-announcements. Printed copies of these documents will not be mailed to Shareholders.

Due to the current COVID-19 restriction orders in Singapore, the Company has made alternative arrangements for a live webcast and live audio feed of the Annual General Meeting proceedings (the "**Live AGM Webcast**" or the "**Live AGM Audio Feed**") which will take place on Wednesday, 28 July 2021 at 10 a.m. (the "AGM") in place of a physical AGM. Shareholders will be able to watch and/or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device. **The Company will not accept any physical attendance by Shareholders. Any shareholder seeking to attend the AGM physically in person will be turned away.**

Shareholders will be able to participate in the AGM in the following manner set out in the paragraphs below.

PRE-REGISTRATION OF AGM

1. Shareholders who would like to view the proceedings of the AGM via Live AGM Webcast or listen to the proceedings of the AGM through Live AGM Audio Feed, will need to pre-register by submitting their particulars (comprising emails, full name, NRIC/passport Nos/Company Registration Nos and number of share held) by email to ir@p5.com.sg, from **13 July 2021 onwards to no later than 10.00 a.m. on 25 July 2021** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (the "**AGM Registration Deadline**") to enable the Company to verify the Shareholders' status.

2. Authenticated Shareholders will receive an email confirmation by 27 July 2021 which contains a unique link to access the Live AGM Webcast to view the proceedings of the AGM (via smartphones, tablets or laptop/computers).

3. Shareholders must not forward the abovementioned unique link or dial-in number to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

4. Shareholders, who would have been able to be appointed as proxies by relevant intermediaries under Section 181(1C) of the Companies Act, Chapter 50 of Singapore, such as CPF or SRS investors, should approach their respective agents, such as CPF Agent Banks or SRS Operators to participate in the AGM via electronic means.

5. Shareholders who register by the AGM Registration Deadline but do not receive an email response by 10.00 a.m. on 27 July 2021 may contact the Company's Share Registrar, M & C Services Private Limited at Tel: +65 6228 0530 or email to ir@p5.com.sg for assistance.

NOTICE OF **ANNUAL GENERAL MEETING**

DOCUMENTS FOR THE AGM

1. The following documents in connection with the AGM have been published on the SGXNET:
   (a) the Company's Annual Report for the financial year ended 31 March 2021 ("**FY2021 AR**");
   (b) the Appendix dated 13 July 2021 relating to the Proposed Renewal of the Company's share buy-back mandate to be tabled at the AGM (the "**Appendix**");
   (c) the Notice of AGM; and
   (d) the AGM Proxy Form (as defined below).

   (collectively, the "**AGM Documents**")

2. Printed copies of the AGM Documents will not be mailed to Shareholders. These documents can be assessed and downloaded from the SGXNET at the URL https://www.sgx.com/securities/company-announcements

SUBMISSION OF QUESTIONS

1. **Shareholders will not be able to ask questions during the AGM via electronic means, and therefore it is important for Shareholders to submit their questions in advance of the AGM.**

2. Shareholders may submit any questions they may have in advance in relation to any resolution set out in the Notice of AGM by 10.00 a.m. 24 July 2021 via email to ir@p5.com.sg and provide their particulars as follows:

   (a) Full name (for individuals) / company name (for corporates) as per CDP/CPF/SRS Account records;
   (b) NRIC or Passport Number (for individuals) / Company Registration Number (for corporates);
   (c) Contact Number; and
   (d) Email Address.

3. The Company will endeavour to address all substantial and relevant questions received from Shareholders and publish its responses prior to the AGM via SGXNET at the URL https://www.sgx.com/securities/company-announcements. The Company shall publish the minutes of the AGM, within one (1) month after the conclusion of the AGM.

PROXY VOTING AT THE AGM

1. **Voting at the AGM is by proxy ONLY. Please note that Shareholders will not be able to vote through the Live AGM Webcast or Live AGM Audio Feed and can only vote with their proxy forms which are required to be submitted in accordance with the following paragraphs.**

2. Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as their proxy by completing the proxy form for the AGM. Shareholders should specifically indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions set out in the Notice of AGM.

3. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy ("**AGM Proxy Form**") thereof, must be submitted either:

   (a) if submitted electronically by email, be submitted to the Company's Share Registrar, M & C Services Private Limited at gpb@mncsingapore.com; or

   (b) if submitted by post (mail), be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902.

   in either case, by **10.00 a.m. on Sunday, 25 July 2021** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) and in default the AGM Proxy Form for the AGM shall not be treated as valid.

