9R LIMITED

ANCHORED FOR GROWTH

ANNUAL REPORT 2022

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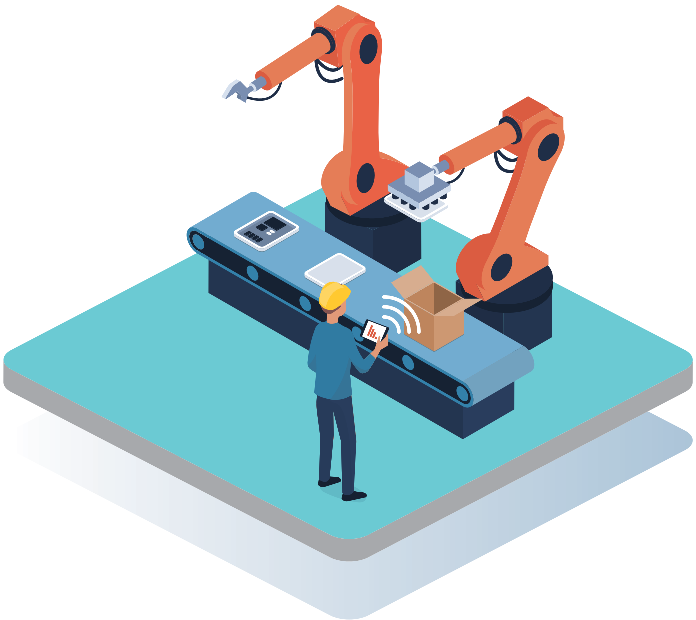
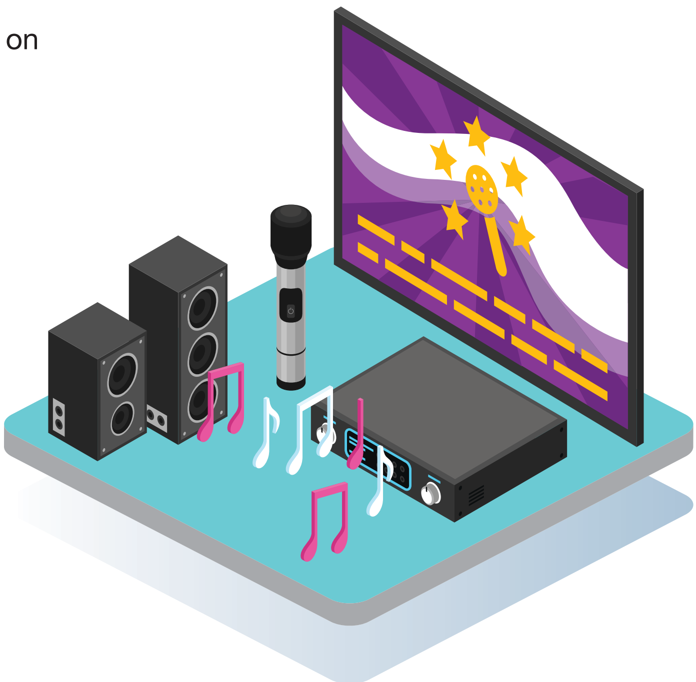




This Annual Report has been prepared by 9R Limited (formerly known as "Viking Offshore and Marine Limited") ("Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited ("Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE PROFILE

9R Limited (formerly known as Viking Offshore and Marine Limited) (the "**Company**", together with its subsidiaries, the "**Group**"), listed on the Catalist board of the Singapore Exchange, has two core businesses: supply chain management and lifestyle retail.

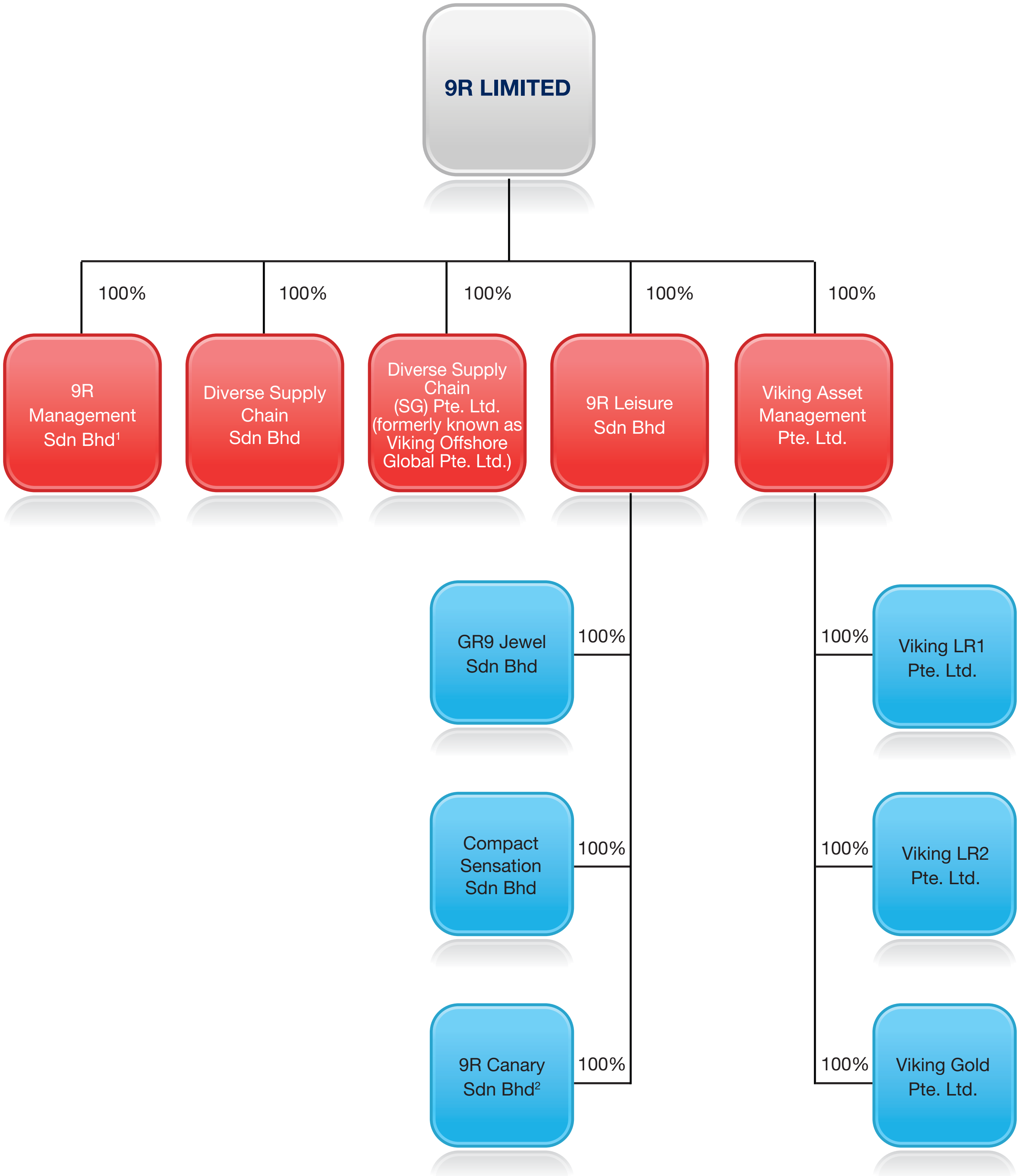
In supply chain management, the Group mainly provides artificial intelligence-powered robots to companies from various industries to help optimize their operations and business processes. Its customers hail from sectors such as food and beverage, hospitality, healthcare, and sanitization, where manpower requirements can be substantial.

With these robots, companies and organisations can automate run-of-the-mill tasks, in turn allowing them to channel more of their human resources to higher-value work. This helps improve their overall productivity and aids staff retention with employees finding greater fulfilment in such work.

In lifestyle retail, the Group focuses on offering deluxe leisure and family-friendly entertainment by building a portfolio of strong consumer brands. As at the financial year ended 31 December 2022, the Group operates a family karaoke and entertainment business under the brand *Red Box Plus*, a popular premium karaoke brand in Malaysia.

There was a change of ownership at Viking Offshore and Marine Limited ("**VOM**") in 2021, when a group of Malaysia-based businessmen jointly acquired the shares of VOM's controlling shareholders and subsequently expanded its business to include supply chain management and lifestyle retail. VOM's offshore and marine business has since been disposed of.

CORPORATE STRUCTURE



Notes:
1. On 17 February 2023, 9R Management Sdn Bhd was incorporated in Malaysia as a wholly-owned subsidiary of 9R Limited.
2. On 7 February 2023, 9R Canary Sdn Bhd was incorporated in Malaysia as a wholly-owned subsidiary of 9R Leisure Sdn Bhd.

TURNING POINTS (2019 - 2022)

Our journey over the past four years has been nothing short of eventful.

It started in 2019 when a creditor sought to wind up Viking Offshore and Marine Limited ("**VOM**") over a loan extended to one of its subsidiaries.

VOM eventually entered into a scheme of arrangement as it sought to restructure its debts, raise funds and keep its offshore and marine business going.

Not long after VOM exited the scheme of arrangement in August 2021, ownership of the Company changed hands that year when a group of Malaysia-based businessmen jointly acquired the shares of its then controlling shareholders.

The following year, the Company exited the offshore and marine industry and ventured into the businesses of supply chain management and lifestyle retail. It has since been renamed 9R Limited.

The following is a summary of the key developments between 2019 and 2022.

2019

- Shares of VOM suspended from trading
- Court-sanctioned restructuring of VOM begins

2020

- Restructuring continues

2021

- Raises S$3m via placement and loan agreement with Blue Ocean Capital Partners Pte. Ltd. and Ng Yeau Chong
- Enters into scheme of arrangement
- Consolidates every 50 shares to 1
- Completes restructuring
- Resumes share trading
- Group of Malaysia-based businessmen acquires 87% of VOM, triggering mandatory cash offer

2022

- Diversifies into supply chain management and lifestyle retail businesses
- Changes name to 9R Limited
- Disposes of offshore and marine business
- Raises funds through rights cum warrants issue and share placements

CHAIRMAN'S MESSAGE

Dear Shareholders,

2022 is perhaps best remembered worldwide for being the year when life returned to normal following the ravages of COVID-19.

As consumers and businesses regained some semblance of composure and stability as pandemic restrictions were dialled back, we at 9R Limited laid the groundwork in 2022 to position ourselves to seize opportunities in a post-Covid world.

Anchored for Growth, the theme for this annual report, therefore aptly encapsulates not only what we have achieved over the past year but also our posture for the year ahead.

New Milestones

To recap, ownership of Viking Offshore and Marine Limited changed hands in November 2021 with its then controlling shareholders selling a combined equity stake of 87% to five parties acting in concert with each other.

That triggered a mandatory offer from the new owners for the remaining shares of the Company and its outstanding warrants.

Not long afterwards, the Company sought and won shareholders' approval to diversify into the supply chain management and lifestyle retail businesses. Shareholders also gave the Company the go-ahead to raise more funds for growth, change its name to 9R Limited, and dispose of its loss-making offshore and marine business. Since then, 9R Limited has put in place the necessary foundation for the two new businesses.

Our foray into supply chain management and lifestyle retail is timely. I briefly mentioned the broad strokes for these businesses in the last annual report. I think it is appropriate that I explain why we find them particularly fitting now that the world has learnt to live with COVID-19 after three years.

Automation Gains Traction

The pandemic decimated lives and livelihoods the world over. Disruptions were significant, with border closures keeping families apart, global supply chains going haywire, and everything from commodities to consumer goods becoming costlier.

When cross-border travel finally resumed - although not without stringent control measures - many foreign workers quit their jobs to head back to their home countries. Deterred by the prospect of fresh lockdowns should the pandemic worsen, many of those who left their host countries never returned.

The pandemic also introduced the world to telecommuting in a big way, so much so that employee burnout became a problem as the lines between work life and personal life blurred. This gave rise to buzzwords like the Great Resignation and quiet quitting.

For employers, all these developments led to a manpower crunch after economies reopened from lockdowns. With labour-dependent sectors, such as hospitality, retail, and food and beverage, competing for workers to fill various roles, wages went up notably.

CHAIRMAN'S MESSAGE

Against this backdrop, our supply chain management business is supporting these sectors by providing intelligent service robots that can perform a host of functions. The use of robots can help businesses save on manpower costs over the long run and enhance productivity as workers can be freed up to take on more complex and interesting roles instead of mundane tasks.

We have started supplying service robots in Malaysia and Singapore. Swee Sin, 9R Limited's Chief Executive Officer, will share more about this in his CEO's message in the following pages.

Family Entertainment

Just as we fully expect our service robots to be well received by various industries, we believe our lifestyle retail business will also do well as consumers resume normal activities and let their hair down after being holed up by the pandemic for more than two years.

Our lifestyle retail business took shape when we completed the acquisition of Compact Sensation Sdn Bhd in October last year. Compact Sensation operates a family karaoke and entertainment business under the brand *Red Box Plus* at Pavilion Elite, a spanking retail mall in Kuala Lumpur.

Compact Sensation is just one component of our lifestyle retail business. We have plans to grow the business further and will share more with you in due course.

Anchored for Growth

The last few years have been both challenging and rewarding. Challenging not only because of the fallout from the pandemic and the war in Ukraine, but also because the Company had to navigate its way out of an intricate debt situation. At the same time, the journey was rewarding as we saw immense potential in the new businesses we were getting into.

With the foundation for our two businesses in place, I believe we are truly *Anchored for Growth*, as succinctly stated on the cover of this annual report. None of this would be possible if not for your support, for which the board of directors and management team are extremely grateful.

The world is not out of the woods. High inflation and the resultant increases in interest rates globally are weighing on business and consumer sentiments, prompting concerns of an imminent world recession. We cannot control these forces but we can and will endeavour to do a good job with what we have on hand. I ask for your continued support for the journey ahead. Thank you.

Datuk Low Kim Leng
Chairman and Independent Non-Executive Director

CEO'S MESSAGE

Dear Shareholders,

This is my first annual report message as 9R Limited's CEO. It has been an extremely eventful journey for me so far, and I would like to take this opportunity to share with you our progress and what we hope to do more of in the months ahead.

As you are aware, COVID-19 has fundamentally changed the way people live and work.

When the pandemic hit, businesses that relied heavily on manpower suddenly found themselves at their wit's end, as government-imposed safeguards and travel restrictions severely curtailed their ability to function. Automation and digitisation soon became must-haves for many companies.

Consumers, deprived of physical interaction, gravitated to digital platforms for their shopping needs and movie fixes.

Fast forward to today, life in general is far less restrictive. However, the very same needs of companies and consumers alike remain no less compelling and still have to be met.

This is where 9R Limited comes in.

Our Role

Our current supply chain management business involves providing robots embedded with artificial intelligence ("**AI**") to various industries in Malaysia to help them do more with less. As far as consumers go, our lifestyle retail business

operates a family karaoke outlet under the popular *Red Box Plus* brand in the bustling Pavilion Elite mall in Kuala Lumpur.

You may ask what robots and karaoke have in common. Similarities between the two may seem elusive, although having robots make countless deliveries of drinks and finger foods to your table while you belt out your favourite tune is a clear perk.

Truth be told, in the relatively short time that we have been running both businesses, demand has been extremely encouraging.

AI-Powered Robots

We started supplying service robots in Malaysia early last year and have since penetrated the food & beverage ("**F&B**"), healthcare, hospitality, sanitisation and customer service industries. Companies in these industries are increasingly looking to unmanned robots to handle various tasks as wages have escalated amid a tight labour market. Our intention is to supply to even more places throughout Malaysia.

We source our robots from a company in China - Keenon Robotics - that develops AI-powered unmanned delivery solutions used in more than 60 countries worldwide. This company's global reach attests to the quality and efficacy of its robots.

In February this year, our wholly-owned subsidiary Diverse Supply Chain Sdn Bhd ("**DSC**") signed a memorandum of understanding with three leading industry groups in Malaysia - the Malaysia Budget and Business Hotel Association, the Malaysia Tourism Agency Association and the ASEAN Retail-Chains and Franchise Federation - to promote the use of Keenon's robots in leading hotels, tourist attractions and retail outlets across the country.

CEO'S MESSAGE

We are mindful of the impact of stubbornly high inflation on businesses in Malaysia. To help ease the financial burden of companies, especially small and medium enterprises, we offer several payment options. These include instalment plans through non-bank financial institutions.

Besides selling robots, we also lease them out. Leasing is a preferred option for some companies as their requirements could be short-term in nature or event-specific, such as deploying robots as ushers for a gala.

We also recently made inroads into Singapore, our second geographical market. Under a 12-month exclusive distribution agreement with Keenon, we are equipping some F&B outlets with robots to serve diners.

The pandemic expedited an increase in automation among many companies as they seek to work smarter and achieve more. As someone trained in robotics and automation, I see great potential for our supply chain management business. Robots, as you can imagine, can be deployed for a variety of functions. This can free up employees to take on more value-added work. For employers, widening workers' job scopes to include more fulfilling assignments can even help with staff retention.

Brand Building

Compact Sensation Sdn Bhd, which we acquired in October last year, is doing well with pandemic restrictions in Malaysia out of the way. Patronage at its *Red Box Plus* karaoke outlet at Pavilion Elite in Kuala Lumpur is brisk.

Red Box Plus is the premium trade name of *Red Box*, a well-known karaoke brand in Malaysia that is popular among different races. *Red Box* also works with the media, record labels and artiste managers to promote the local music scene. *Red Box* has a total of eight outlets in Malaysia, located in Kuala Lumpur, Penang, Subang Jaya, Petaling Jaya, Seremban and Klang.

Red Box Plus is the first brand in our lifestyle retail business. We would like to build a portfolio of brands that have strong consumer appeal. In seeking to develop this business, we are open to working with third parties with the relevant expertise or connections.

Good to Go

All that I have outlined so far is only the beginning. Armed with funds raised from last year's placement exercise and having started on a clean slate with the disposal of the loss-making offshore and marine business, 9R Limited is eager and ready for growth. I would like you to join us on this journey and I look forward to connecting with you at our upcoming annual general meeting.

Ong Swee Sin
Executive Director and Chief Executive Officer

FINANCIAL AND OPERATIONS REVIEW

FINANCIAL REVIEW

9R Limited (formerly known as "Viking Offshore and Marine Limited"), (the "**Company**") and its subsidiaries (collectively the "**Group**") generated its entire revenue for the financial year ended 31 December 2022 ("**FY2022**") from the supply chain management and lifestyle retail businesses, which the Group has been focusing on following its exit from the offshore and marine industry.

For the supply chain management business, the Group provides artificial intelligence-powered service robots to companies in various sectors to help them automate part of their business processes. For the lifestyle retail business, it operates a family karaoke entertainment business in a mall in Kuala Lumpur, Malaysia.

As both new businesses effectively commenced only in 2022, no comparative figures are available for the previous financial year ("**FY2021**"). Malaysia-based operating activities accounted for the Group's entire FY2022 revenue of S$2.97 million, of which S$1.84 million was contributed by the supply chain management business while the remaining S$1.13 million was generated from the lifestyle retail business.

Administrative expenses in FY2022 rose to S$2.94 million from S$1.36 million in FY2021 due to costs incurred for the Group's rights cum warrants issue and share placement. Other operating expenses declined to S$0.25 million from S$4.55 million due to the absence of non-recurring write-offs and impairment losses recognised in FY2021.

Due to the non-full year operating cycle for the newly engaged business activities, the Group ended FY2022 with a S$1.97 million loss from continuing operations attributable to shareholders.

Balance Sheet

The Group recorded net assets of S$16.19 million as at 31 December 2022, compared with S$2.39 million in net liabilities as at 31 December 2021. The improvement was due to proceeds from several equity fundraising exercises carried out in FY2022. As at 31 December 2022, the Group had a positive working capital of S$10.77 million, with cash and cash equivalent at S$11.84 million.

There was a substantial increase in non-current assets, to S$8.20 million, as at 31 December 2022. This was mainly due to an increase in plant and equipment of S$1.59 million, as well as right-of-use assets of S$2.84 million for the lifestyle retail business and goodwill of S$3.59 million was recognised arising from the acquisition of a subsidiary, Compact Sensation Sdn Bhd ("**Compact Sensation**"), which operates a family karaoke and entertainment business under the Red Box Plus brand.

The Group's current assets increased by S$10.64 million from S$5.26 million to S$15.90 million as at 31 December 2022. Among current assets, the amount of inventories increased to S$0.96 million due to increase in the stock purchased for the supply chain management business. There was also a marked increase in other receivables and deposits arising from security deposit placed for the karaoke outlet under the lifestyle retail business. There was a substantial decline in contract assets (and contract liabilities) as the number and size of projects undertaken decreased following the change of business activities of the Group.