4. CPF or SRS investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes to the Company (a) by email, be submitted to the Company's Share Registrar, M & C Services Private Limited at gpb@mncsingapore.com; or (b) by post (mail), be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902, at least seven (7) working days before the AGM (i.e. **by 10.00 a.m. on 16 July 2021**).

5. In view of the current COVID-19 situation and the related safe distancing measures, Shareholders are strongly encouraged to submit completed AGM Proxy Form electronically via email.

NOTICE OF **ANNUAL GENERAL MEETING**

IMPORTANT REMINDER: Due to the constantly evolving COVID-19 situation in Singapore, we seek Shareholders' understanding that we may be required to change our arrangements for the AGM at short notice. Shareholders should check for announcements by the Company for updates on the AGM on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

The Company would like to thank Shareholders for their patience and co-operation in enabling the Company to hold its AGM with the optimum safe distancing measures amidst the current COVID-19 situation.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to Shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions; and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the Shareholder's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr Shervyn Essex - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

P5 CAPITAL HOLDINGS LTD.
(Company Registration No. 19980604G)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:

1. Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the Annual General Meeting ("**AGM**") in person. A Shareholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream, submission of questions in advance of the AGM, addressing of substantial and relevant questions, are set out in the Notice of AGM dated 13 July 2021.
3. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes by 10.00 a.m. on Monday, 19 July 2021 (being seven (7) working days before the AGM).
4. Please read the notes to this Proxy Form.

*I/We, ______________________ (Name) ______________________ (*NRIC/Passport No./Company Registration No.)
of ____ (Address)
being a shareholder/shareholders of P5 Capital Holdings Ltd. (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting of the Company as my/our* proxy to attend, speak and vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held by electronic means on Wednesday, 28 July 2021 at 10.00 a.m. (the "**AGM**") and at any adjournment thereof.

I/We* direct the Chairman of the AGM to vote for or against or abstain from voting the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

No.	Resolutions relating to:	For**	Against**	Abstain**
ORDINARY BUSINESS				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2021, together with the Independent Auditors' Report thereon			
2.	Re-election of Mr Koh Beng Leong as Director of the Company.			
3.	Re-election of Mr Chia Soon Hin William as Director of the Company.			
4.	Re-election of Ms Leow Sau Wan as Director of the Company.			
5.	Approval of payment of Directors' Fees of S$80,000 for the financial year ending 31 March 2022.			
6.	Re-appointment of Messrs KPMG LLP as the Independent Auditors and authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
7.	Authority to allot and issue shares pursuant to Section 161 of the Companies Act (Chapter 50) of the Republic of Singapore.			
8.	Approval of the proposed renewal of the Share Buy Back Mandate.			

* Delete where inapplicable

** Please indicate your vote "For" or "Against" or "Abstain" with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing the Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

Dated this ____________ day of ____________ 2021

____
Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM in person. A shareholder of the Company (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such shareholder wishes to exercise his/her/its voting rights at the AGM. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

2. If the Shareholder has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members, he should insert that number of shares. If the shareholder has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the shareholder.

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

4. The instrument appointing the Chairman of the AGM as proxy, duly executed, must be submitted either:

   (a) if submitted electronically by email, be submitted to the Company's Share Registrar, M&C Services Private Limited at gpb@mncsingapore.com; or

   (b) if submitted by post (mail), be lodged at the office of the Company's Share Registrar, M&C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902.

   in either case, **by 10.00 a.m. on Sunday, 25 July 2021** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) and in default the AGM Proxy Form for the AGM shall not be treated as valid.

   In view of the current COVID-19 situation and the related safe distancing measures, **Shareholders are strongly encouraged to submit completed AGM Proxy Form electronically via email.**

5. The instrument appointing the Chairman of the AGM as proxy must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where such instrument is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or by an officer on behalf of the corporation.

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

7. A corporation which is a shareholder may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, (Chapter 50) of the Republic of Singapore.

8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the CPF Investment Scheme ("CPF Investors") or Supplementary Retirement Scheme ("SRS Investors"), who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective CPF Agent banks or SRS Operators, to submit their voting instructions at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on Monday, 19 July 2021) in order to allow sufficient time for their respective CPF Agent banks or SRS operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.

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

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy, the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM of the Company dated 13 July 2021.

ANNUAL REPORT 2021

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