The Group's non-current liabilities stood at S$2.79 million mainly due to lease liabilities of S$2.44 million arising from the lease of the karaoke outlet under the lifestyle retail business. Meanwhile the Group's current liabilities decreased from S$7.72 million to S$5.14 million primarily due to a decrease in loans and borrowings by S$1.49 million, trade payables by $1.41 million and contract liabilities by S$1.24 million. Other payables and accruals increased by S$1.07 million mainly due to amounts owing to ex-shareholder on acquisition of a subsidiary.

Cashflow

The Group recorded net cash outflows from operating activities of S$4.62 million in FY2022. This stemmed from its operating losses and net working capital outflow during the year.

Net cash inflows from investing activities amounted to S$0.75 million, mainly due to the acquisition of a subsidiary, namely Compact Sensation and cash forgone in disposal of subsidiaries in the offshore and marine industry.

The Group generated S$15.84 million cash inflows from financing activities following the rights cum warrants issue and share placement in FY2022.

OPERATIONS REVIEW

The Company disposed of its offshore and marine subsidiaries and assets in FY2022, focusing instead on the supply chain management and lifestyle retail businesses.

Its flagship subsidiary for supply chain management, Diverse Supply Chain Sdn Bhd ("**DSC**"), was incorporated in January 2022. Two months later, DSC secured exclusive rights to distribute in Malaysia robots manufactured by Keenon Robotics Co Ltd, whose machines and solutions are used in more than 60 countries worldwide.

The Company incorporated a wholly-owned subsidiary, 9R Leisure Sdn Bhd ("**9R Leisure**"), in May 2022 to spearhead the lifestyle retail business. 9R Leisure announced the acquisition of Compact Sensation in September that year. The acquisition was completed the following month.

BOARD OF DIRECTORS

DATUK LOW KIM LENG
Chairman and Independent Non-Executive Director

Datuk Low was appointed as Independent Non-Executive Director of the Company on 1 January 2022 and Chairman of the Board of Directors of the Company on 9 February 2022. He graduated from Manchester Metropolitan University in the United Kingdom with a Bachelor of Art (Hons) (Law) in 1983 and, as an Utter Barrister of the Honourable Society of Gray's Inn, was admitted to the English Bar in 1984. He was called to the Malaysian Bar and admitted as an advocate and solicitor of the High Court of Malaysia in 1985. He has been practising law under the name and style of Messrs Ringo Low & Associates since 2003, of which he is now a principal partner and a registered trademark agent. He has been a notary public since 2004 and is a legal advisor to various national organisations. In recognition of his services rendered as a lawyer and corporate advisor, he was conferred the award of Darjah Pangkuan Seri Melaka by TYT Tun Datuk Seri Utama Dr Khalil bin Yaakob, the Governor of Melaka, in November 2018. Datuk Low is a member of the Singapore Institute of Directors (SID).

ONG SWEE SIN
Executive Director and Chief Executive Officer

Mr Ong was appointed as Executive Director and Chief Executive Officer of the Company on 6 January 2022 and 1 June 2022 respectively. He is responsible for corporate development for the Company and all its subsidiaries, including identifying new business opportunities. He has over 15 years of experience in the public and private sectors, spanning information technology engineering, research and development management (IT), software development, sales and marketing, business and corporate development, compliance, project management and general management. He currently holds non-executive directorship appointments and has held project management and advisory positions with several private companies in Malaysia. Mr Ong holds a Bachelor of Engineering (Hons) Electronics majoring in robotics and automation (First Class Honours) from Multimedia University of Malaysia, where he was awarded the President Award in 2007. Mr Ong is a member of the Singapore Institute of Directors (SID).

WEE HOCK KEE
Independent Non-Executive Director

Mr Wee was appointed to the Board on 1 February 2022 and is chairman of the nominating committee. He is a faculty member and a fellow of the Institute of Corporate Directors Malaysia (ICDM) and a member of the Singapore Institute of Directors (SID). He specialises in subjects relating to corporate governance, board effectiveness evaluation and risk management. Mr Wee was the past President of the Institute of Internal Auditors Malaysia (IIAM) and the Asian Confederation of Institute of Internal Auditors (ACIIA). He is also a former board member of IIA Global, a member of ACCA Malaysia's advisory council and past chairman of the internal audit working group of the Malaysia Institute of Accountants (MIA). He won the Malaysian Internal Auditor of the Year Award for 2001. He was chairman of the 2011 Institute of Internal Auditors International Conference in Kuala Lumpur. He has spoken in numerous international, regional and national conferences organized by professional bodies throughout his career. He was also a research fellow in HELP University ELM Faculty. He is the current audit and risk chairman of IIAM. Mr Wee has worked in a number of multinational companies as Chief Audit Executive. His last position was with AstraZeneca (UK) as regional audit director of Asia Pacific, Middle East and Africa.

Mr Wee is currently chairman of the governance, ethics, assurance and risk committee of Pertubuhan Keselamatan Sosial (PERKESO). He is also a member of the licensing and air traffic rights committee of the Malaysian Aviation Commission (MAVCOM). He was a board member and headed the audit and risk management committees of MIMOS Berhad, the national government agency for ICT R&D. He is also an entrepreneur and the founder of DBC Asia Healthcare Sdn Bhd, the largest physiotherapy rehab chain in Malaysia.

BOARD OF DIRECTORS

MARK LEONG
Independent Non-Executive Director

Mr Leong was appointed as Independent Non-Executive Director of the Company on 9 February 2022. He has considerable corporate, management and directorship experience in a broad range of functions and industries, having held senior roles (Chairman, CEO, COO and CFO) in several private and public listed companies. He is also a Non-Executive Director at three other Singapore-listed companies – HS Optimus Holdings Limited, LMIRT Management Ltd. (as manager of Lippo Malls Indonesia Retail Trust) and MDR Limited. Besides companies on the Singapore Exchange, he also sits on the boards of Australia-listed Catalano Seafood Ltd as a Non-Executive Director and Osteopore Ltd as its Executive Chairman. Mr Leong is a chartered accountant of the Institute of Singapore Chartered Accountants (ISCA) and a fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Singapore Institute of Directors (SID).

KEY MANAGEMENT

CHEONG SAN WAI
Group Head of Finance

Mr Cheong is a chartered accountant (Chartered Institute of Management Accountant Malaysia) and has over 30 years of experience in regional roles across a number of industries. In these roles, he has overseen the finance functions of various companies, including planning, budgeting and deploying the relevant financial resources for projects and across business lines. He holds a Master of Business Administration from the University of Leicester in the United Kingdom.

CORPORATE INFORMATION

COMPANY REGISTRATION

9R Limited
(formerly known as Viking Offshore and Marine Limited)
Registration No.: 199307300M

REGISTERED OFFICE

105 Cecil Street
#12-02 The Octagon
Singapore 069534

Tel: +65 89288467
Email: info@9rlimited.com
Website: www.9rlimited.com

BOARD OF DIRECTORS

Datuk Low Kim Leng
Chairman and Independent Non-Executive Director

Ong Swee Sin
Executive Director and Chief Executive Officer

Wee Hock Kee
Independent Non-Executive Director

Mark Leong Kei Wei
Independent Non-Executive Director

AUDIT & RISK COMMITTEE

Mark Leong Kei Wei (Chairman)
Datuk Low Kim Leng
Wee Hock Kee

NOMINATING COMMITTEE

Wee Hock Kee (Chairman)
Datuk Low Kim Leng
Mark Leong Kei Wei

REMUNERATION COMMITTEE

Datuk Low Kim Leng (Chairman)
Wee Hock Kee
Mark Leong Kei Wei

COMPANY SECRETARY

Lai Kuan Loong, Victor

SHARE REGISTRAR & SHARE TRANSFER OFFICE

M & C Services Private Limited
112 Robinson Road
#05-01
Singapore 068902

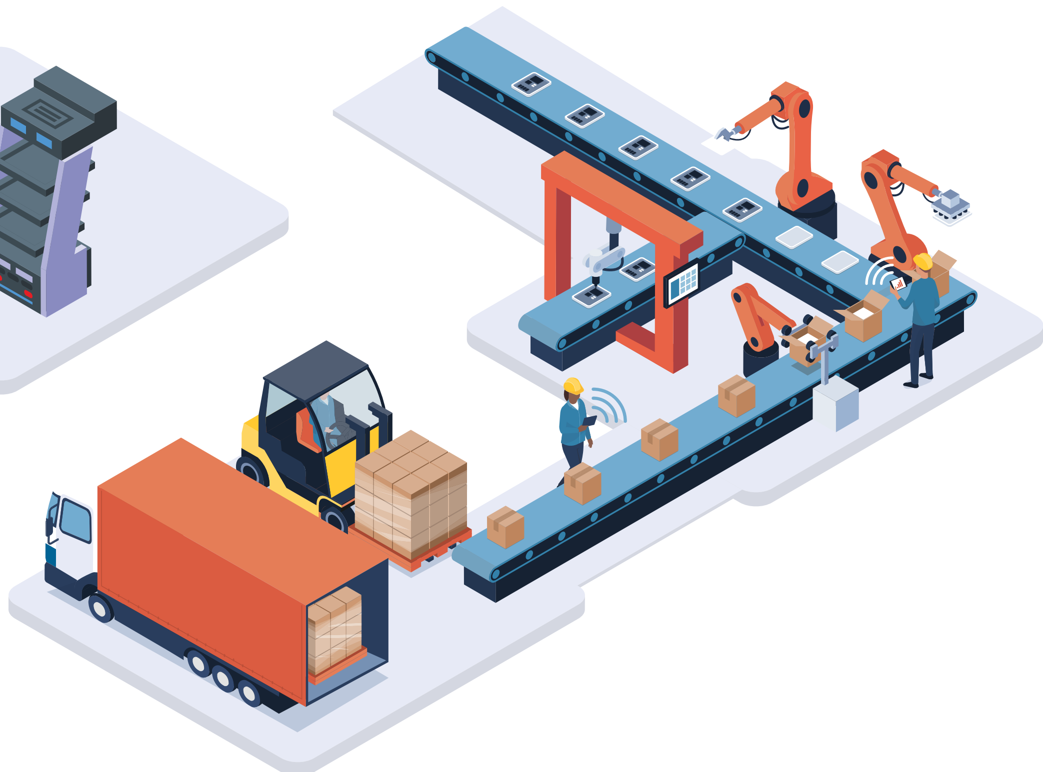
CONTINUING SPONSOR

UOB Kay Hian Private Limited
8 Anthony Road
#01- 01
Singapore 229957

AUDITOR

Mazars LLP
Public Accountants and Chartered Accountants, Singapore
135 Cecil Street
#10-01
Singapore 069536
Partner-in-charge:
Chan Hock Leong, Rick
(Appointed since financial year ended 31 December 2022)

FINANCIAL CONTENTS



CORPORATE GOVERNANCE REPORT

The Board of Directors ("**Board**") and Management of 9R Limited ("**Company**") are committed to maintaining a high standard of corporate governance, transparency, business integrity and professionalism within the Company and its subsidiaries ("**Group**"), in line with the principles and provisions set out in the Code of Corporate Governance 2018 ("**Code**").

The Board is pleased to present this Corporate Governance Report ("**Report**") which outlines the corporate governance practices and procedures adopted by the Company with specific reference to the Principles and the Provisions of the Code, which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

The Company has complied with the Principles and Provisions as set out in the Code and the relevant Catalist Rules and to the extent that there are deviations, explanations have been provided in this Report.

While it is always the objective of the Group to ensure all the Provisions of the Code are followed strictly, however, in view of the current lean cost structure, financial position of the Group and new Board and Management, there are situations and reasons where full compliance with the Provisions of the Code may not be feasible or may not be meaningful for the Group at this stage in time. In this regard, where there are areas of the current practices which deviate from the Provisions of the Code, appropriate explanations are provided accordingly, and how the practices the Company had adopted are consistent with the intent of the relevant Principle of the Code. Further, there are also areas of the current practices which vary or deviate from the past practices adopted by the former Board and Management as a result of the change in shareholding control and management in the Company and the diversification of businesses of the Group in FY2022. The Company will continue to assess its needs and implement appropriate practices accordingly in line with the existing control environment.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1

Board Duties and Responsibilities

The Board is collectively responsible for providing effective leadership and direction to enhance the long-term value of the Group to its shareholders. It has oversight responsibility over the management of the business and affairs of the Group. The Board also sets the tone for the Group where ethics and values are concerned.

The Board has direct responsibility for decision-making in respect of various specific matters, including:

1. Reviewing and approving Management's strategic and business plans, including understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;

2. Approving the nomination of Directors and appointment of key management personnel ("**KMP**") of the Group;

3. Approving the annual budget, material acquisitions and disposals of assets or investments, major funding proposals, and any other matters which requires Board or shareholders' approval pursuant to the Catalist Rules, the Singapore Companies Act 1967 ("**Companies Act**") and other applicable rules and regulations;

4. Overseeing the framework of prudent and effective controls which enables risks to be properly assessed and managed to safeguard shareholders' interests and the Group's assets;

CORPORATE GOVERNANCE REPORT

5. Reviewing the financial performance of the Group and necessary reporting compliance of the Group with all applicable laws, rules and regulations;

6. Identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;

7. Setting the Company's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met;

8. Assuming responsibility for corporate governance of the Group;

9. Considering sustainability issues as part of the strategic formulation of the Group; and

10. Performing such other functions as are prescribed by law or assigned to the Board in the Company's governing documents.

The Company has in place a Code of Business Conduct and Ethics which serves to guide the Directors, officers and employees of the Group, on the areas of ethical risk and sets a framework where integrity and accountability are paramount.

The Board has in place written terms of reference which clearly sets out the Board's responsibilities in accordance with the Code and Catalist Rules.

All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

Conflict of Interests

All Directors of the Company are required to act objectively in the best interests of the Company as fiduciaries at all times. Every Director is required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Company as soon as is practicable after the relevant facts have come to his knowledge.

A Director who has an interest in a matter which may conflict with his duties to the Company must disclose his interests, recuse himself from the discussion and abstain from voting on the matter.

Provision 1.2

Directors' Induction, Training and Development

The Company does not have a formal training program for the Directors but on an ongoing basis, the Directors are provided with updates and briefings from time to time by professional advisers, the internal and external auditors, the Company Secretary and Management on relevant practices, new laws, rules and regulations that are relevant to the performance of their duties and responsibilities as Directors.

Directors are encouraged to attend relevant training programmes organised by the Singapore Institute of Directors ("**SID**") and other relevant organisations and may suggest training topics that are relevant to his duties as a Director. The training programmes are funded by the Company.

Newly appointed Directors will be provided with information about the Group, the relevant governing documents of the Company and contact particulars of senior members of Management. Procedures are in place whereby newly appointed Directors are provided with a formal appointment letter setting out the terms of appointment, duties and obligations. Directors who do not have prior experience as a director of a Singapore-listed company will attend the relevant training courses as required under Rule 406(3)(a) of the Catalist Rules.

In FY2022, all the Directors attended the mandatory sustainability training courses as prescribed by SGX-ST.

CORPORATE GOVERNANCE REPORT

In FY2022, Datuk Low Kim Leng, Mr Ong Swee Sin and Mr Wee Hock Kee had attended and completed the relevant SID training courses as prescribed by SGX-ST for directors who do not have prior experience as a director of a Singapore-listed company.

Provision 1.3

Matters Requiring Board Approval

The Company has adopted internal guidelines setting forth matters that require the Board's approval. These internal guidelines are clearly communicated to Management. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management via a structured authority matrix, which is reviewed and updated periodically when necessary.

Material transactions which are specifically reserved for the Board's approval are as follows:

1. Approval of material investment and divestment proposals, acquisitions and disposals, and funding requirements;

2. Approval of announcements released via SGXNet, including financial results announcements;

3. Approval of corporate plans and budgets, annual and interim reports, financial statements, directors' statement and annual reports;

4. Share issuances, dividends and other returns to shareholders;

5. Authorisation of banking facilities and corporate guarantees;

6. Approval of changes in corporate business strategy and direction;

7. Appointment and cessation of directors and KMP;

8. Interested party transactions; and

9. Any other matters as prescribed under the relevant legislations and regulations and the provisions of the Company's Constitution.

Management is responsible for the day-to-day operations of the Company and implementing the decisions of the Board. Where a subject has been reserved for the Board or a Board Committee's approval in its terms of reference, approval must be obtained before it is implemented.

Provision 1.4

Board Committees

The responsibilities delegated by the Board to the Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") are clearly set out in the respective Board Committee's written terms of reference, which are updated periodically as necessary for alignment with the Code and relevant regulatory changes. Any change to the terms of reference for any Board Committee requires the specific written approval of the Board. They also have full access to and co-operation from Management, resources to enable them to discharge their functions properly and full discretion to invite any Director or Management personnel to attend their meetings.

The Board Committees have the authority to deliberate on any issue that arises in their specific areas of responsibilities within their respective terms of reference and report to the Board with their decisions and/or recommendations. The ultimate responsibility and authority for the decisions and actions on all matters rest with the Board.

CORPORATE GOVERNANCE REPORT

A description of, among other things, composition and the written terms of reference of the respective Board Committees in FY2022 is set out in this Report.

Provisions 1.5 and 1.6

Board Processes and Meeting Attendance

The Directors' attendance at formal meetings in FY2022 is set out in the table below.

		Number of meetings attended in 2022					
	Membership	**Board**	**ARC**	**NC**	**RC**	**AGM**	**EGM**
Datuk Low Kim Leng[1]	Independent	8*	6	1	1*	1*	2*
Mr Ong Swee Sin[2]	Executive	8	6^	1^	1^	1	2
Mr Wee Hock Kee[3]	Independent	8	6	1*	1	1	2
Mr Mark Leong Kei Wei[4]	Independent	8	6*	1	1	1	2
Mr Andy Lim[5]	Executive	–	–	–	–	–	–
Mr Lee Suan Hiang[6]	Non-Independent & Non-Executive	–	–	–	–	–	–
Mr Kelvin Tan Wee Peng[7]	Non-Independent & Non-Executive	–	–	–	–	–	–
Ms Cynthia Phua Siok Gek[8]	Non-Independent & Non-Executive	–	–	–	–	–	–
Mr Ng Yeau Chong[9]	Executive	5	3^	1^	1^	1	1
Number of meetings held in 2022		**8**	**6**	**1**	**1**	**1**	**2**

* *Denotes Chairman.*
^ *By invitation.*
1 *Datuk Low Kim Leng was appointed on 1 January 2022.*
2 *Mr Ong Swee Sin was appointed as Executive Director on 6 January 2022 and Chief Executive Officer on 1 June 2022.*
3 *Mr Wee Hock Kee was appointed on 1 February 2022.*
4 *Mr Mark Leong Kei Wei was appointed on 9 February 2022.*
5 *Mr Andy Lim resigned on 6 January 2022.*
6 *Mr Lee Suan Hiang resigned on 6 January 2022.*
7 *Mr Kelvin Tan Wee Peng resigned on 6 January 2022.*
8 *Ms Cynthia Phua Siok Gek resigned on 1 February 2022.*
9 *Mr Ng Yeau Chong resigned on 1 June 2022.*

The Board convenes a minimum of four scheduled meetings a year and has convened eight scheduled meetings in FY2022. The proposed schedule for the Board and Board Committee meetings and Annual General Meeting ("**AGM**") are tabled at the beginning of each financial year. Where necessary, additional Board and Board Committee meetings are convened to address significant transactions or issues that arise. Board papers and related materials (including, where appropriate, relevant background or explanatory information, financial analysis and/or external reports) are provided to the Directors in advance of the relevant Board or Board Committee meeting. In addition to scheduled meetings, the Board and Board Committees may also hold ad hoc meetings as and when required.

During the scheduled meetings, Management will provide the Board with updates on the Group's business and operations and the financial performance for that period, and any other significant matters or issues that may have arisen. The Board is apprised of the progress of the Group's business and operations as well as the issues and challenges facing the Group.

Unless a Director is required to recuse himself from the deliberations and abstain from voting on any matter due to a potential conflict of interest, all Directors will participate in the discussions and deliberations at Board and Board Committee meetings. A Director who is not able to attend a Board or Board Committee meeting in person is permitted by the Company's Constitution to participate by way of telephone or video-conferencing.

CORPORATE GOVERNANCE REPORT

Management will attend Board and Board Committee meetings to provide any other information required by the Board or the relevant Board Committee, and to answer any queries from the Directors. In addition to the scheduled meetings, Management also regularly communicates with the Directors outside of formal Board and Board Committee meetings as appropriate through other means, such as electronic mail, telephone or video-conferencing, or separate physical meetings.

The Board and Board Committees may also make decisions by way of circular resolutions in writing in accordance with the Company's Constitution and the respective terms of reference of the Board Committees. Management will, where required, provide any additional information required for the Directors to deliberate on the matter before approving such written resolutions.

The Board requires Directors to be able to commit sufficient time and attention to the affairs of the Board and their relevant Board Committees. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company. More information on Directors' board representations is set out under Principle 4 in the section, "Board Membership", in this Report.

Provision 1.7

Access to Management, Advisors and Information

The Board has separate and independent access to Management, the internal and external auditors and the Company Secretary, and are entitled to request from Management and be provided with additional information as needed to make informed decisions.

The Board is provided with updates relating to the Group's business and operations and financial information on a quarterly basis or more frequently, as needed.

The Board takes independent professional advice as and when necessary to enable it to discharge its responsibilities effectively. The Directors, whether as a group or individually, may also seek independent professional advice or engage subject-matter experts at the Company's expense in the course of discharging their duties.

Company Secretary

The Company Secretary attends all Board and Board Committee meetings and is responsible for ensuring that Board procedures are followed. The Company Secretary advises the Board on governance and compliance matters and, together with other management staff, is responsible for ensuring that the Company complies with the applicable requirements, rules and regulations.

The appointment and the removal of the Company Secretary are subject to the approval of the Board.

Commitment to Sustainability

The Board is committed to ensuring the Company's longevity and sustainability, including reviewing its performance, policies and practices in relation to material environmental, social and governance ("**ESG**") topics.

The Board, together with Management, considers ESG matters in all aspects of its business strategy. The Board assesses opportunities and risks presented by material ESG topics, which helps the Board to determine the appropriate strategies, policies and practices that will provide the Company with the adaptability and flexibility to seize opportunities to deliver sustainable shared socio-economic value and progress to key stakeholders, while being well-supported by sound risk management.

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

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

Provisions 2.1 to 2.3

Board and Director Independence

There is a strong and independent element on the Board with Independent Non-Executive Directors comprising a majority of the Board, and no individual or small group of individuals dominate the Board's decision-making.

The Company complies with Provisions 2.2 and 2.3 of the Code, which requires Independent Directors and Non-executive Directors to make up a majority of the Board. The Company also complies with Rule 406(3)(d) of the Catalist Rules.

Each year, the NC assists the Board to assess the independence of each Director in accordance with the guidance in the Code and its Practice Guidance, Rule 406(3)(d) of the Catalist Rules, as well as the disclosure of his other appointments and commitments, personal circumstances, and his conduct in the discharge of his duties.

Based on the Code, the NC considers an "independent director" as 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. Each Independent Director is also required to complete, on an annual basis, a Confirmation of Independence form based on Principle 2 of the Code for the NC's review and recommendation to the Board.

As at the date of this Report, the NC had reviewed the independence of each of the current Independent Directors and is satisfied that they are still independent. Each of the Independent Directors had completed and submitted a Confirmation of Independence form in respect of FY2022 for the NC's review. The Board concurs with the NC's assessment.

Each Independent Director had abstained from deliberating on his respective independence.

Tenure of Independent Directors

None of the Directors, independent or executive, have served for more than nine years.

Provision 2.4

Board Composition and Size

As at 31 December 2022, the Board comprises four Directors, three of whom are Independent Non-Executive Directors.

The size and composition of the Board are reviewed from time to time by the NC which strives to ensure that the size of the Board is conducive to effective decision-making and that the Board has an appropriate balance of Independent Directors.

CORPORATE GOVERNANCE REPORT

As a group, the Directors bring with them a broad range of industry knowledge, expertise and experience in areas such as accounting, law, business and management. The diversity of the Directors' experience allows for the useful exchange of ideas and views and for effective decision-making. Key information regarding the Directors is set out in "Board of Directors and Key Management", "Appendix 1: Disclosure of Information on Directors Seeking Re-Election" of this Annual Report, and the "Board Representations" section relating to Provision 4.5 below.

Name of Director	Position	Date of Initial Appointment	Date of Last Re-election
Datuk Low Kim Leng*	Chairman & Independent Non-Executive Director	1 January 2022	29 April 2022
Mr Ong Swee Sin*	Executive Director & CEO	6 January 2022	29 April 2022
Mr Wee Hock Kee	Independent Non-Executive Director	1 February 2022	29 April 2022
Mr Mark Leong Kei Wei	Independent Non-Executive Director	9 February 2022	29 April 2022

* *Subject to re-election at forthcoming AGM.*

Taking into account the scope and nature of the current operations of the Group, the Board considers that the current board size of four Directors is appropriate to facilitate decision-making.

Board Diversity

Following the recommendation of the NC, the Board has adopted a Board Diversity Policy. The Board recognises that a diverse Board will enhance the decision-making process by utilising a variety in skills, industry and business experience, gender, age and other distinguishing qualities of the members of the Board.

The Board, supported by the NC, reviews the Board's diversity, covering aspects ranging from skills, experience, background, gender, age, ethnicity, independence and other competencies and is of the view that the Board provides an appropriate balance and diversity of skills, experience, background, age and knowledge. As such, the Board is of the view that there is diversity in its composition.

The final decision on selection of Directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board. The NC is reviewing the setting of targets for various aspects of diversity but the fundamental principle is that the candidate must be of right fit and meet the relevant needs and vision of the Company. Diversity will be considered in determining the optimum composition of the Board as a whole.

All the Directors were appointed to the Board in FY2022, and given the size and scope of the current operations of the Group, the Board considers that the current board size of four Directors is appropriate to facilitate decision-making. As and when there is a need for Board renewal, the Board will abide by the Board Diversity Policy in its search of the new Director candidate.

Provision 2.5

Meeting of Independent Directors without Management

When required, the Independent Directors may meet without the presence of the Executive Director and Management. In FY2022, the Independent Directors had discussions and meetings without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes and the Group's operations processes and Management performance.

CORPORATE GOVERNANCE REPORT

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

Chairman and CEO

The positions of Chairman and CEO are separate; and the Company has a clear separation of the roles and responsibilities of the Chairman and the CEO to ensure an appropriate balance of power and authority, accountability and decision-making.

Provision 3.2

Role of Chairman

The Chairman, Datuk Low Kim Leng, is responsible for the following:

1. Leading the Board to ensure its effectiveness on all aspects of its role;

2. Setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

3. Promoting a culture of openness and encouraging Board members to engage Management in constructive debate on various matters including strategic issues and business plans;

4. Encouraging constructive relations within the Board and between the Board and Management;

5. Facilitating the effective contribution of all Directors; and

6. Ensuring effective communication with shareholders and stakeholders.

The Chairman is independent and has no familial or other close ties with the CEO.

Role of CEO

As the CEO, Mr Ong Swee Sin is responsible for the following:

1. Overseeing the day-to-day management of the affairs of the Group in accordance with the business plans, approved budgets, policies, practices, procedures and values adopted by the Board;

2. Communicating with the Board on a regular basis to review key developments, issues, opportunities and concerns;

3. Implementing the strategies and policies approved by the Board; and

4. Providing timely updates, reports and information on the Group's business operations to the Board.

All major proposals by the CEO are discussed and reviewed by the Board and Board Committees, and recommended to the Board for its approval.

CORPORATE GOVERNANCE REPORT

Provision 3.3

Lead Independent Director

The Board currently does not have a Lead Independent Director as the Chairman is independent.

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2

The NC comprises the following three Directors, all of whom are Independent Directors.

Mr Wee Hock Kee	–	Chairman
Datuk Low Kim Leng	–	Member
Mr Mark Leong Kei Wei	–	Member

Terms of Reference of the NC

The NC's roles and responsibilities, which are described in its terms of reference, are as follows:

1. Reviewing and assessing all candidates for directorship before making recommendations to the Board for appointment of Directors (including alternate directors, if any);

2. Reviewing and recommending to the Board the re-election of the Directors retiring in accordance with the Company's Constitution and the Catalist Rules at each AGM;

3. Reviewing the composition of the Board annually to ensure that the Board has an appropriate balance of Independent Directors and an appropriate balance of experience, expertise, skills, attributes and diversity among the Directors;

4. Reviewing the independence of Directors annually in accordance with the Catalist Rules and Provision 2.1 of the Code;

5. Reviewing Board succession plans for the Board Chairman, Directors, CEO and KMPs of the Company;

6. Developing the performance evaluation framework for the Board and the Board Committees and proposing objective performance criteria and evaluating the performance of the Board and each Board Committee;

7. Reviewing the training and professional development needs of the Board;

8. Deciding whether a Director is able to and has adequately carried out his duties as a Director of the Company, in particular, where the Director concerned has multiple board representations; and

9. Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

CORPORATE GOVERNANCE REPORT

Provisions 4.3 and 4.4

Procedure for Selection and Appointment of New Directors

The selection and appointment of new Directors is based primarily on merit, with due and conscious consideration for the benefits of diversity. The NC, in consultation with Management and the Board, considers various aspects of diversity to address gaps and to maintain an appropriate range and balance of skills, experience, independence and knowledge of Directors, diversity representation on the Board and other relevant factors against the current and future needs of the Board.

Prospective Board candidates are sourced through recommendations from Board members, business associates, advisors, professional bodies and other industry players. These candidates are then reviewed by the NC.

The criteria for assessing the suitability of any candidate are determined by the NC. The NC, in evaluating the suitability of the candidate, will take into account his/her qualifications, business and related experience and ability to contribute effectively to the Board. The NC will also determine if the candidate would be able to commit time to his/her appointment having regard to his/her other Board appointments and principal commitments, and his/her independence. The evaluation process will also involve an interview or meeting with the candidate. Appropriate background and confidential searches will also be made. Recommendations of the NC are then put to the Board for consideration. The Board is also advised by the Sponsor on the appointment of Directors as required under Catalist Rule 226 (2)(d).

The Company may, if required, appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skill sets or industry specialisation.

Retirement and Re-election of Directors

The Company's Constitution requires all Directors to submit themselves for re-nomination and re-election at least once every three years; and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following AGM of the Company.

In its deliberation on the nomination of retiring Directors for re-election, the NC takes into consideration the Directors' contribution and performance during the year. At the forthcoming AGM, Datuk Low Kim Leng and Mr Ong Swee Sin will retire pursuant to Regulation 93 of the Company's Constitution. At the recommendation of the NC and with the concurrence of the Board, Datuk Low Kim Leng and Mr Ong Swee Sin will be seeking re-election at the Company's forthcoming AGM.

Pursuant to Rule 720(5) of the Catalist Rules, information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules is disclosed in the section "Appendix 1: Disclosure of Information on Directors Seeking Re-Election" of this Annual Report.

Alternate Directors

Consistent with the principle that each Director is expected to be able to, and to adequately, carry out his duties as a Director, the Board does not encourage the appointment of alternate directors. No alternate director was appointed to the Board in FY2022.

NC's Determination of Director Independence

The NC is charged with determining the independence of the Directors as well as the relationships or circumstances which would deem a Director not to be independent.

CORPORATE GOVERNANCE REPORT

As noted under the section on Principle 2 under "Board Independence", the NC assesses annually whether or not a Director is independent in accordance with the guidance in the Code and the Catalist Rules. To facilitate this process, Directors are required to disclose, among other things, their relationships 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 Directors' independent business judgement in the best interests of the Company.

An Independent Director shall notify the NC immediately, if as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances and make its recommendations to the Board.

Provision 4.5

Board Representations

Where a Director has multiple board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he/she has been adequately carrying out his/her duties as a Director. Such assessment is performed on an annual basis or from time to time when the need arises.

The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership will vary. The NC assesses holistically, and on a case-by-case basis, whether a Director is able to carry out, and has been adequately carrying out, his duties and responsibilities as a Director taking into account, among other things, the factors mentioned above.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not impinged on their abilities to discharge their duties. The Board concurred with the NC.

The table below shows the disclosure of directorships and chairmanships held over the preceding three years in other listed companies as well as other principal commitments of each respective Director:

Name of Director	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Datuk Low Kim Leng	Directorships: 1. AppAsia Berhad 2. Sersol Berhad Principal commitments: None	Directorships: None Principal commitments: 1. Messrs. Ringo Low & Associates 2. RLA Management Sdn Bhd
Mr Ong Swee Sin	Directorships: None Principal commitments: 1. Obviously Blue Sdn Bhd 2. Incredible Spark Sdn Bhd 3. Power Nutriboost Sdn Bhd 4. Dominant Resowave Sdn Bhd	Directorships: None Principal commitments: 1. Tinnolab Sdn Bhd (currently dormant) 2. SSCM Sdn Bhd (formerly known as Synergy Supply Chain Management Sdn Bhd) 3. Moments View Enterprise

CORPORATE GOVERNANCE REPORT

Name of Director	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Wee Hock Kee	Directorships: 1. MIMOS Berhad Principal Commitments: None	Directorships: None Principal Commitments: 1. Pertubuhan Keselamatan Sosial (PERKESO) 2. Malaysian Aviation Commission (MAVCOM) 3. The Institute of Internal Auditors Malaysia (IIAM) 4. BackToHealth (M) Sdn Bhd 5. ErgoRehab Sdn Bhd 6. Support Plus Systems (M) Sdn Bhd 7. CG Board Asia Pacific Sdn Bhd 8. DBC Asia Healthcare Sdn Bhd
Mr Mark Leong Kei Wei	Directorships: 1. LCT Holdings Limited Principal commitments: 1. Top Mining Ltd 2. Auspac Financial Advisory Pty Ltd (resigned as director effective 23 March 2023) 3. Cytomed Therapeutics (Malaysia) Sdn Bhd	Directorships: 1. HS Optimus Holdings Limited 2. LMIRT Management Ltd (as Manager of Lippo Malls Indonesia Retail Trust) 3. MDR Limited 4. Catalano Seafood Ltd 5. Osteopore Ltd Principal commitments: 1. Avalon Partners Pte Ltd 2. Apeiron Agrocommodities Pte Ltd

Information on the interests of the Directors who held office at the end of the financial year in shares, debentures and share options in the Company and its related corporations (other than the wholly-owned subsidiaries) are set out in the Directors' Statement of this Annual Report.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2

The NC has an annual performance evaluation exercise for the Board as a whole and for each of the Board Committees. The aforesaid performance evaluations are carried out with questionnaires. The results are collated and anonymised. The findings are analysed and discussed by the NC, and reported to the Board. The NC will look into implementing an appropriate performance evaluation exercise for each individual Director.

The performance criteria for Board evaluation are based on financial and non-financial indicators such as an evaluation of the size and composition of the Board, the Board's access to information, Board processes, strategy and planning, risk management, accountability, Board's performance in relation to discharging its principal functions, communication with Management and standards of conduct of the Directors. The performance criteria do not change from year to year, unless the NC is of the view that it is necessary to change the performance criteria, for example, in order to align with any changes to the Code.

The Board Committees' performance evaluation questionnaires take into consideration the extent of how effectively each respective Board Committee has carried out its duties and responsibilities.

The Board and Board Committee evaluations exercise provides a platform for the Board members to exchange feedback on the Board's strengths and shortcomings with a view to strengthening the effectiveness of the Board. Areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement will be discussed by the Board and, where appropriate, implemented.

The NC had conducted the aforesaid performance evaluations in respect of FY2022. No external facilitator was engaged for the purpose of these evaluations as the NC and the Board are of the view that the current evaluation process is adequate.

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.***

Provisions 6.1 to 6.3

The RC comprises the following three Directors, all of whom are Independent Directors:

Datuk Low Kim Leng	–	Chairman
Mr Wee Hock Kee	–	Member
Mr Mark Leong Kei Wei	–	Member

The composition of the RC is in accordance with the Code, which requires the RC to be made up entirely of Non-Executive Directors.

CORPORATE GOVERNANCE REPORT

Terms of Reference of the RC

The terms of reference of the RC include the review and recommendation of the following matters by the RC to the Board:

1. Determining the Company's remuneration policies and in doing so, also consider the Company's risk appetite and ensure that the policies are aligned to long-term goals;

2. Ensuring that the level and structure of remuneration of the Board and KMPs are appropriate and proportionate to the sustained performance and value creation of the Company;

3. Recommending proposed Directors' fees for shareholders' approval at the AGM;

4. Reviewing the remuneration of employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

5. Reviewing the ongoing appropriateness and relevance of the Company's remuneration policy (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind) and other benefit programmes (where appropriate);

6. Reviewing the design of all long-term and short-term incentive schemes for approval by the Board and shareholders;

7. Ensuring that the contractual terms including termination terms are fair to the individual and the Company;

8. Setting performance measures and determining targets for any performance-related pay schemes operated by the Company;

9. Ensuring that an appropriate proportion of Management's remuneration is structured so as to link rewards to corporate and individual performance; and

10. Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

No Director, including the members of the RC, are involved in discussions concerning his own remuneration. The RC's recommendations are submitted to the Board for endorsement.

Remuneration Framework

Broadly, the remuneration policy and framework for fixing Directors' fees, Executive Directors and KMP remuneration adopted by the Company are designed with a view to paying competitive remuneration to attract, retain and motivate the Directors to provide good stewardship of the Company and the KMP to successfully manage the Company for the long-term.

The Non-Executive Directors do not have service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director. The fee framework comprises a base fee, and additional fees for holding appointment as Chairman of the Board or Chairman/member of Board Committees. The annual quantum of Directors' fees to be paid is also reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

The RC also reviews the remuneration packages of the Executive Directors and KMP and submits its recommendations to the Board for endorsement. The RC will look at the total remuneration provided which comprises a fixed salary, variable bonus and/or other benefits. The variable bonus component is linked to the performance of the Group and the individual's performance. The RC ensures that there is a strong correlation between bonuses payable, and the achievement and performance of the Group and individual staff.

CORPORATE GOVERNANCE REPORT

Provision 6.4

RC Access to Expert Professional Advice

The RC may, during its annual review of remuneration of Directors and KMP, seek advice from external professional consultants as and when it deems necessary. The expenses incurred from such advice is borne by the Company.

In FY2022, the RC did not appoint any remuneration consultants.

LEVEL AND MIX OF REMUNERATION

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

Provisions 7.1 to 7.3

The Company's remuneration framework is designed to encourage behaviours that contribute to the Group's long-term success while keeping remuneration competitive to attract, to retain and to motivate employees. Remuneration is commensurate with the performance of the Company, an employee's business unit or function, individual performance and contributions, competencies and alignment of behaviour to Company values. The remuneration package consists of fixed pay, variable bonus and/or benefits.

Performance-based Compensation

In reviewing the remuneration packages of individual Directors, the RC ensures that the remuneration of the Executive Director is commensurate with their performance and that of the Company. The RC also takes into account their contributions as well as the financial performance conditions, which include both quantitative and qualitative targets that have been achieved during the year.

The remuneration packages of the Executive Director and KMPs comprise primarily a mix of a fixed component, a variable component (variable bonus) and benefits to align Management remuneration with the interests of shareholders and other stakeholders, and to link rewards to corporate and individual performance so as to promote the long-term sustainability and success of the Group.

The Executive Director does not receive Directors' fees. The remuneration package of Mr Ong Swee Sin, Executive Director and CEO of the Company, is reviewed and recommended to the Board by the RC and endorsed by the Board.

Remuneration of Non-Executive Directors

The RC reviews the Directors' fees paid to Non-Executive Directors, which is based on a structured fee framework, to ensure that it is appropriate to the level of contribution and responsibilities.

The RC has recommended to the Board an amount of S$166,800 as Directors' fees for the financial year ending 31 December 2023. The Board concurred with the RC that the proposed Directors' fees for FY2023 is appropriate, taking into consideration the level of contributions, responsibilities and obligations of the Directors. This would be tabled at the Company's forthcoming AGM for shareholders' approval.

Long-term Incentive Scheme

The RC will look into implementing appropriate long-term incentive plans to encourage alignment of Management's interests with that of shareholders.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

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

Provision 8.1

Remuneration of Directors and KMP

The breakdown of Directors' remuneration for FY2022 is set out in the table below:

Name of Director	Fixed Salary	Variable Bonus	Allowance	Others	Directors' Fees	Total
Below S$250,000						
Datuk Low Kim Leng	–	–	–	–	100%	100%
Mr Wee Hock Kee	–	–	–	–	100%	100%
Mr Mark Leong Kei Wei	–	–	–	–	100%	100%
Mr Ong Swee Sin	100%	–	–	–	–	100%
Ms Cynthia Phua Siok Gek*	–	–	–	–	100%	100%
Mr Ng Yeau Chong**	100%	–	–	–	–	100%

* *Ms Cynthia Phua Siok Gek resigned on 1 February 2022.*
** *Mr Ng Yeau Chong resigned on 1 June 2022.*

The Group had only two KMPs in FY2022. The breakdown of remuneration paid (in remuneration bands) to the top two KMPs (who are not Directors or the CEO) in FY2022, is as follows:

Name of Key Management Personnel	Fixed Salary	Variable Bonus	Allowance	Others	Total
Below S$250,000					
Mr Cheong San Wai[1]	100%	–	–	–	100%
Mr Law Ren Kai Kenneth[2]	94%	–	6%	–	100%

1 *Mr Cheong San Wai was appointed as Group Head of Finance on 1 June 2022.*
2 *Mr Law Ren Kai Kenneth resigned as Chief Financial Officer on 1 June 2022.*

The aggregate remuneration paid to the two KMPs in FY2022 was approximately S$126,200.

Apart from the above, no termination, retirement and post-employment benefits were granted to the Directors, CEO and the KMPs in FY2022.

The aforesaid disclosure is a variation from Provision 8.1(a) of the Code, which provides that the amount of remuneration of each individual director and the CEO are disclosed in the annual report.

CORPORATE GOVERNANCE REPORT

The Board has decided not to disclose the aforementioned details as recommended by the Code for the time being, given the competitive business environment and possible negative impact on the Group's business interest, the disclosure of such detailed remuneration could have an adverse effect on working relationships and contributions to the operations of the Group.

After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein is sufficient to provide shareholders' information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with the intent of Principle 8 of the Code.

Provision 8.2

Employees who are Substantial Shareholders, Immediate Family Members of a Director or the CEO or a Substantial Shareholder

There are no employees who are substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder, and whose remuneration exceeds S$100,000 in FY2022.

Provision 8.3

Employee Share Option Scheme

The Company currently does not have any employee share option scheme in place.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1

Implementation and Monitoring of Risk Management and Internal Control Systems

The Board and the ARC are responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. They also determine the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

Management is responsible for designing, implementing and monitoring the risk management and internal control systems of the Group. The Board is assisted by the ARC, which conducts reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems with the assistance of the internal auditors of the Group. The reviews consider the Group's business and operational environment in order to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

Risk Management Policies and Processes

The Group's internal auditors review material internal controls as part of the Internal Audit Plan to provide independent assurance to the ARC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

The Company's internal auditors provide their findings to the ARC after conducting internal audits in accordance with the Internal Audit Plan. If any non-compliance or internal control weaknesses are noted during the audit, the corresponding recommendations and Management's responses are reported to the ARC.

CORPORATE GOVERNANCE REPORT

The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risks. The effectiveness of the risk management and internal control systems and procedures is to be monitored and reviewed at least annually by the ARC and the Board.

The Board also recognises that an effective internal control system will not preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board will continue its risk assessment, which is an on-going process, with a view to improve the Group's internal control system.

Provision 9.2

Adequacy and Effectiveness of Risk Management and Internal Control Systems

The Board and the ARC review, with the assistance of the internal and external auditors, the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

For FY2022, the Board has received written assurances from the CEO and the Group Head of Finance that in FY2022:

(a) 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 Group's risk management and internal control systems to address the key financial, operational, compliance and information technology risks affecting the operations are adequate and effective to meet the needs of the Group in its current business environment.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, reviews performed by Management and the various Board Committees and the written assurances, the Board, with the concurrence of the ARC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective in FY2022 to address financial, operational and compliance risks, including information technology risks, which the Company considers relevant and material to its operations.

Management will continue to review and strengthen the Group's control environment and devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

AUDIT COMMITTEE

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

Provisions 10.1 to 10.3

The ARC comprises the following three Directors, all of whom are Independent Directors:

Mr Mark Leong Kei Wei	–	Chairman
Mr Wee Hock Kee	–	Member
Datuk Low Kim Leng	–	Member

The Board is of the view that the ARC members, having accounting and related financial management expertise and experience, are appropriately qualified to discharge their responsibilities. Majority of the members of the ARC have years of experience in accounting or related financial management expertise to discharge their responsibilities.

CORPORATE GOVERNANCE REPORT

The external auditors provide regular updates and periodic briefings to the ARC on changes to accounting standards and other regulatory updates to enable the ARC to keep abreast of such changes and their corresponding impact on the financial statements, if any.

The ARC does not have any member who is a former partner or director of the Company's existing audit firm.

Terms of Reference of the ARC

The duties of the ARC as set out in its terms of reference include:

1. Reviewing the financial reporting issues and judgements so as to ensure the integrity of financial statements, and of announcements on the Company's financial performance and recommend changes;

2. Overseeing and reviewing the adequacy and effectiveness of the Company's risk management function;

3. Overseeing Management in establishing the risk management framework of the Company;

4. Reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the Company's risk management and internal controls;

5. Reviewing the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

6. Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors;

7. Reviewing assurance from the CEO and CFO (or equivalent personnel) on the financial records and financial statements;

8. Recommending to the Board the appointment, re-appointment and removal of the external auditors, and its remuneration and terms of engagement;

9. Ensuring that the Company has programmes and policies in place to identify and prevent fraud;

10. Overseeing the establishment and operation of the whistleblowing process in the Company;

11. Reviewing all interested person transactions and related party transactions; and

12. Undertaking such other functions and duties as may be required by the Board under the Code, statute or the Catalist Rules (where applicable).

Key Audit Matters

During the review of the financial statements for FY2022, the ARC had discussed with Management on the accounting principles that were applied as well as to their judgement on items that might affect the integrity of the financial statements.

The ARC reviewed the work performed by Management and made enquiries relevant to the key audit matters. In addition, the ARC also reviewed and discussed the findings presented and related work performed by the independent auditor. The ARC was satisfied that these material issues have been properly addressed and appropriately adopted and disclosed in the financial statements.

CORPORATE GOVERNANCE REPORT

Provision 10.4

Authority of the ARC

The ARC has the authority to investigate any matter relating to the Company's accounting, auditing, internal controls and financial practices brought to its attention with full access to records, resources, and personnel to enable it to discharge its functions properly; and has full access to and cooperation of Management and the discretion to invite any Director or officer to attend its meetings. The external and internal auditors have unrestricted access to the ARC.

External Auditors

On 11 October 2022, the Company's shareholders approved the appointment of Messrs Mazars LLP in place of Ernst & Young LLP as the Company's external auditors.

Messrs Mazars LLP is registered with the Accounting and Corporate Regulatory Authority. The ARC is satisfied that the resources and experience of Messrs Mazars LLP, the audit engagement partner and the team assigned to the audit of the Group are adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group.

The Group engages Messrs Mazars LLP to audit its Singapore-incorporated subsidiaries and member firms of Messrs Mazars in the respective countries for its significant foreign-incorporated subsidiaries.

The ARC assesses the external auditors based on the requirements of the Catalist Rules, and reviews the nature and value of all non-audit services provided to the Group as well as other factors such as the performance and quality of its audit and the independence and objectivity of the external auditors, and recommends its appointment/re-appointment to the Board. During FY2022, there was no non-audit related work carried out by the current external auditors, hence, there was no fee paid in this respect. The audit fees paid and/or payable to Messrs Mazars LLP for their services for FY2022 are S$145,540. The external auditors have also confirmed their independence in this respect. Based on the review, the ARC is of the opinion that Messrs Mazars LLP is independent for the purpose of the Group's statutory audit.

For FY2022, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group.

The ARC and the Board have recommended the nomination of Messrs Mazars LLP for re-appointment at the Company's forthcoming AGM.

Internal Auditors

The ARC approves the appointment, removal, evaluation and fees of the Group's outsourced internal audit function. In FY2022, the Group outsourced its internal audit function to an independent professional firm, CLA Global TS Risk Advisory Pte Ltd (formerly known as Nexia TS Risk Advisory Pte Ltd) ("**CLA Global TS**"), to provide internal audit services.

CLA Global TS has more than fifteen years of experience in providing internal audit, risk management services to clients from various industries in the region and is currently serving more than sixty companies that are listed on the Singapore Exchange as well as government agencies. The internal audit engagement partner and the team assigned to the internal audit of the Group have professional accountancy qualifications, and have adequate experience in internal controls advisory, risk management services, compliance audit and sustainability reporting and have served clients in various industries including trading and retail, logistics, food & beverage and hospitality which are similar and relevant to the businesses of the Group.

The internal auditors report directly to the ARC Chair on internal audit matters and to the CEO on administrative matters. The internal auditors plan their internal audit in consultation with, but independent of, Management. The internal audit plan is submitted to the ARC for approval prior to implementation. The internal auditors have unfettered access to the ARC, the Company's documents, records, properties and personnel.

CORPORATE GOVERNANCE REPORT

Resource and Standing of Internal Audit Function

The ARC approves the Internal Audit Plan annually and reviews the adequacy and effectiveness of the Group internal audit function.

The ARC ensures the adequacy of the internal audit function by examining the scope of the internal auditors' work, the quality of their reports, their qualifications and training, their relationship with the external auditors and their independence of the areas reviewed.

CLA Global TS is staffed with professionals with relevant qualifications and experience and executes its internal audit engagement in accordance with internal audit methodology which is aligned with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The ARC is satisfied that the internal auditors meet the requisite standards, are effective, adequately resourced, independent and have appropriate standing within the Group.

Provision 10.5

Meeting with External Auditors and Internal Auditors

The ARC meets with the external and internal auditors without the presence of Management, at least annually, to discuss any issues they may have (including suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations, which has or is likely to have a material impact on the Company and Group's operating results or financial position), and Management's response thereof.

For FY2022, both internal and external auditors had met with the ARC without the presence of Management and confirmed that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of their audit.

Whistle-blowing Policy

The ARC is responsible for oversight and monitoring arrangements by which Group employees or external parties may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Company has in place a whistle-blowing policy to ensure independent investigations of such matters and for appropriate follow up action. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation.

The policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that persons making such reports will be treated fairly. Every effort will be made to protect the identity of the employee who files the complaint or expresses his/her concerns, except in very limited circumstances, such as where disclosure of the person's identity is required by law or other regulatory body; or the identity of the person is material to the investigations.

The Company will not tolerate any reprisals, discrimination, harassment or victimisation of any person raising a genuine concern. All reported whistle-blowing incidents or concerns will be independently investigated under the directives of the ARC, and remedial actions will be taken to address the whistle-blowing incidents.

Details of the policy are made available to all employees (including permanent full time, part-time and contract employees) and the public via the Company's website. Employees and external parties may raise concerns, if any, directly to the ARC.

There were no whistle-blowing incidents reported in FY2022.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Shareholder Rights

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all shareholders are treated fairly and equitably, and information is communicated to shareholders on a timely basis through annual reports, quarterly and full-year financial results and announcements of significant transactions that are released on SGXNet.

Shareholders are also able to access investor-related information on the Group from the Company's corporate website at www.9rlimited.com.

Provision 11.1

Shareholder Participation at General Meetings

The Company welcomes the views of shareholders on matters concerning the Company and encourages shareholders' participation at general meetings. All shareholders are entitled to attend the general meetings and are given ample opportunity and time to participate effectively and vote at the meetings. All notices of general meetings, along with the related information, is sent to every shareholder.

The Company will comply with its Constitution, the Companies Act and the Catalist Rules in respect of the requisite notice periods for convening general meetings. The Notice of AGM is accompanied by the Company's Annual Report. Any notice of an extraordinary general meeting will also be accompanied by a circular or letter to shareholders, providing sufficient detail on the proposals to be considered at the meeting. All notices of all general meetings will be announced on SGXNet and the Company's website at www.9rlimited.com.

Shareholders are informed of the rules, including voting procedures that govern the general meetings. The Company's Constitution allows a shareholder to appoint up to two proxies to attend and vote on behalf of the shareholder. A shareholder who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

All resolutions at general meetings of the Company are voted by way of electronic poll voting. An independent scrutineer, who is in attendance at every general meeting, validates the voting results, which are announced on SGXNet on the same day after the conclusion of the general meetings.

The Company will be convening its forthcoming AGM by electronic means.

Provision 11.2

Separate Resolutions at General Meetings on Each Substantially Separate Issue

The Company does not practice bundling of resolutions at general meetings. Each proposal is tabled as a separate and distinct resolution and not bundled or made conditional to other resolutions. Relevant information relating to each resolution is provided in the notice of general meeting. In the event where the nature of the resolutions have to be "bundled", the Company will explain the reasons and material implications.

CORPORATE GOVERNANCE REPORT

Provision 11.3

Attendance at General Meetings

All Directors, including the Chairman of the Board and the respective Chairman of the ARC, NC and RC, as well as the external auditors and the Company Secretary, are present at general meetings to address shareholders' queries. The Directors' attendance at the general meetings held in FY2022 is disclosed under "Board Processes and Meeting Attendance" section relating to Provisions 1.5 and 1.6 of this Report.

Provision 11.4

Absentia Voting

If any shareholder is unable to attend a shareholders' meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms which are sent together with the Annual Reports or Circulars (as the case may be). As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Provision 11.5

Minutes of General Meetings

The Company Secretary prepares minutes of general meetings which include substantial and relevant comments or queries from shareholders, and responses from the Board and Management. The Company releases its minutes of general meetings via its corporate website and SGXNet as soon as practicable.

Provision 11.6

Dividend Policy

The Company currently does not have a formal dividend policy. The amount and frequency of dividend payments would depend on, *inter alia*, the Group's financial performance and financial position, its expansion plans and working capital needs, and other factors as the Board may deem appropriate.

In view of the Group's loss-making financial position, the Board has not recommended any dividends for FY2022.

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1

Shareholder Engagement

The Company recognises that effective communication leads to transparency and enhances accountability. Shareholders are invited to ask questions and seek a better understanding of the Group's business operations, performance, strategies and outlook at general meetings. The Company provides timely information to its shareholders via SGXNet announcements and news releases. The Company does not practise selective disclosure and ensures timely and adequate disclosure of price sensitive and material information to shareholders of the Company via SGXNet.

CORPORATE GOVERNANCE REPORT

Provisions 12.2 and 12.3

Investor Relations

The Company does not have an Investor Relations Policy in place. However, the Board's policy is that all shareholders should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act. There is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

MANAGING STAKEHOLDER RELATIONS

ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2

Managing Stakeholder Relations

The Company has arrangements in place to engage with its material stakeholder groups and to manage its relationships with such groups, which forms parts of its sustainability practices. The Company's material stakeholders include its shareholders and investors, customers, contractors and suppliers, regulatory authorities, employees and workers, and local communities. The Company engages its key stakeholders through various formal and informal channels to ensure that the business interests of the Group are balanced against the needs and interests of its materials stakeholders.

The Company is committed to integrating its stakeholders' concerns in its business strategies and policies. Therefore, it continuously seeks to explore effective communication channels and strengthen its relationships with stakeholders.

Further information on how the Company engages its stakeholders and its approach to materials topics are detailed in the Company's Sustainability Report 2022.

Provision 13.3

Corporate Website

The Company maintains a corporate website at www.9rlimited.com, to communicate and engage with key stakeholders. The corporate website contains various information pertaining to the Group and the Company which serves as an important resource for investors and all key stakeholders. The website is updated from time to time.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC and that the transactions are conducted at arms' length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. All IPTs are subject to review by the ARC to ensure compliance with established procedures in accordance with Chapter 9 of the Listing Manual.

The Company did not obtained any IPT mandate from shareholders pursuant to Chapter 9 of the Listing Manual. There is no discloseable IPT transaction for FY2022.

CORPORATE GOVERNANCE REPORT

DEALINGS IN SECURITIES

In line with Catalist Rule 1204(19) on dealing in securities, the Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Group during the period commencing (i) two weeks before the announcement of the Company's quarterly financial statements, and (ii) one month before the announcement of the Company's full-year financial statements, as the case may be, and ending on the date of announcement of the relevant results.

Directors and employees are also required to observe at all times the insider trading rules stipulated in the Securities and Futures Act, Cap. 289 and are discouraged from dealing in the Company's securities on short-term considerations.

MATERIAL CONTRACTS

The Company, as a borrower, entered into shareholder loan agreements with a Director, controlling and substantial shareholders in FY2022, details of which are set out below:

Lender	Parties' Relationship	Loan Amount (S$)
Mr Toh Kok Soon	Substantial Shareholder	600,000.00
Mr Toh Kok Soon	Substantial Shareholder	128,542.00
Irelia Management Sdn. Bhd.	Substantial Shareholder	192,815.00
Subtleway Management Sdn. Bhd.	Controlling Shareholder	257,087.00
SSCM Sdn. Bhd. (formerly known as Synergy Supply Chain Management Sdn. Bhd.)	Director (Mr Ong Swee Sin) has deemed interest in SSCM Sdn. Bhd.	145,904.85
SSCM Sdn. Bhd. (formerly known as Synergy Supply Chain Management Sdn Bhd)	Director (Mr Ong Swee Sin) has deemed interest in SSCM Sdn. Bhd.	43,880.00

The abovementioned loans are unsecured, interest-free and have a repayment term of 24 months from the drawdown date.

Save for the above, there are no other material contracts entered into by the Company with any Director, controlling or substantial shareholder of the Company, either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSORSHIP FEES

The Continuing Sponsor of the Company was changed from ZICO Capital Pte Ltd to UOB Kay Hian Private Limited ("**UOB Kay Hian**") with effect from 23 May 2022.

During FY2022, non-sponsorship fees paid and/or payable to UOB Kay Hian amounted to S$89,000 for financial and corporate advisory services.

CORPORATE GOVERNANCE REPORT

USE OF PROCEEDS

Proceeds From Private Placement (Completed in January 2022)

On 27 January 2022, the Company completed the placement of an aggregate of 10,987,143 new ordinary shares in the capital of the Company at the issue price of S$0.0801 for each placement share. Further details on this placement can be found in the Company's SGXNet announcement dated 18 January 2022. The Company has raised net proceeds of approximately S$845,000 after deducting placement expenses. As at 30 June 2022, the use of net proceeds from the placement had been fully utilised as follows:

Use of net proceeds	Fund allocation	Amount allocation S$	Amount utilised as at 30 June 2022 S$	Balance S$
General working capital for the Group's corporate expenses	100%	845,000	845,000	–

A breakdown of the net proceeds from the private placement that were utilised for working capital are:

Summary of expenses	General corporate and working capital S$
Payment of professional fees	514,105
Payment of salary	212,797
Payment of administration expenses	118,098
Total	845,000

The use of the net proceeds from the private placement is in accordance with the intended use as disclosed in the Company's announcement.

Proceeds from Rights cum Warrants Issue

On 29 June 2022, the Company completed the rights cum warrants issue of which 140,086,704 rights shares and 280,173,408 warrants were allotted and issued for net proceeds of approximately S$3.3 million. As disclosed in the Offer Information Statement dated 3 June 2022 and the announcement dated 27 June 2022, the subscription monies of Mr. Ng Boon Chee, SSCM Sdn Bhd (formerly known as Synergy Supply Chain Management Sdn. Bhd.), Subtleway Management Sdn. Bhd., Irelia Management Sdn. Bhd. and Mr. Toh Kok Soon for their Rights Shares have been set off against their respective loan amounts to the Company which were outstanding, leaving a balance net proceeds of approximately S$2.0 million. Further details on these rights and warrants issuance can be found in the Company's SGXNet announcement dated 3 June 2022 and 27 June 2022. The proceeds of the rights share's issuance have been fully utilised by the Company on 31 October 2022.

Use of net proceeds	Fund allocation	Amount allocation S$	Amount utilised as at 31 October 2022 S$	Balance S$
Repayment of existing loan	84.3%	1,660,000	1,660,000	–
General working capital requirements	15.7%	310,000	310,000	–
Total	100%	1,970,000	1,970,000	–

CORPORATE GOVERNANCE REPORT

A breakdown of the net proceeds from the right cum warrants issue that were utilised for working capital are:

Summary of expenses	General corporate and working capital S$
Payment of professional fees	96,549
Payment of administration expenses	65,269
Payment for deposit for acquisition of Compact Sensation Sdn Bhd	148,182
Total	310,000

As at 28 February 2023, 12,004,350 warrants have been exercised by the warrants holders raising net proceeds of S$480,174 which were fully utilised for general corporate and working capital as follows:

Summary of expenses	General corporate and working capital S$
Payment of professional fees	184,829
Payment of administrative expenses	147,163
Payment for deposit for acquisition of Compact Sensation Sdn Bhd	148,182
Total	480,174

The use of the proceeds from the rights cum warrants issue is in accordance with the intended use as disclosed in the Company's Offer Information Statement dated 3 June 2022 and the First Supplementary Offer Information Statement dated 9 November 2022.

Proceeds From Private Placement (Completed in November 2022)

On 25 November 2022, the Group announced the completion of a proposed placement pursuant to which 250,390,700 placement shares were allotted and issued. Further details on this placement can be found in the Company's SGXNet announcement dated 10 November 2022. The Company has raised net proceeds of S$12,199,535 after deducting placement expenses. As at 28 February 2023, the net proceeds from the placement that were utilised are as follows:

Use of net proceeds	Fund allocation	Amount allocation S$	Amount utilised as at 28 February 2023 S$	Balance S$
General corporate and working capital requirements	30%	3,659,861	244,317	3,415,544
Proposed diversification of the Group's business	70%	8,539,674	2,429,531	6,110,143
Total	100%	12,199,535	2,673,848	9,525,687

CORPORATE GOVERNANCE REPORT

A breakdown of the net proceeds from the right issue that were utilised for working capital are:

Summary of expenses	General corporate and working capital S$
Payment of professional fees	244,317

The use of the proceeds from the placement is accordance with the intended use as disclosed in the Company's announcement.

The Board will continue to update in periodic announcements on the utilisation of the proceeds as and when the proceeds are materially disbursed and provide a status report on such use in its annual report and interim financial results announcements.

SUSTAINABILITY REPORT 2022

BOARD STATEMENT

The board of directors ("**Board**") of 9R Limited (formerly known as "Viking Offshore and Marine Limited") ("**Company**") presents this Sustainability report ("**Report**", or "**SR2022**") which discusses the strategies, priorities, targets, and performance of the management on sustainability matters, including the economic, environmental, social, and governance ("**ESG**") aspects, of the Company and its subsidiaries ("**Group**") for the financial year ended 31 December 2022 ("**FY2022**").

We bring our sustainability report at a time when the world is breaking the shackles while coming out of a period plagued by the COVID-19 pandemic, and the ramifications of the Russia-Ukraine conflict. During FY2022, the gradual recovery from the COVID-19 pandemic and the removal of restrictions on travel, the demand for supply chain management business and lifestyle retail business ("**New Businesses**") has improved significantly. Thinking and acting on ESG proactively is becoming more pressing.

The Board is committed to ensuring the Company's longevity and sustainability, including reviewing its performance, policies and practices in relation to ESG topics. The Board, together with the management of the Company ("**Management**"), considers ESG matters in all aspects of its business strategy. The Board assesses opportunities and risks presented by material ESG topics, which helps the Board to determine the appropriate strategies, policies and practices that will provide the Company with the adaptability and flexibility to seize opportunities to deliver sustainable shared socio-economic value and progress to key stakeholders, while being well-supported by sound risk management.

This SR 2022 serves as a valuable tool to guide our efforts and measure our progress towards our sustainability goals. To improve upon our policies, systems, and results, we welcome feedback from our stakeholders regarding our sustainability efforts. Please send your comments and suggestions to info@9rlimited.com.

On behalf of the Board
ONG SWEE SIN
Executive Director and Chief Executive Officer

SUSTAINABILITY REPORT 2022

ABOUT SR2022

This SR2022 discloses how the Group manages its ESG commitments, including the challenges and plans to address any sustainability issues in FY2022, and the Group's initiatives moving forward.

This SR 2022's content and boundaries are determined by the Company through a materiality assessment (explained in more detail below). The Company acknowledges the data collection challenges for certain disclosures and is continuously working to improve its data maturity and tracking resources.

We believe that transparent reporting of how we identify and address material ESG topics across our operations demonstrates our commitment to accurate disclosure.

ABOUT THE COMPANY

The Group's business diversification plan from Offshore and Marine Business including supply chain management business and lifestyle retail business ("**New Businesses**") was completed in 2022. The Company sees potential in the New Businesses in providing high growth and recurrent revenue streams with sustainable and long-term prospects of profitability and growth for the Group.

SUSTAINABILITY REPORTING SCOPE, PERIOD AND FRAMEWORKS

This Report covers the Group with the reporting period being FY2022. This SR2022 was prepared according to GRI Standards and Singapore Exchange ("**SGX**") listing rules and requirements ("**SGX-ST Listing Manual**"). We have chosen to report using GRI Standards as it is an internationally recognized reporting framework and is the most adopted reporting standard for SGX sustainability reporting. The GRI content index can be found in at the rear of this SR2022.

The Company is informed by ESG professionals that it has engaged relating to this SR, that the reporting under Task Force on Climate-Related Financial Disclosures ("**TCFD**") for FY2022 is not relevant to the nature of the New Businesses.

Nevertheless, we have voluntarily disclosed some of our climate-related disclosures below, where such climate-related disclosures are guided by TCFD recommendations. Such climate-related disclosures include our push for energy saving initiatives, adopting better waste disposal measures and sustainable food packaging.

This SR2022 is published annually and the contact for the report is our Ms. Joanne Chong at joanne.chong@9rlimited.com.

EXTERNAL ASSURANCE

While we have not sought for external assurance for this Report, we have relied on internal data monitoring and verification to ensure accuracy and have conducted a materiality assessment on the topics disclosed in this SR2022. The sustainability reporting process of the Company has been subjected to internal review.

SUSTAINABILITY REPORT 2022

GOVERNANCE STRUCTURE

The Board acknowledges its duties and responsibilities in ensuring the Company's strategy includes sustainability considerations such as ESG matters.

The Board is responsible for ensuring that there is an effective governance structure in place to facilitate the integration and management of sustainability matters in the Group's operations. Through the Group's risk management processes, sustainability-related risks and opportunities are identified and integrated into the Group's risk management and internal control systems. These sustainability-related risks are addressed through strategies and targets formulated and guided by the Audit and Risk Committee ("**ARC**"). The Audit and Risk Committee reviews the Group's key risks facing the Group's business and reports to the Board at least twice a year.

Our sustainability strategy is developed and managed by the senior management in consultation with the Board. The Chief Executive Officer ("**CEO**") is updated on a regular basis on the progress of the Group's sustainability initiatives. The senior management is tasked to develop the sustainability strategy considering climate-related risks to the operation, materiality topics and stakeholder engagement. The senior management is also tasked with the responsibility to develop sustainability policies, setting targets, collecting data, and implementing measurement processes. The Group continuously monitors the sustainability performance by reviewing the targets, adjusting targets as necessary, and identifying new areas for improvement.

GOVERNANCE STRUCTURE	
Board of Directors	– Oversees the Group's sustainability direction, strategies, and policies – Assesses opportunities and risks presented by material ESG topics – Determine the appropriate strategies, policies and practices to deliver sustainable shared socio-economic value and progress to key stakeholders
Management	– Assists and supports the Board on the Group's sustainability matters, direction, strategies, and policies
Employees	– Implement sustainability initiatives and provide feedback on improvements

STAKEHOLDERS' ENGAGEMENT

The Company recognises that its corporate value lies in the ability to create sustainable, long-term stakeholder value creation. In the pursuit of this objective, the Company acknowledge that there would be various stakeholders who may have different, sometimes conflicting positions with regard to their perception of value. In this regard, the Company endeavours to strike a balance in its value creation strategies, between the Company's obligations to deliver value to stakeholders and corporate responsibilities. The Company also considers stakeholder value in the short, medium, and long term.

The Group's stakeholders include, but are not limited to, the shareholders and investors, customers, suppliers and service providers in the supply chain, regulators and authorities, financiers, and banks, the local communities, and the media. All stakeholders may have varying influences on the business or interest or dependence on the business, and this is also taken into account in the Group's engagement strategies.

We have established various engagement channels to communicate and interact with the various types of stakeholder groups we have across the Group. These engagement channels are customized to suit the different engagement needs of our stakeholders, considering communication effectiveness, cost-efficiency, as well as other management factors.

SUSTAINABILITY REPORT 2022

Generally, the Group's stakeholder engagement strategies are developed to ensure stakeholders obtain sufficient information to facilitate informed decision-making, especially pertaining to matters involving their interests that the Company has responsibility or obligation towards. In addition, we also leverage the engagement channels to understand their concerns and interest, including in the areas of sustainability. These engagements allow us to hear from stakeholders where we have done well or may need improvement, and this supports the Group's ongoing business enhancement.

The following table summarizes the Company's key stakeholder groups, the key methods of engagement, and frequency of engagement with the key stakeholder groups.

Key Stakeholder Groups	Key Methods of Engagement	Frequency of Engagement
Shareholders and Investors	• Annual general meetings • Extraordinary general meetings • Investors briefing • Corporate announcements • Media releases	Regularly
Customers	• Daily engagements via field visits and individual interactions • Briefings about services • Site visits • Advertisements and media releases	Regularly
Contractors and Suppliers	• Regular visits • Supplier evaluations and registration	Regularly
Local Authorities/Municipalities/ Regulators/Government Ministries	• Compliance efforts, i.e., submission of reports • Regular visits • Events, i.e., corporate, government and conferences • Media releases	Periodically
Employees and workers	• Performance evaluation • Trainings and developments • Compensations and benefits • Corporate and community activities	Regularly
Local Communities/ Non-Governmental Organisations/ Industry Associations	• Corporate Social Responsibility (CSR) activities • Industry associations • Sponsorships and donations • Media releases • Website/social media	Ad hoc

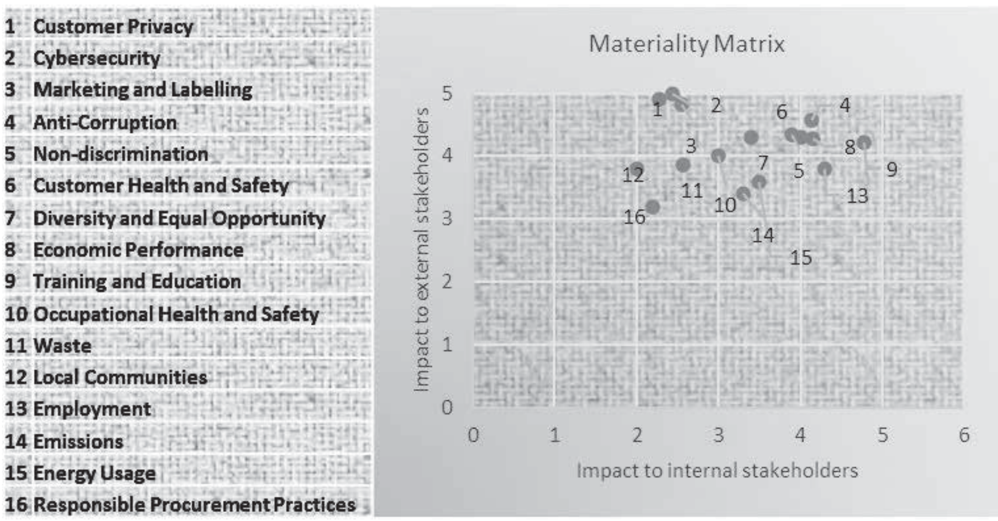
SUSTAINABILITY REPORT 2022

MATERIALITY

The Group underwent a restructuring process which resulted in a substantial change in the nature and type of business operations. Hence, we engaged our employees from different departments of the Group to seek our internal stakeholders' feedback on the prioritisation of these topics. A materiality assessment is aimed to be conducted annually, incorporating inputs gathered from stakeholders' engagements. In order to determine if a factor is material, we assessed its potential impact on our operations and the stakeholders.

This materiality assessment was facilitated via a workshop conducted by an independent professional firm, CLA Global TS Risk Advisory Pte Ltd (formerly known as Nexia TS Risk Advisory Pte Ltd) where it was participated by the Group's Management personnel where sustainability matters relevant to the Company and the Group's businesses are identified and categorised.

The sustainability matters were subsequently assessed by Management via a survey approach, where the key Management personnel were required to assess the materiality of these sustainability matters by rating each matter, considering how they reflect the Group's significant sustainability impacts or if they substantively influence stakeholders' assessment or decisions. Upon the conclusion of the materiality assessment process, the following material sustainability matters were identified for the Group.



MATERIAL ESG TOPICS IDENTIFIED FROM THE ABOVE MATERIALITY ASSESSMENT

ENVIRONMENT	SOCIAL	GOVERNANCE
Energy Usage	Customer Health and Safety	Customer Privacy
Emissions	Diversity and Equal Opportunity	Marketing and Labelling
Waste	Training and Education	Anti-Corruption
	Occupational Health and Safety	Economic Performance
	Local Communities	Responsible Procurement Practices
	Employment	Cybersecurity
	Non-discrimination	

We intend to conduct a materiality assessment in 2023 to re-evaluate the material ESG topics as we expand our New Businesses.

SUSTAINABILITY REPORT 2022

MATERIAL ENVIRONMENT TOPICS

Energy Usage and Emissions

In FY2022, the supply chain management business co-located a shared workspace. Hence, the electricity consumption has not been tracked for FY2022 for such business. However, the supply chain management business has relocated to a new office space in February 2023 and will be tracking the electricity consumption from February 2023 to December 2023. Such electricity consumption will be disclosed in the sustainability report for the financial year ending 31 December 2023.

The acquisition of the Lifestyle Retail Business was completed in the fourth quarter of 2022. During such quarter, the Lifestyle Retail Business consumed 184,433kWh of electricity and 1,689 cubic meters of natural gas as cooking gas in the kitchens.

Energy-saving initiatives will be implemented with the aim of reducing electricity consumption and realising cost savings. Some of the initiatives include:

- Switching off lights and electrical appliances in unused karaoke rooms and office spaces i.e. pantry, toilets, meeting rooms etc; and

- Setting on timers for electrical appliances including air conditioning systems.

We also endeavour to observe the earth hour to raise awareness among our employees and encourage our employees to take accountability for their ecological footprint.

Based on the data available on fuel and electricity consumption, we estimate our Scope 1 and Scope 2 emissions as follows:

Emissions Type	Amount in metric tons of carbon dioxide equivalent ("**MT CO_2**") equivalent ("**eq**")
Scope 1 Emissions (in MT CO_2 eq)	3.80
Scope 2 Emissions (in MT CO_2 eq)	120.87
Total Emissions	124.67

The total emissions above for the Group is derived from the electricity and natural gas consumption for the newly acquired lifestyle retail business during October to December 2022. The total emissions did not take into account the electricity consumption for the supply chain management business as such consumption was not tracked for FY2022 since it co-located a shared workspace.

We endeavour to reduce the emissions intensity for the Group in 2023 through the energy-saving initiatives mentioned above. We also endeavour to select suppliers located near the places of our operations to reduce their carbon emissions as a result of travelling to our places of operations to deliver their services or goods.

SUSTAINABILITY REPORT 2022

Waste

The Group takes pollution and waste management seriously and does not generate any hazardous waste in the New Businesses. During the reporting period, we recycled 589.1 kilograms ("**kg**") of waste i.e. 417.10 kg of cardboard and 172.0 kg of plastic through the supply chain management business, as shown in the middle of the image on the right.

However, we were unable to accurately track all waste generated across the New Businesses i.e. single use plastics, food scraps waste (unfinished food or inedible parts like bones), office sundries, etc. We were only able to track the amount of waste recycled through a cash bill received from a local waste management service provider.

Moving forward in the calendar year of 2023 ("**FY2023**"), we will continue to recycle the above-mentioned waste (cardboard and plastic) and endeavour to set up waste segregation baskets at our places of operations for the New Businesses. For food scraps waste, we will explore whether such waste can be composted. For the lifestyle retail business, the Group is exploring the possibility of adopting biodegradable food packaging (paper cups, paper and reusable straws, paper takeaway containers), strawless cup lids and reducing the use of single use plastic bags.

The Group also intends to reduce its use of paper through digitalization.

Water

Water is mainly used for operational and cleaning purposes. Our operations are not located in water-stressed areas.

In FY2022, as the Supply Chain Management Business co-located a shared workspace, we did not track the water consumption for FY2022. However, the supply chain management business has relocated to a new office space in February 2023 and we will be tracking the water consumption from February 2023 to December 2023. Such water consumption will be disclosed in the sustainability report for the financial year ending 31 December 2023. During the last quarter of 2022, the Lifestyle Retail Business consumed 1,182 litres of water.

As part of the ongoing efforts, the Group will monitor and explore initiatives to reduce the water consumed across its New Businesses.

We are pleased to report that there were no fines or penalties arising from non-compliance with environmental laws or regulations. For FY2023, we endeavour to uphold such trend of zero breaches.

MATERIAL SOCIAL TOPICS

Code of Work Ethics and Code of Conduct

There are no known instances of any employee breaching the Code of Conduct or Code of Work Ethics in FY2022. For FY2023, we endeavour to uphold such trend of zero breaches.

Employment, Non-Discrimination, Diversity and Equal Opportunity

We respect diversity within society and amongst the people that we work with. Embracing diversity allows us to appreciate diverse perspectives and enrich our workforce with unique skills and cultural experiences, in addition to fostering an inclusive working environment where everyone is treated fairly.

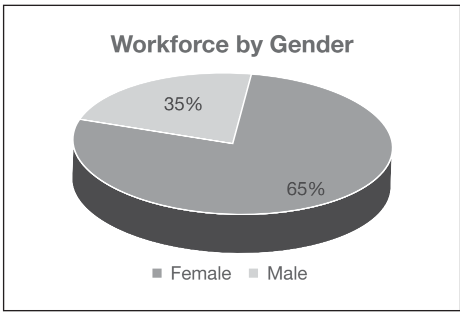
SUSTAINABILITY REPORT 2022

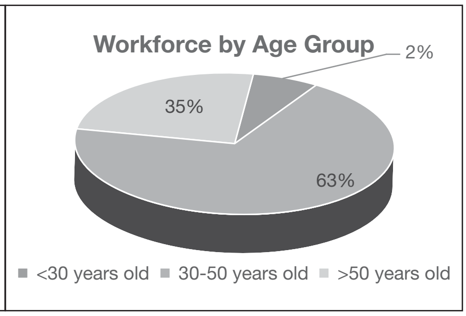
We adopt an equal employment opportunity approach in all our employment practices, including recruitment, performance appraisal, training and development, promotion, as well as disciplinary actions, where we base our decisions on merit and performance and do not discriminate against anyone on the bases of background, race, religion, gender, age, sexual orientation, disabilities, and nationality ("**Unfair Employment Practices**").

In FY2022, there are no complaints by any employees on Unfair Employment Practices. As part of its initiatives, the Group will implement a diversity and inclusion, and non-discrimination policy to document the abovementioned equal employment opportunity approach within the Group in FY2023.

The breakdown of employees as at 31 December 2022 are as follows:

	Female	Male	<30 years old	30-50 years old	>50 years old	Malaysia
Permanent	17	30	28	18	1	47
Part-Time	1	4	5	0	0	5
Subtotal	**18**	**34**	**33**	**18**	**1**	**52**
Total	**52**			**52**		**52**





The number of new employee hires during FY2022 is as follows:

	Female	Male	<30 years old	30-50 years old	>50 years old
New employee hires during FY2022	7	8	9	5	1

The number of employee turnovers during the financial year under review is as follows:

Age Group	FY2022 Number of employee turnover
<30 years old	3
30-50 years old	0
>50 years old	0
Total	**3**

SUSTAINABILITY REPORT 2022

We also view diversity and independence at the Board level as an essential element in sustainability. For FY2022, our Board comprises of 75% independent directors and 25% non-independent directors. For FY2023, the Group will continue to enforce diversity at both the workplace and at the Board.

Training and Education

For the Group, training and education is one of the key areas for effective human capital growth to support the achievement of its long-term business objectives. We undertake ongoing training and education among our employees to develop talents and skills to suit the current and future market needs, as well as keep up with developments relevant to the New Businesses.

Each year, we conduct performance appraisals for all our employees. The performance appraisal sessions serve as a key engagement platform for the Group and employees to have bi-directional communications to review the potential improvement areas for both parties, including the employees' training needs.

For FY2022, we placed more emphasis on the development of technical skills and the enhancement of employees' competence and capabilities. All employees of karaoke retail outlets undergo food handling training for eight (8) hours annually, and outlet managers undergo additional Sales Excellence Training. We also sponsored employees to attend conferences and trainings related to their field of specialisation. In FY2023, we will continue to send employees for such trainings to upskill.

All employees receive feedback on their performance, improvement of their strengths and how they resolve challenges via the Employee Performance Appraisal Form ("**EPA**"). From such feedback, the EPA will set out a score achieved by an employee for their services in FY2022 and such score will determine the employee's salary increment and bonus. On the other hand, managers receive feedback on their performance via a Reverse Performance Appraisal Form ("**RPA**") with similar metrics.

The above EPA and RPA puts in place a remuneration structure to incentivize employees to work towards clear metrics for their career development and growth. For 2023, we will continue to develop and train employees on the identified areas for development.

Sexual Harassment

The Group takes sexual harassment acts very seriously and has mandated zero tolerance for any act of sexual harassment. The Group plans to implement and exhibit a notice to raise awareness on sexual harassment at places of our operations to remind the Group's position of such matters. The Group has implemented complaint procedures and channels for victims of sexual harassment to avail themselves to. Such information is provided in the Group's employment handbooks where a copy of such is given to an employee and such employee is required to sign off indicating they have read its contents.

In FY2022, there are zero incidents of sexual harassments. For FY2023, we endeavour to uphold such trend of zero incidents reported.

Local Communities

The Group believes that a responsible corporation includes playing its part in enriching the economy and local communities surrounding where it has operations. This may be through the creation of employment opportunities, business transactions, community contributions, and others.

Our operations create employment opportunities for local people through direct employment by the Group and through jobs created by our suppliers and service providers.

In addition, we also contribute to the local economy and businesses via our procurement activities. Where possible, the Group endeavours to provide the contracts to local businesses in the locations of operation.

SUSTAINABILITY REPORT 2022

Occupational Safety and Health

The Group endeavours to implement a workplace safety policy applicable to all employees of the Group which focuses on safe workplace practices. When necessary, the Group will explore on the necessity to provide training on workplace safety. For FY2022, there are no injuries or fatalities reported. For FY2023, we endeavour to uphold such trend of zero incidents reported.

	FY2021	FY2022
Number of work-related fatalities	0	0
Accident Frequency Rate (AFR)	0	0
Accident Severity Rate (ASR)	0	0

We endeavour to continue monitoring and put safety measures in place where necessary to ensure a safe workplace with zero work-related injuries and fatalities.

Customer Health And Safety

Similar to workplace safety, our customer's health and safety is equally paramount. For FY2022, there are no incidents where our customers were injured or health and safety were compromised at our workplaces. For FY2023, we endeavour to uphold such trend of zero incidents and violations reported.

MATERIAL GOVERNANCE TOPICS

The Group strives to comply with the best practices of good governance, guided by the Singapore Code of Corporate Governance 2018 (the "Code"), throughout its operations to safeguard the interests of all stakeholders. The Group recognizes that good corporate governance processes are essential for enhancing corporate sustainability. Please refer to the "Corporate Governance Report" section in this Annual Report for more information on the Group's corporate governance.

Serious violations can also be reported to the Company via the whistleblowing channel established via its whistleblowing policy. The whistleblowing policy is approved by the Board and serves to provide an effective mechanism for employees and other stakeholders of the Group to raise concerns regarding any illegal conduct or malpractice. Such policy also allows such concerns to be raised without being subject to victimization, harassment or discrimination and applies to all directors, officers and employees (including full-time, part-time and contract employees) of the Group.

We have zero incidents of whistleblowing in FY2022. For FY2023, we endeavour to uphold such trend of zero incidents reported.

	FY2021	FY2022
Whistleblowing cases reported	0	0
Confirmed incidents of corruption and action taken	0	0

Anti-Corruption ("ABC") and Anti-Money Laundering ("AML")

The Group has zero tolerance towards any conduct of bribery and corruption, money-laundering or fraud, be it for an advantage in the Group's businesses or the personal gain of a person associated with the Group. The Group believes in doing business based on merit and performance, and it is committed to not seeking competitive advantages through unethical or illegal business practices. To reinforce the above position, the Group takes the initiative in FY2023 to implement the necessary ABC and AML policies and conduct training as and where necessary for all its staff to upskill them on such matters.

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In FY2022, there are no incidents of bribery and corruption, money-laundering or fraud reported to us nor that we became aware of, which dovetails with the zero incidents of whistleblowing reported above. For FY2023, we endeavour to uphold such trend of zero incidents reported.

Responsible Procurement Practices

As part of the Group's responsible procurement practices, besides pricing, we also select our suppliers and service providers based on familiarity, quality of products or service and near proximity to our places of operations. We procure from local suppliers, wherever possible. For the lifestyle retail business in the fourth quarter of FY2022, we procured most of our supplies from local suppliers in Malaysia. "Local" here means the country where the relevant places of operations are located.

In FY2022, we have zero incidents of supply chain disruptions. For FY2023, we endeavour to uphold such trend of zero incidents reported.

Economic Performance

The Group's business diversification plan to acquire New Businesses was approved by the shareholders of the Company in the Extraordinary General Meeting held on 6 May 2022. We endeavour to maintain the viability and explore any expansion plans of such New Businesses. We continue to see potential in these businesses in providing additional and recurrent revenue streams with sustainable and long-term prospects of profitability and growth, not only for the Company but also for the communities it engages with.

Cybersecurity

We ensure our information systems are robust enough to safeguard the data that we keep, including data pertaining to customers, operations and employees, as well as confidential business information. During the FY2022, there were zero incidents of data leaks or breaches of personal data belonging to customers or employees. For FY2023, we endeavour to uphold such trend of zero incidents reported.

The Group endeavours to explore the necessary cybersecurity measures to prevent personal data leaks or breaches in FY2023. These endeavours are part of the Group's initiatives moving forward in FY2023.

Customer Privacy

As part of the Group's initiatives in FY2023, the Group has implemented a customer personal data consent form where natural person customers or individual representatives of corporate customers are required to sign on indicating their consent to have their personal data recorded for administrative purposes to facilitate our service offerings. The Group endeavours to train all staff on personal data protection matters in FY2023 and to maintain an updated record of all consents received from customers and staff for the retention and processing of their personal data.

Marketing and Labelling

At the Company, we understand the importance of complying with regulations relevant to marketing and labelling. All our product information is clearly displayed on respective products.

We report zero violations of trade description laws relating to our marketing and labelling practices in FY2022. For FY2023, we endeavour to uphold this trend of zero violations reported.

SUSTAINABILITY REPORT 2022

FY2022 PERFORMANCE MEASUREMENT AND FY2023 TARGETS

The Group sets priorities on the material ESG topics to be managed and monitored. The Group has set targets in FY2023 to effectively manage and measure progress towards sustainability goals, and to identify areas for improvement. The Group sets the targets to be specific, measurable, and relevant.

The targets set in FY2022 had to be revisited as some targets are no longer relevant due to a diversification into the New Businesses after the disposing operating subsidiaries conducting the offshore and marine business. Targets in FY2022 that remain relevant to the New Businesses and targets for FY2023 (including the Group's initiatives towards sustainability goals) are set out below:

MATERIAL ESG TOPIC	FY2022 TARGET(S)	FY2022 PERFORMANCE AGAINST TARGETS SET	FY2023 TARGET(S)
Economic	Divestment from the existing offshore and marine business	**TARGET MET:** Disposed of all operating subsidiaries conducting the offshore and marine business	**N/A**
	Diversification into the New Businesses	**TARGET MET:** Included the supply chain management business, focusing on the distribution of service robots and acquired a lifestyle retail business in October 2022	Endeavour to maintain the viability and explore any expansion plans of such New Businesses
MATERIAL ENERGY TOPICS			
Tracking and Reducing Electricity and Water Consumption	**N/A**	**N/A**	• Implement energy-saving initiatives such as switching off lights and electrical appliances in unused karaoke rooms and office spaces and setting on timers for electrical appliances • Endeavour to observe the earth hour • Endeavour to reduce emissions intensity for the Group in 2023 • Endeavour to select suppliers located near the places of our operations • Tracking the electricity and water consumption for the supply chain management business office space from February 2023 to December 2023 and disclosing such consumption in the sustainability for FY2023 • Monitor and explore initiatives to reduce the water consumed across its New Businesses
Recycling Waste Generated	**N/A**	**N/A**	Continue recycling the type of waste recycled in FY2022 i.e. cardboard and plastic

SUSTAINABILITY REPORT 2022

MATERIAL ESG TOPIC	FY2022 TARGET(S)	FY2022 PERFORMANCE AGAINST TARGETS SET	FY2023 TARGET(S)
Managing Waste Better	**N/A**	**N/A**	• Set up waste segregation baskets at our places of operations for the New Businesses • Explore whether food scraps waste can be composted
Reducing Paper Use	**N/A**	**N/A**	• Reduce the Group's use of paper through digitalization
Exploring Sustainable Food Packaging	**N/A**	**N/A**	• Exploring the possibility of adopting biodegradable food packaging (paper cups, paper and reusable straws, paper takeaway containers), strawless cup lids and reducing the use of single use plastic bags
MATERIAL SOCIAL TOPICS			
Employee Handbook, Code of Conduct and Code of Work Ethics	The Group aims to ensure all its employees comply with its Employee Handbook through: • adequate training and/or briefings to the employees on its conduct guidelines; and • effective investigation and corrective action on whistleblowing incidents	**Target met:** • All employees have been briefed and signed on the Employment Handbook • Zero whistleblowing incidents reported • No known instances of any employee breaching the Code of Conduct or Code of Work Ethics	• Ensure adequate training and/or briefings to the employees on its conduct guidelines; • Ensure effective investigation and corrective action on whistleblowing incidents • Endeavour for zero breaches of Code of Conduct and Code of Work Ethics • Endeavour all staff to attend AML, ABC and personal data protection training • Adopt a diversity and inclusion policy
Employment, Non-Discrimination, Diversity and Equal Opportunity	**N/A**	**N/A**	Implement a diversity and inclusion, and non-discrimination policy
Training and Education	**N/A**	**N/A**	• Continue to send employees for trainings to upskill • Develop and train employees on the areas for development identified in the EPA and RPA
Sexual Harassment	**N/A**	**N/A**	• Endeavour to uphold the trend of zero incidents reported • Implement and exhibit a notice to raise awareness on sexual harassment at places of our operations
Local Communities	**N/A**	**N/A**	Where possible, the Group endeavours to provide the contracts to local businesses in the locations of operation

SUSTAINABILITY REPORT 2022

MATERIAL ESG TOPIC	FY2022 TARGET(S)	FY2022 PERFORMANCE AGAINST TARGETS SET	FY2023 TARGET(S)
Occupational Safety and Health	The Group targets to continue to stress the importance of workplace safety and aim to continue posting an Accident Frequency Rate (AFR) and Accident Severity Rate (ASR) of zero in the upcoming years	**Target met:** No injuries or fatalities reported in workplaces related to work. Zero AFR and ASR.	• Endeavours to implement a workplace safety policy applicable to all employees of the Group which focuses on safe workplace practices • Explore on the necessity to provide training on workplace safety • Endeavour to uphold zero work-related injuries and fatalities incidents
Customer Health And Safety	**N/A**	**N/A**	Endeavour to uphold zero incidents and violations reported
MATERIAL GOVERNANCE TOPICS			
Compliance with SGX-ST Listing Manual	The Group will continue to comply with the SGX-ST Listing Manual Section B: Rules of Catalist, and the Code	**Target met:** There are no instances of non-compliance with the SGX-ST Listing Manual Section B: Rules of Catalist	Continue to comply with the SGX-ST Listing Manual Section B: Rules of Catalist
ABC and AML	**N/A**	**N/A**	• Implement the AML and ABC policies and conduct training on such matters • Endeavour to uphold the trend of zero incidents of anti-money laundering, corruption or bribery
Responsible Procurement Practices	**N/A**	**N/A**	• Endeavour to uphold the trend of zero incidents of supply chain disruptions reported
Cybersecurity	**N/A**	**N/A**	• Endeavour to uphold the trend of zero incidents of personal data leaks or breaches • Explores measures to strengthen its cybersecurity measures against personal data leaks or breaches
Customer Privacy	**N/A**	**N/A**	• Endeavours to train all staff on personal data protection matters in FY2023 • To maintain an updated record of all consents received from customers and staff
Marketing and Labelling	**N/A**	**N/A**	Endeavour to uphold the trend of zero violations of trade description laws relating to our marketing and labelling practice reported

SUSTAINABILITY REPORT 2022

GRI Content Index	
Statement of use	The Company has reported the information cited in this GRI content index for FY2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	About the Company, Page 42
	2-2 Entities included in the organization's sustainability reporting	About the Company, Page 42
	2-3 Reporting period, frequency and contact point	Sustainability Reporting Scope, Period and Frameworks, Page 42
	2-4 Restatements of information	Prior year financial statements have been restated. Please refer to the audited financial statements for further details.
	2-5 External assurance	External Assurance, Page 42
	2-6 Activities, value chain and other business relationships	About the Company, Page 42
	2-7 Employees	Social (Employment, Non-Discrimination, Diversity and Equal Opportunity), Pages 47 – 49
	2-8 Workers who are not employees	Social (Employment, Non-Discrimination, Diversity and Equal Opportunity), Pages 47 – 49
	2-9 Governance structure and composition	Governance Structure, Page 43
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report (Board Membership), Pages 21 – 22
	2-11 Chair of the highest governance body	Board of Directors, Page 9
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance Structure, Page 43
	2-13 Delegation of responsibility for managing impacts	Governance Structure, Page 43
	2-14 Role of the highest governance body in sustainability reporting	Governance Structure, Page 43
	2-15 Conflicts of interest	Social (Code of Work Ethics and Code Of Conduct), Page 47
	2-16 Communication of critical concerns	Materiality, Page 45
	2-17 Collective knowledge of the highest governance body	Governance Structure, Page 43
	2-18 Evaluation of the performance of the highest governance body	Annually

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GRI STANDARD	DISCLOSURE	LOCATION
	2-19 Remuneration policies	Corporate Governance Report (Remuneration Matters), Pages 25 – 29
	2-20 Process to determine the remuneration	EPA and RPA forms
	2-21 Annual total compensation ratio	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country. **Ratio for supply chain management business** 5.38 **Ratio for lifestyle retail business** 2.03
	2-22 Statement on sustainable development strategy	Board Statement, Page 41
	2-23 Policy commitments	Governance Structure, Page 43
	2-24 Embedding policy commitments	Governance Structure, Page 43
	2-25 Processes to remediate negative impacts	Governance Structure, Page 43
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholders' Engagement, Pages 43 – 44
	2-27 Compliance with laws and regulations	The Company complies with social, environmental, and economic laws in the countries of its operations
	2-28 Membership associations	Malaysian Association Of Hotels; Malaysian Retail Chain Association (MRCA); Singapore Business Federations
	2-29 Approach to stakeholder engagement	Stakeholders' Engagement, Pages 43 – 44
	2-30 Collective bargaining agreements	The Group does not prohibit any collective bargaining agreements, but no trade union has entered into such agreements with the Group in FY2022
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality, Page 45
	3-2 List of material topics	Materiality, Page 45
	3-3 Management of material topics	Materiality, Page 45

SUSTAINABILITY REPORT 2022

GRI STANDARD	DISCLOSURE	LOCATION
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	S$2,974,565 in revenue for FY2022
	201-2 Financial implications and other risks and opportunities due to climate change	Divested from a carbon-intensive offshore and marine business to less carbon intensive businesses in FY2022, see New Businesses
	201-3 Defined benefit plan obligations and other retirement plans	The New Businesses operate in Malaysia where under Malaysian laws, it is mandatory to contribute monthly to a statutory fund known as Employees' Provident Fund ("**EPF**"), where contributions are made by both employers and employees. The Group also contributes to the Central Provident Fund ("**CPF**") for employees that are employed in Singapore. The Group has no known breaches of non-contribution and continues to contribute towards both EPF and CPF for the relevant employees.
	201-4 Financial assistance received from government	Notes to the Financial Statements, for the financial year ended 31 December 2022 (Government Grants), Page 99
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	For the Supply Chain Management Business: 1.1: 1 (standard entry level wage: local minimum wage) For the Lifestyle Retail Business: 1.7: 1 (standard entry level wage: local minimum wage)
	202-2 Proportion of senior management hired from the local communities	All employees hired are local citizens including employed directors and departmental heads
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	We do not invest in any infrastructure related matters
	203-2 Significant indirect economic impacts	**N/A**
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Governance (Responsible Procurement Practices), Page 51
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Governance (ABC and AML), Pages 50 – 51
	205-2 Communication and training about anti-corruption policies and procedures	Governance (ABC and AML), Pages 50 – 51
	205-3 Confirmed incidents of corruption and actions taken	Governance (ABC and AML), Pages 50 – 51
GRI 207: Tax 2019	207-1 Approach to tax	**N/A**
	207-2 Tax governance, control, and risk management	**N/A**
	207-3 Stakeholder engagement and management of concerns related to tax	**N/A**
	207-4 Country-by-country reporting	**N/A**

SUSTAINABILITY REPORT 2022

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environment (Energy Usage and Emissions), Page 46
	302-2 Energy consumption outside of the organization	Not reported due to difficulties in the data collection and data interpretation exercise
	302-3 Energy intensity	Environment (Energy Usage and Emissions), Page 46
	302-4 Reduction of energy consumption	Environment (Energy Usage and Emissions), Page 46
	302-5 Reductions in energy requirements of products and services	Environment (Energy Usage and Emissions), Page 46
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Environment (Water), Page 47
	303-2 Management of water discharge-related impacts	**N/A**
	303-3 Water withdrawal	**N/A**
	303-4 Water discharge	**N/A**
	303-5 Water consumption	Environment (Water), Page 47
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	**N/A**
	304-2 Significant impacts of activities, products and services on biodiversity	**N/A**
	304-3 Habitats protected or restored	**N/A**
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	**N/A**

SUSTAINABILITY REPORT 2022

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environment (Energy Usage and Emissions), Page 46
	305-2 Energy indirect (Scope 2) GHG emissions	Environment (Energy Usage and Emissions), Page 46
	305-3 Other indirect (Scope 3) GHG emissions	Not reported due to difficulties in the data collection and data interpretation exercise
	305-4 GHG emissions intensity	Environment (Energy Usage and Emissions), Page 46
	305-5 Reduction of GHG emissions	Environment (Energy Usage and Emissions), Page 46
	305-6 Emissions of ozone-depleting substances (ODS)	None
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Environment (Waste), Page 47
	306-2 Management of significant waste-related impacts	Environment (Waste), Page 47
	306-3 Waste generated	Environment (Waste), Page 47
	306-4 Waste diverted from disposal	Environment (Waste), Page 47
	306-5 Waste directed to disposal	Environment (Waste), Page 47
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	**N/A**
	308-2 Negative environmental impacts in the supply chain and actions taken	Governance (Responsible Procurement Practices), Page 51
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social (Employment, Non-Discrimination, Diversity and Equal Opportunity), Pages 47 – 49
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social (Employment, Non-Discrimination, Diversity and Equal Opportunity), Pages 47 – 49
	401-3 Parental leave	We provide our employees with a maternity leave of a maximum of 90 consecutive days and a paternity leave of a maximum 2 consecutive working days
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	We do not exclusively present minimum notice periods regarding operational changes

SUSTAINABILITY REPORT 2022

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Social (Occupational Health and Safety), Page 50
	403-2 Hazard identification, risk assessment, and incident investigation	Social (Occupational Health and Safety), Page 50
	403-3 Occupational health services	Social (Occupational Health and Safety), Page 50
	403-4 Worker participation, consultation, and communication on occupational health and safety	The Group informs its employees of occupational health and safety matters through postings on the notice boards at places of operations or other means
	403-5 Worker training on occupational health and safety	Social (Occupational Health and Safety), Page 50
	403-6 Promotion of worker health	Social (Occupational Health and Safety), Page 50
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social (Occupational Health and Safety), Page 50
	403-8 Workers covered by an occupational health and safety management system	Social (Occupational Health and Safety), Page 50
	403-9 Work-related injuries	Social (Occupational Health and Safety), Page 50
	403-10 Work-related ill health	Social (Occupational Health and Safety), Page 50
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social (Training and Education), Page 49
	404-2 Programs for upgrading employee skills and transition assistance programs	Social (Training and Education), Page 49
	404-3 Percentage of employees receiving regular performance and career development reviews	Social (Training and Education), Page 49
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Social (Employment, Non-Discrimination, Diversity and Equal Opportunity), Pages 47 – 49
	405-2 Ratio of basic salary and remuneration of women to men	For the supply chain Management business: 0.67 For the lifestyle retail business: 0.99
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	None
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We do not restrict our employees' rights in such respect. We have no reason to believe our suppliers restrict their workers' rights in such respect as well.
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Governance (Responsible Procurement Practices), Page 51

SUSTAINABILITY REPORT 2022

GRI STANDARD	DISCLOSURE	LOCATION
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Governance (Responsible Procurement Practices), Page 51
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	None
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No known instances
GRI 413: Local Communities 2016	413-1 Operations with local communities engagement, impact assessments, and development programs	No known instances of forced or compulsory labour have taken place in our operations
	413-2 Operations with significant actual and potential negative impacts on local communities	**N/A**
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Governance (Responsible Procurement Practices), Page 51
	414-2 Negative social impacts in the supply chain and actions taken	Governance (Responsible Procurement Practices), Page 51
GRI 415: Public Policy 2016	415-1 Political contributions	None
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social (Customer Health and Safety), Page 50
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance concerning the health and safety impacts of products and services
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Governance (Marketing and Labelling), Page 51
	417-2 Incidents of non-compliance concerning product and service information and labelling	Governance (Marketing and Labelling), Page 51
	417-3 Incidents of non-compliance concerning marketing communications	Governance (Marketing and Labelling), Page 51
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance (Customer Privacy), Page 51

DIRECTORS' STATEMENT

FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors present their statement to the members together with the audited consolidated financial statements of 9R Limited (formerly known as Viking Offshore and Marine Limited) (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2022 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2022.

1. Opinion of directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended in accordance with the provisions of the Companies Act 1967 (the "Act") 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.

2. Directors

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

Executive director

Ong Swee Sin (Chief Executive Officer)	(Appointed on 6 January 2022)

Independent non-executive directors

Datuk Low Kim Leng (Non-Executive Chairman)	(Appointed on 1 January 2022)
Wee Hock Kee	(Appointed on 1 February 2022)
Mark Leong Kei Wei	(Appointed on 9 February 2022)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, except as disclosed below:

	Deemed Interest		
Name of director	**At the beginning of financial year or date of appointment**	**At the end of financial year**	**At 21 January 2023**
Ordinary shares of the Company			
Ong Swee Sin	16,335,967	20,419,958	20,419,958
Warrants of the Company			
Ong Swee Sin	–	8,167,982	8,167,982

DIRECTORS' STATEMENT

FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. Share options

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

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

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

6. Warrants

At the end of the financial year, details of the outstanding warrants are as follows:

Date of issue	Warrants outstanding at 1.1.2022	Warrants issued	Warrants exercised	Warrants expired	Warrants outstanding at 31.12.2022	Date of expiration
04.07.2017	1,949,798	–	–	(1,949,798)	–	01.07.2022
29.06.2022	–	280,173,408	(12,004,350)	–	268,169,058	28.06.2027

On 4 July 2017, the Company allotted and issued 194,982,219 new ordinary shares ("Right Shares") at an issue price of $0.018 for each Right Share and 97,491,109 free detachable warrants ("Warrants") pursuant to a renounceable and non-underwritten right cum warrants issue. Each Warrant carries the right to subscribe for a new ordinary share in the capital of the Company at an exercise price of $0.025 for each new ordinary share and is exercisable during a five year period from the date of issue.

On 12 August 2021, the Company completed the share consolidation of every 50 existing ordinary shares in the capital of the Company into 1 ordinary share in the capital of the Company, resulting in an adjustment of Warrants to 1,949,798 outstanding warrants, after disregarding any fractions of adjusted Warrants arising from the adjustment of Warrants.

On 29 June 2022, the Company allotted and issued 140,086,704 new ordinary shares ("Right Shares") at an issue price of $0.025 for each Right Share and 280,173,408 free detachable warrants ("Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each Warrant carries the right to subscribe for a new ordinary share in the capital of the Company at an exercise price of $0.04 for each new ordinary share and is exercisable during a five-year period from the date of issue.

DIRECTORS' STATEMENT

FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. Audit and risk committee

The audit and risk committee of the Company comprises three independent directors and at the date of this report, they are:

Mark Leong Kei Wei (Chairman)	(Appointed on 9 February 2022)
Datuk Low Kim Leng	(Appointed on 1 January 2022)
Wee Hock Kee	(Appointed on 1 February 2022)

The audit and risk committee has convened six meetings during the year with key management and the internal and external auditors of the Company.

The audit and risk committee had carried out its functions in accordance with Section 201B (5) of the Act, the Singapore Exchange ("SGX") Listing Manual and the Code of Corporate Governance. In performing those functions, especially after the change of shareholding control and management of the Company in November 2021 followed by the diversification of businesses of the Group approved by shareholders only in May 2022, the audit and risk committee had:

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;

(ii) reviewed the audit plan of the internal auditors of the Group for the new businesses of the Group and had put in place a plan to review their evaluation of the adequacy of the Group's system of internal accounting controls for the new businesses which will be conducted by the internal auditors in accordance with the audit plan;

(iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the quarterly, half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) put in place a plan to review and assess the adequacy of the Group's risk management framework for the new businesses of the Group, with the assistance of the internal auditors of the Group and in accordance with the audit plan;

(vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) reviewed interested person transactions in accordance with SGX listing rules;

(viii) reviewed the nomination of external auditors and gave approval of their compensation; and

(ix) submitted of report of actions and minutes of the audit and risk committee to the board of directors with any recommendations as the audit and risk committee deems appropriate.

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

The audit and risk committee has recommended to the directors the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting ("AGM") of the Company.

DIRECTORS' STATEMENT

FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. Independent auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Ong Swee Sin	**Datuk Low Kim Leng**
Director	Director

Singapore
6 April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED (FORMERLY KNOWN AS VIKING OFFSHORE AND MARINE LIMITED)

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of 9R Limited (formerly known as Viking Offshore and Marine Limited) (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2022, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 146.

In our opinion, the accompanying financial statements of the Group and the statements of financial position and changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "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 of our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of Audit

For the audit of the current financial year's financial statements, we identified 5 significant components which required a full scope audit of their financial information, either because of their size or/and their risk characteristics.

Out of the 5 significant components, 3 were audited by other Mazars offices as component auditor under our instructions and the remaining 2 were directly audited by us. We determined the component materiality and our level of involvement in their audit necessary for us, in our professional judgement, to obtain sufficient appropriate audit evidence as a basis for our opinion on the Group's financial statements as a whole.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED (FORMERLY KNOWN AS VIKING OFFSHORE AND MARINE LIMITED)

Report on the Audit of Financial Statements (cont'd)

Area of Focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatements, including areas which involve significant judgments and estimates to be made by directors.

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 year. These matters include the salient areas of focus in our audit and do not represent all the risks identified by our audit. 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 this matter.

Matter	Audit response
Impairment assessment of goodwill (refer to Note 3.2 and Note 15 to the financial statements)	
As at 31 December 2022, the Group recorded goodwill arising from business combination of $3,588,348, which represented 43.7% of the Group's total non-current assets. The Group's goodwill is attributed to one cash-generating unit ("CGU"), being Compact Sensation Sdn. Bhd.. Management determines the recoverable amount of the CGU to which goodwill is allocated to, using the value-in-use ("VIU") method, estimated using discounted cash flow projections. Significant judgements and estimates have been applied by the management in determining the recoverable amount, principally, the revenue growth rates, budgeted gross profit margins, terminal growth rate and discount rate used. These estimates are inherently subject to estimation uncertainties and hence we consider management's determination of recoverable amount as a key audit matter.	Our audit procedures included, and were not limited to, the following: • We assessed the appropriateness of the CGU as identified by management based on our understanding of the Group's business and structure; • We discussed with management on their planned strategies around business expansion, revenue stream growth strategies and cost initiative; • Together with our valuation specialist, we evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the VIU models, with comparison to recent performance, trend analysis and market expectations; and • We reviewed the sensitivity analysis to assess the impact on the recoverable amount of the CGU subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED (FORMERLY KNOWN AS VIKING OFFSHORE AND MARINE LIMITED)

Report on the Audit of Financial Statements (cont'd)

Other Information (cont'd)

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 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 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.

- 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF 9R LIMITED (FORMERLY KNOWN AS VIKING OFFSHORE AND MARINE LIMITED)

Report on the Audit of Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 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 Chan Hock Leong, Rick.

Other Matter

The financial statements of the Group and the Company for the financial year ended 31 December 2021 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 14 April 2022.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
6 April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
Revenue	4	**2,974,565**	–
Cost of sales		**(1,708,134)**	–
Gross profit		**1,266,431**	–
Other income	5	**312,511**	25,136,262
Marketing and distribution expenses		**(60,229)**	–
Administrative expenses		**(2,937,037)**	(1,362,683)
Other operating expenses		**(247,277)**	(4,546,124)
Impairment losses on financial assets and contract assets, net		**(22,127)**	(1,186,118)
Finance costs	6	**(58,684)**	(678,283)
(Loss)/Profit before income tax from continuing operations	8	**(1,746,412)**	17,363,054
Income tax expense	9	**(228,366)**	–
(Loss)/Profit for the year from continuing operation		**(1,974,778)**	17,363,054
Profit/(Loss) for the year from discontinued operation, net of tax	10	**150,747**	(1,917,226)
(Loss)/Profit for the year		**(1,824,031)**	15,445,828
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations		**(66,438)**	644,911
Other comprehensive (loss)/income for the year		**(66,438)**	644,911
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(1,890,469)**	16,090,739
(Loss)/Profit attributable to:			
Continuing operations, net of taxation			
Owners of the Company		**(1,974,778)**	17,363,054
Discontinued operation, net of taxation			
Owners of the Company		**183,389**	(1,869,770)
Non-controlling interests		**(32,642)**	(47,456)
		150,747	(1,917,226)
(Loss)/Profit for the year		**(1,824,031)**	15,445,828
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(1,857,827)**	16,138,195
Non-controlling interests		**(32,642)**	(47,456)
		(1,890,469)	16,090,739
(Loss)/Earnings per share attributable to owners of the Company (cents per share)			
Basic (loss)/earnings per share from continuing operations	11	**(0.30)**	8.00
Basic earnings/(loss) per share from discontinued operation	11	**0.03**	(0.86)
Total basic (loss)/earnings per share		**(0.27)**	7.14
Diluted (loss)/earnings per share from continuing operations	11	**(0.25)**	7.93
Diluted earnings/(loss) per share from discontinued operation	11	**0.02**	(0.85)
Total diluted (loss)/earnings per share		**(0.23)**	7.08

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
ASSETS					
Non-current assets					
Plant and equipment	12	**1,662,626**	70,417	**–**	3,949
Investments in subsidiaries	13	**–**	–	**330,438**	–
Investments in associates	14	**–**	–	**–**	–
Intangible assets	15	**3,588,348**	–	**–**	–
Quoted equity investments	16	**–**	4	**–**	4
Deferred tax assets	17	**1,473**	–	**–**	–
Right-of-use assets	18	**2,843,582**	–	**–**	–
Trade receivables	20	**108,575**	–	**–**	–
Total non-current assets		**8,204,604**	70,421	**330,438**	3,953
Current assets					
Inventories	19	**963,519**	553,838	**–**	–
Trade receivables	20	**556,170**	1,255,260	**–**	–
Prepayments		**10,802**	83,333	**5,350**	21,371
Other receivables and deposits	21	**2,386,452**	525,149	**92,628**	134,730
Amounts due from subsidiaries	22	**–**	–	**5,441,072**	–
Contract assets	23	**15,854**	1,475,560	**–**	–
Income tax receivable		**87,234**	–	**–**	–
Assets classified as held-for-sale	24	**43,157**	–	**–**	–
Cash and cash equivalents	25	**11,841,308**	1,370,533	**11,523,493**	94,544
Total current assets		**15,904,496**	5,263,673	**17,062,543**	250,645
Total assets		**24,109,100**	5,334,094	**17,392,981**	254,598
EQUITY AND LIABILITIES					
Equity					
Share capital	26	**123,898,293**	104,811,429	**123,898,293**	104,811,429
Treasury shares	26	**(527,775)**	(527,775)	**(527,775)**	(527,775)
Accumulated losses		**(108,155,315)**	(106,363,926)	**(127,169,858)**	(125,911,985)
Other reserves	27	**969,922**	(207,985)	**20,615,689**	19,548,945
Equity attributable to owners of the parent		**16,185,125**	(2,288,257)	**16,816,349**	(2,079,386)
Non-controlling interests		**–**	(100,098)	**–**	–
Total equity		**16,185,125**	(2,388,355)	**16,816,349**	(2,079,386)
Non-current liabilities					
Deferred tax liabilities	17	**171,565**	–	**–**	–
Lease liabilities	18	**2,443,910**	–	**–**	–
Loans and borrowings	28	**172,347**	–	**172,347**	–
		2,787,822	–	**172,347**	–
Current liabilities					
Lease liabilities	18	**417,203**	–	**–**	–
Contract liabilities	23	**114,703**	1,357,633	**–**	–
Loans and borrowings	28	**–**	1,490,000	**–**	1,490,000
Trade payables	29	**273,302**	1,683,715	**–**	–
Other payables and accruals	30	**4,259,976**	3,191,101	**404,285**	843,984
Provision of restoration cost		**64,048**	–	**–**	–
Provision of warranty		**6,921**	–	**–**	–
Total current liabilities		**5,136,153**	7,722,449	**404,285**	2,333,984
Total liabilities		**7,923,975**	7,722,449	**576,632**	2,333,984
Total equity and liabilities		**24,109,100**	5,334,094	**17,392,981**	254,598

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to owners of the Company						
	Note	Share capital $	Treasury shares $	Accumulated losses $	Other reserves $	Equity attributable to owners of the Company, total $	Non-controlling interests $	Total equity $
Group								
Balance at 1 January 2021		102,604,532	(527,775)	(121,857,210)	(852,896)	(20,633,349)	(52,642)	(20,685,991)
Profit/(Loss) for the year		–	–	15,493,284	–	15,493,284	(47,456)	15,445,828
Other comprehensive income:								
Foreign currency translation reserve		–	–	–	644,911	644,911	–	644,911
Other comprehensive income for the year, net of tax		–	–	–	644,911	644,911	–	644,911
Total comprehensive income/(loss) for the year		–	–	15,493,284	644,911	16,138,195	(47,456)	16,090,739
Issuance of new shares	13, 26	2,206,897	–	–	–	2,206,897	–	2,206,897
Balance at 31 December 2021		104,811,429	(527,775)	(106,363,926)	(207,985)	(2,288,257)	(100,098)	(2,388,355)
Loss for the year		–	–	(1,791,389)	–	(1,791,389)	(32,642)	(1,824,031)
Other comprehensive loss:								
Foreign currency translation reserve		–	–	–	(66,438)	(66,438)	–	(66,438)
Other comprehensive loss for the year, net of tax		–	–	–	(66,438)	(66,438)	–	(66,438)
Total comprehensive loss for the year		–	–	(1,791,389)	(66,438)	(1,857,827)	(32,642)	(1,890,469)
Disposal of subsidiaries	10	–	–	–	–	–	132,740	132,740
Issuance of new shares	13, 26, 27	19,086,864	–	–	1,244,345	20,331,209	–	20,331,209
Balance at 31 December 2022		**123,898,293**	**(527,775)**	**(108,155,315)**	**969,922**	**16,185,125**	**–**	**16,185,125**

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share capital $	Treasury shares $	Accumulated losses $	Other reserves $	Total equity $
Company						
Balance at 1 January 2021		102,604,532	(527,775)	(118,369,911)	114,056	(16,179,098)
Loss for the year		–	–	(7,542,074)	–	(7,542,074)
Other comprehensive income/(loss):						
Forgiveness of amounts due to subsidiaries	27	–	–	–	19,434,889	19,434,889
Other comprehensive income for the year, net of tax		–	–	–	19,434,889	19,434,889
Total comprehensive (loss)/income for the year		–	–	(7,542,074)	19,434,889	11,892,815
Issuance of new shares	26	2,206,897	–	–	–	2,206,897
Balance at 31 December 2021		104,811,429	(527,775)	(125,911,985)	19,548,945	(2,079,386)
Loss for the year		–	–	(1,257,873)	–	(1,257,873)
Other comprehensive loss:						
Forgiveness of amounts due from subsidiaries	27	–	–	–	(177,601)	(177,601)
Other comprehensive loss for the year, net of tax		–	–	–	(177,601)	(177,601)
Total comprehensive loss for the year		–	–	(1,257,873)	(177,601)	(1,435,474)
Issuance of new shares	13, 26, 27	19,086,864	–	–	1,244,345	20,331,209
Balance at 31 December 2022		**123,898,293**	**(527,775)**	**(127,169,858)**	**20,615,689**	**16,816,349**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
OPERATING ACTIVITIES			
(Loss)/Profit before income tax from continuing operations		**(1,746,412)**	17,363,054
Profit before income tax from discontinued operation	10	**150,747**	(1,916,583)
Total profit before income tax		**(1,595,665)**	15,446,471
Adjustments for:			
Gain from reversal of liabilities upon completion of the Scheme of Arrangement	5	**–**	(23,954,307)
Interest income	5	**–**	(4,580)
Interest expense – lease liabilities	6	**58,684**	678,283
Depreciation of plant and equipment	12	**109,295**	122,010
Plant and equipment written off	12	**26,633**	–
Fair value adjustment arising from contingent considerations in relation to acquisition of subsidiary		**222,625**	–
Gain on disposal of subsidiary	13	**(2,252,121)**	–
Amortisation of intangible assets	15	**–**	9
Intangible assets written down	15	**–**	14,536
Impairment loss on goodwill	15	**–**	817,948
Quoted equity investments written off		**4**	–
Depreciation of right-of-use assets	18	**41,703**	–
Rights-of-use written off	18	**6,401**	–
Inventories written off		**43,756**	–
Inventories written down	19	**–**	1,682,104
Impairment loss on trade receivables	20	**22,127**	174,900
Write-back of allowance for expected credit losses	20	**–**	(83,221)
Impairment loss on contract asset	23	**–**	1,094,439
Write-back of other creditors and accruals	30	**(235,041)**	–
Provision of warranty		**6,921**	–
Unrealised exchange (gain)/loss		**139**	27,898
Total operating cash flows before movements in working capital		**(3,544,539)**	(3,983,510)
Changes in working capital			
Inventories		**(661,532)**	(2,564)
Trade receivables		**(2,526,007)**	17,738,677
Other receivables, deposits and prepayments		**–**	635,389
Contract assets		**161,911**	632,674
Trade payables		**1,614,475**	(890,025)
Other payables and accruals		**–**	(18,994,842)
Contract liabilities		**433,894**	420,071
Cash used in operations		**(4,521,798)**	(4,444,130)
Interest received		**–**	4,580
Income taxes paid		**(93,214)**	–
Net cash flows used in operating activities		**(4,615,012)**	(4,439,550)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $	2021 $
INVESTING ACTIVITIES			
Purchase of plant and equipment	12	**(5,685)**	(50,881)
Proceeds from disposal of plant and equipment		**–**	585
Acquisition of a subsidiary, net of cash	13	**(547,966)**	–
Net cash outflow from disposal of subsidiaries	13	**(195,667)**	–
Net cash flows used in investing activities		**(749,318)**	(50,296)
FINANCING ACTIVITIES			
Interest expenses paid		**(58,684)**	–
Payment of principal portion of lease liabilities		**(207,810)**	–
Proceeds from loans and borrowings		**1,361,787**	1,490,000
Repayment of loans and borrowings		**(1,452,655)**	(109,847)
Repayment of redeemable exchangeable bonds		**–**	(91,406)
Proceeds from issuance of shares, net of share issuance expenses		**16,192,467**	2,000,000
Net cash flows generated from financing activities		**15,835,105**	3,288,747
Net increase/(decrease) in cash and cash equivalents		**10,470,775**	(1,201,099)
Cash and cash equivalents at beginning of the financial year		**1,370,533**	2,558,604
Effect of currency translation on cash and cash equivalents		**–**	13,028
Cash and cash equivalents at end of the financial year	25	**11,841,308**	1,370,533

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Reconciliation of liabilities arising from financing activities

	At beginning of financial year	Financing cash flows	Non-cash changes						At end of financial year
			Interest expenses/ (income)	Acquisition of a subsidiary	Provision of restoration cost	Loan conversion (Note 26)	Gain from reversal of liabilities upon completion of the Scheme of Arrangement	Others	
	$	$	$	$	$	$	$	$	$
2022									
Liabilities									
Lease liabilities	**–**	**(266,494)**	**58,684**	**3,002,468**	**64,048**	**–**	**–**	**2,407**	**2,861,113**
Loans and borrowings	**1,490,000**	**(90,868)**	**–**	**–**	**–**	**(1,189,440)**	**–**	**(37,345)**	**172,347**
2021									
Liabilities									
Loans and borrowings	8,661,438	3,380,153	678,283	–	–	–	(11,229,874)	–	1,490,000
Redeemable exchangeable bonds	7,155,858	(91,406)	–	–	–	–	(7,064,452)	–	–

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

1. General

9R Limited (formerly known as Viking Offshore and Marine Limited) (the "Company") (Registration Number: 199307300M) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

With effect from 15 July 2022, the name of the Company was changed from Viking Offshore and Marine Limited to 9R Limited.

The registered office and principal place of business of the Company is located at 105 Cecil Street, #12-02 The Octagon, Singapore 069534.

The principal activities of the Company are the provision of management and other services to related companies and investment holding. The principal activities of the respective subsidiaries are disclosed in Note 13 to the financial statements.

The consolidated financial statements of 9R Limited (formerly known as Viking Offshore and Marine Limited) and its subsidiaries (collectively, the "Group") for the year ended 31 December 2022 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 6 April 2023.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I)s ("SFRS(I)s INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statements of financial position and changes in equity of the Company are presented in Singapore dollar ("SGD" or "$") which is also the functional currency of the Company, unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I)s INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2022. With the exception of the amendments made to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*, the adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and Company's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.1 ***Basis of preparation (cont'd)***

The adoption of SFRS(I) 1-37 *Provisions*, *Contingent Liabilities and Contingent Assets* ("SFRS(I) 1-37") from 1 January 2022 resulted in a change in accounting policy in the assessment of onerous contracts. Before the amendment, the Group only included incremental costs to fulfil a contract when determining whether a contract is onerous. With the amendment, the Group includes both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts when determining whether a contract is onerous.

The amendments are applied on a retrospective basis on contracts for which the Group has not yet fulfilled all its obligations on 1 January 2022. Based on the Group's assessment, there is no onerous contract identified with the revision of the accounting policy.

SFRS(I)s and SFRS(I)s INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	**Title**	**Effective date (annual periods beginning on or after)**
SFRS(I) 10, SFRS(I) 1-28	Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
SFRS(I) 16	Amendment to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	1 January 2024
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned new/revised standards will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.2 ***Basis of consolidation***

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.3 ***Business combinations***

The acquisition of subsidiaries is accounted for using the acquisition method when the acquired set of activities and assets constitute a business. When determining the acquired set of activities and assets constitute a business, the Group assesses whether the acquired set of activities and assets includes, at a minimum, an input and substantive process, which together contribute to the creation of outputs.

The Group has the option to apply a "concentration test" as a simplified assessment to determine whether an acquired set of activities and assets is not a business. The Group makes the election separately for each transaction or other event. The 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.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group determines whether to measure the non-controlling interests in the acquiree at fair value or at proportionate share in the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included in administrative expenses.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* ("SFRS(I) 3") are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-Current Assets Held for Sale and Discontinued Operations* ("SFRS(I) 5"), which are recognised and measured at the lower of cost and fair value less costs to sell.

The Group recognises any contingent consideration to be transferred for the acquiree at the fair value on the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement shall be accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that Standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.3 ***Business combinations (cont'd)***

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

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

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

2.4 ***Revenue recognition***

The Group is principally in the business of supply chain management and lifestyle retail business. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the good or service and that is allocated to that performance obligation. The good or service is transferred when or as the customer obtains control of the good or service. Revenue is shown net of estimated customer returns, rebates, taxes and other similar allowances.

Supply chain management

Supply chain management mainly relates to the sale of robots. Revenue from the sale of robots is recognised at a point in time when control of the robots is transferred to the end customers (i.e. when the goods are delivered in accordance with applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.4 ***Revenue recognition (cont'd)***

Supply chain management (cont'd)

Payment for the transaction price of the robot is typically collected at the point the customer signs the contract, except for certain contracts that have a payment structure allowing customers to pay for the robots over a period of time. For these arrangements, the Group discounts the transaction price using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

Warranty obligations

The Group provides an assurance-type warranty for the sale of certain robot products. These warranties are accounted for under SFRS(I) 1-37.

Lifestyle retail business

Lifestyle retail business mainly relates to the operation of family karaoke and entertainment business. Revenue from this segment splits into two streams. One is from the sale of goods and the other is from the rental of karaoke room.

Sale of goods

Revenue from the sale of goods recognised at a point in time when control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with applicable terms and conditions and significant risks and rewards of ownership of the services have been transferred to the customer).

Rental of karaoke room

Revenue from the rental of karaoke room is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group.

Advance consideration received from customers for the sale of goods not yet delivered or rental of karaoke room not yet utilised is recognised as a contract liability (Note 23). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

Project revenue *(Discontinued operation)*

The Group principally operates fixed price contracts. Revenue is recognised when control over the products has been transferred to the customer over time, by reference to the stage of completion of the contract activity at end of reporting period (the percentage of completion method).

In applying the percentage of completion method, revenue recognised corresponds to the total project revenue multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated cost to complete.

For products whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.4 ***Revenue recognition (cont'd)***

Project revenue *(Discontinued operation)* (cont'd)

Progress billings to the customers are based on a payment schedule in the contract and typically triggered upon achievement of specified construction millstones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payment from the customer. Contract assets are transferred to receivables when the right to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relate less the cost that relates directly to providing the goods and that have not been recognised as expenses.

Rendering of services *(Discontinued operation)*

Revenue from rendering of services is recognised upon satisfaction of performance obligation when services are rendered.

Rental income from equipment and industrial space *(Discontinued operation)*

Rental income from operating leases on equipment and industrial space is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.5 ***Borrowing costs***

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 ***Retirement benefit costs***

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.7 *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 *Income tax*

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

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

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

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

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.8 ***Income tax (cont'd)***

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

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

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

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

2.9 ***Foreign currency transactions and translation***

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the dates of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Profit or loss items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.10 ***Plant and equipment***

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Computers and office equipment	–	1 to 8 years
Renovation, furniture and fixtures	–	3 to 10 years
Motor vehicles	–	5 to 10 years
Machinery	–	5 to 10 years

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

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

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

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

2.11 ***Intangible assets***

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

2.12 ***Investments in associates***

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more of the voting power.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.12 ***Investments in associates (cont'd)***

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for under SFRS(I) 5 from the date on which the investees become classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions (see above).

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investments in associates at cost in its separate financial statements.

2.13 ***Impairment of non-financial assets excluding goodwill***

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

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

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.13 ***Impairment of non-financial assets excluding goodwill (cont'd)***

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

2.14 ***Financial instruments***

The Group recognises a financial asset or a financial liability in its statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") in Note 2.4.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost is measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.14 *Financial instruments (cont'd)*

Financial assets (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognised in interests income.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost or at FVTOCI, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade receivables and contract assets, which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

While they are not financial assets, contract assets arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.14 ***Financial instruments (cont'd)***

Financial assets (cont'd)

Impairment of financial assets (cont'd)

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 32.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Warrants

Warrants is classified as equity. Incremental costs directly attributable to the issue of warrants are recognised as a deduction from equity.

When the warrants are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the warrants reserve are credited to the share capital account, when new ordinary shares are issued.

Upon expiry of unexercised warrants, the balance previously recognised in the warrants reserve is transferred to retained profits directly.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.14 ***Financial instruments (cont'd)***

Financial liabilities and equity instruments (cont'd)

Equity instruments (cont'd)

Treasury shares

When shares recognised as equity are acquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of earnings of the Company, or proportionately against the share capital and accumulated profits accounts if the shares are purchased both out of capital and accumulated profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Financial liabilities

Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.14 ***Financial instruments (cont'd)***

Financial liabilities and equity instruments (cont'd)

Financial liabilities (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statement of financial position when, and only when, an entity:

(i) Currently has a legally enforceable right to set off the recognised amounts; and

(ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15 ***Inventories***

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

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.16 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.17 ***Discontinued operation***

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

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

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

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

The results of discontinued operation is disclosed separately from continuing operations as a single amount comprising the post-tax profit or loss of discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.18 ***Leases***

The Group as a lessee

At inception of a contract, the Group assessed whether the 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.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases ("SFRS(I) 16"). For these leases, the Group recognises the lease payment as an expense on a straight-line basis over the term of the lease.

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, less any lease incentives received, 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.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When 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, 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 plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

The estimated useful lives of ROU assets are determined over the lease terms.

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method. The lease periods are disclosed in Note 18.

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.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.18 ***Leases (cont'd)***

The Group as a lessee (cont'd)

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

– fixed payments, including in-substance fixed payments less any lease incentive receivable;

– 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;

– the exercise price under a purchase option that the Group is reasonably certain to exercise; and

– payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

The Group as a lessor

Where a contract contains more than one lease and/or non-lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.19 ***Provisions***

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.19 ***Provisions (cont'd)***

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

A provision is recognised for onerous contracts when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and is measured at the lower of the cost of fulfilling it and any expected cost of terminating it. In determining the cost of fulfilling the contract, the Group includes both the incremental costs and an allocation of others costs that relate directly to fulfilling contracts. Before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets used in fulfilling the contract.

2.20 ***Government grants***

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

Non-monetary government grant is recognised at nominal amount.

2.21 ***Contingencies***

A contingent liability is:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

2.22 ***Segment reporting***

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

3. Significant accounting estimates and judgements

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

3.1 ***Critical judgements made in applying the Group's accounting policies***

Impairment of financial assets

The Group follows the guidance of SFRS(I) 9 in assessing its financial assets for impairment. This assessment requires significant judgement. The Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

The Group also assesses whether there are reasonable expectations of recovering a financial asset in its entirety or a portion thereof, failing which the Group will write off the financial asset to reduce the gross carrying amount of the financial asset. In its assessment, the Group considers various factors, including the debtor's historical payment trends, the latter's financial ability and the existence of collateral.

3.2 ***Key sources of estimation uncertainty***

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired includes an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year. The carrying amount of goodwill as at 31 December 2022 was $3,588,348 (2021: $Nil).

Determining whether goodwill is impaired requires an estimation of their recoverable amounts. Where such recoverable amounts are based on the assets' values-in-use, the determination of such value-in-use involves significant use of estimates and assumptions by management. These estimates and assumptions including a sensitivity analysis, where applicable, are disclosed and further explained in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. Significant accounting estimates and judgements (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

Depreciation of plant and equipment and right-of-use assets

The Group depreciates the plant and equipment and right-of-use assets over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's plant and equipment and right-of-use assets. Management estimates the useful lives of plant and equipment and right-of-use assets to be within 1 to 10 years. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's plant and equipment and right-of-use assets as at 31 December 2022 were $1,662,626 (2021: $70,417) and $2,843,582 (2021: $Nil) respectively. The carrying amount of the Company's plant and equipment as at 31 December 2022 was $Nil (2021: $3,949).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Where applicable, the Company's determination of the recoverable value is based on the estimation of the value-in-use of the applicable assets as defined in SFRS(I) 1-36 *Impairment of Assets* by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. In determining the value-in-use, the Company has considered the expected and estimated impact of COVID-19 on the key inputs, including the discount rate and growth rate, as well as key assumptions applied. The Company's carrying amounts of investments in subsidiaries as at 31 December 2022 was $330,438 (2021: $Nil).

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2022 was $963,519 (2021: $553,838).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors, including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of the countries (i.e. Singapore and Malaysia) and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2022 was $22,127 (2021: $16,926,769).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. Significant accounting estimates and judgements (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets, deferred tax liabilities and income tax receivables as at 31 December 2022 were $1,473 (2021: $Nil), $171,565 (2021: $Nil) and $87,234 (2021: $Nil) respectively.

Measurement of ECL of other receivables and amounts due from subsidiaries

The Group and the Company use amongst other factors, the financial positions of the third parties and subsidiaries, the past financial performances, and cash flow trends, adjusted for the outlook of the industry and economy in which the third parties and subsidiaries operate in. Impairment on these balances has been measured on the 12-month expected loss basis which reflects low credit risk of the exposures. The carrying amounts of the Group's and Company's other receivables as at 31 December 2022 were $2,386,452 (2021: $525,149) and $92,628 (2021: $134,730) respectively. The carrying amount of the Company's amounts due from subsidiaries as at 31 December 2022 was $5,441,072 (2021: $Nil).

Provision of warranty

Provision is recognised for assurance-type warranties when the inventory is sold, and the quantification is based on current volumes of products sold and which are still under warranty, historical product failure rates for the preceding 3 to 9 months (2021: Nil) as well as estimates and assumptions on future product failure rates and an estimate of the costs to remedy the various qualitative issues that might occur. Changes in claim rates and differences between actual and expected warranty costs could impact warranty obligation estimates which could consequentially impact the Group's results and financial position. The carrying amount of the Group's provision for warranty as at 31 December 2022 was $6,921 (2021: $Nil).

4. Revenue

	Group	
	2022	**2021**
	$	**$**
Continuing operations		
Revenue from contracts with customers		
– At a point in time	**2,819,099**	–
– Over time	**155,466**	–
	2,974,565	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. Revenue (cont'd)

Disaggregation of revenue from contracts with customers is as follows:

	Reportable segments		
	Supply chain management $	Lifestyle retail business $	Total $
2022			
Geographical markets			
Malaysia	**1,846,324**	**1,128,241**	**2,974,565**
2021			
Geographical markets			
Malaysia	–	–	–

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations on 31 December and expected to be realised in the following financial years are as follows:

	Group	
	2022 $	2021 $
Within one year	**98,849**	–

The Group has applied the practical expedient permitted under SFRS(I) 15 for which the aggregated transactions price allocated to unsatisfied contracts which are part of contracts, that have an original expected duration of one year or less, is not disclosed.

5. Other income

	Group	
	2022 $	2021 $
Continuing operations		
Government grants	**3,829**	33,886
Rental income	**32,291**	–
Service income	**75**	–
Write-back of other creditors and accruals	**235,041**	–
Foreign exchange gain, net	**–**	1,144,654
Gain from reversal of liabilities upon completion of the Scheme of Arrangement	**–**	23,957,722
Others	**41,275**	–
Total other income	**312,511**	25,136,262

Included in other income for the previous year is a gain from reversal of liabilities upon completion of the Scheme of Arrangement amounting to $23,957,722. Upon completion of the scheme, the Group wrote back approximately 88% of the face value of the original debts included in the scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. Finance costs

	Group	
	2022 $	2021 $
Continuing operations		
Interest expenses on:		
– lease liabilities	**58,684**	–
– loans and borrowings	**–**	678,283
	58,684	678,283

7. Employee benefits

	Group	
	2022 $	2021 $
Continuing operations		
Salaries and bonuses	**722,884**	3,481,089
Employers' contribution to defined contribution plans	**71,869**	389,646
Other short-term benefits	**5,818**	243,530
	800,571	4,114,265

These include the amount shown as key management personnel compensation in Note 35.

8. (Loss)/Profit before income tax from continuing operations

The following charges were included in the determination of profit before taxation:

	Group	
	2022 $	2021 $
Continuing operations		
Amortisation of intangible assets	**–**	9
Depreciation of plant and equipment	**108,691**	122,010
Depreciation of right-of-use assets	**41,703**	–
Intangible assets written down	**–**	14,536
Fair value adjustment arising from contingent considerations in relation to acquisition of a subsidiary	**222,625**	–
Provision for warranty	**6,921**	–
Inventories written down	**–**	1,682,104
Impairment loss on goodwill	**–**	817,948
Quoted equity investment written off	**4**	–
Inventories written off	**43,756**	–
Right-of-use written off	**6,401**	–
Audit fees paid to:		
– Auditors of the Company	**145,540**	142,250
– Other auditors	**12,000**	10,772
Non-audit fees paid to:		
– Other auditors	**12,000**	–
Directors' fees	**146,000**	–
Staff costs (excluding directors' fees)	**800,571**	4,114,265
Impairment loss on trade and other receivables and contract assets, net	**22,127**	1,186,118

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. Income tax expense

	Group 2022 $	Group 2021 $
Current tax expense:		
– Current financial year	**83,199**	1,235
– Overprovision in prior financial years	**(67,905)**	–
	15,294	1,235
Deferred tax expense (Note 17):		
– Current financial year	**170,393**	(592)
– Overprovision of deferred tax assets in prior financial years	**42,679**	–
	213,072	(592)
Income tax expense	**228,366**	643
Income tax expense attributable to the following:		
– Continuing operations	**228,366**	–
– Discontinued operation	**–**	643

The Company is incorporated in Singapore and accordingly is subject to an income tax rate of 17% (2021: 17%). There were no changes in the enterprise income tax of the different applicable jurisdictions in the current year from the last year.

Reconciliation of effective tax rate is as follows:

	Group 2022 $	Group 2021 $
(Loss)/Profit before income tax		
– Continuing operations	**(1,746,412)**	17,363,054
– Discontinued operation	**150,747**	(1,916,583)
	(1,595,665)	15,446,471
Taxation at statutory rate of 17% (2021: 17%)	**(271,263)**	2,625,900
Tax effects of:		
Income not subject to tax	**(25,627)**	(4,932,443)
Effect of expenses not deductible for tax purposes	**360,265**	2,185,657
Effect of different tax rates of subsidiaries operating in other jurisdictions	**19,824**	(245,236)
Deferred tax assets not recognised	**–**	370,278
Origination of temporary differences	**170,393**	–
(Over)/Under provision in respect of prior years		
– Current tax expense	**(67,905)**	–
– Deferred tax expense	**42,679**	–
Others	**–**	(3,513)
Total income tax expense for the financial year	**228,366**	643

At the end of the reporting period, the Group has tax losses of approximately $4,451,210 (2021: $4,451,210) available for offset against future taxable profits of certain subsidiaries in which the losses arose, for which no deferred tax is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which certain subsidiaries operate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. Discontinued operation

During the financial year ended 31 December 2022, the Group has entered into 4 transactions to dispose of the entities from the Offshore and Marine segment as follows:

1. On 18 May 2022, the Company disposed of its entire interest in Viking Airtech Pte. Ltd. ("VAT") and its subsidiaries (collectively, "VAT Group") to a third party, Acapella Energy Pte. Ltd. ("Acapella Energy") for cash consideration of $25,000. The subsidiaries of VAT are as follow:

   a. Viking Airtech (Yantai) Co., Ltd

   b. Viking Offshore Malaysia Sdn. Bhd.

   c. Viking Airtech (Shanghai) Co., Ltd

   d. PT Viking Offshore

2. On 18 May 2022, the Company also disposed of its entire interest in Viking HVAC Pte. Ltd. ("HVAC") to a third party, Acapella Energy for cash consideration of $25,000.

3. On 29 July 2022, the Company disposed of its entire interest in Marshal Systems Pte. Ltd. ("MSPL") and its subsidiaries (collectively, "MSPL Group") to a third party, Transvictory Holdings Pte. Ltd. ("Transvictory") for cash consideration of $252,500. The subsidiary of MSPL is Marshal Offshore & Marine Engineering Co., Ltd.

4. On 29 July 2022, the Company disposed of its entire interest in Promoter Hydraulic Pte. Ltd. ("PHPL") to a third party, Transvictory for cash consideration of $252,500.

VAT Group, HVAC, MSPL Group and PHPL results are presented separately in the statement of profit or loss and other comprehensive income as "(Loss)/Profit for the year from discontinued operation, net of tax". VAT Group, HVAC, MSPL Group and PHPL constitutes the Group's offshore and marine segment.

The major classes of assets and liabilities of VAT Group, HVAC, MSPL Group and PHPL on their respective disposal dates as mentioned above are disclosed in Note 13(f).

All the financial assets and liabilities held by VAT, HVAC, MSPL and PHPL are denominated in Singapore dollar. The financial assets and liabilities held by the subsidiaries under VAT Group are denominated in Chinese renminbi, Malaysian ringgit and Indonesian rupiah. The financial assets and liabilities held by the subsidiary under MSPL Group is denominated in Chinese renminbi.

10. Discontinued operation (cont'd)

The results of VAT Group and HVAC for the financial periods ended 18 May 2022 (disposal date 1) and 31 December 2021, and MSPL Group and PHPL for the financial periods ended 29 July 2022 (disposal date 2) and 31 December 2021 are as follows:

	VAT Group		HVAC		MSPL Group		PHPL		Total	
	18 May 2022 $	31 December 2021 $	18 May 2022 $	31 December 2021 $	29 July 2022 $	31 December 2021 $	29 July 2022 $	31 December 2021 $	At disposal dates 1 and 2 $	31 December 2021 $
Revenue	**736,952**	6,604,040	**–**	–	**886,138**	2,089,305	**713,870**	2,092,297	2,336,960	10,785,642
Cost of sales	**(488,156)**	(5,103,183)	**–**	(1,509)	**(407,939)**	(962,197)	**(501,436)**	(1,317,380)	(1,397,531)	(7,384,269)
Gross profit	**248,796**	1,500,857	**–**	(1,509)	**478,199**	1,127,108	**212,434**	774,917	939,429	3,401,373
Other income	**40,449**	2,813,929	**34,266**	591,007	**24,930**	75,208	**18,763**	38,653	118,408	3,518,797
Marketing and distribution expenses	**777**	3,976	**–**	–	**(13,254)**	(65,931)	**(2,239)**	(16,406)	(14,716)	(78,361)
Administrative expenses	**(324,728)**	(487,039)	**–**	–	**(556,965)**	(2,189,013)	**(375,946)**	(1,021,679)	(1,257,639)	(3,697,731)
Other operating expenses	**(1,803,309)**	(2,098,086)	**(292)**	(107,756)	**(82,409)**	(1,931,976)	**–**	(538,123)	(1,886,010)	(4,675,941)
Finance costs	**(846)**	(384,720)	**–**	–	**–**	–	**–**	–	(846)	(384,720)
Pre-tax loss for the financial year	**(1,838,861)**	1,348,917	**33,974**	481,742	**(149,499)**	(2,984,604)	**(146,988)**	(762,638)	(2,101,374)	(1,916,583)
Income tax expense (Note 9)	**–**	–	**–**	–	**–**	(643)	**–**	–	–	(643)
Post-tax loss for the financial year	**(1,838,861)**	1,348,917	**33,974**	481,742	**(149,499)**	(2,985,247)	**(146,988)**	(762,638)	(2,101,374)	(1,917,226)
Gain on disposal of subsidiaries Note 13(f)	**292,555**	–	**1,572,823**	–	**72,897**	–	**313,846**	–	2,252,121	–
Profit/(Loss) for the year from discontinued operation	**(1,546,306)**	1,348,917	**1,606,797**	481,742	**(76,602)**	(2,985,247)	**166,858**	(762,638)	150,747	(1,917,226)

10. Discontinued operation (cont'd)

Cash flow statement disclosures

	VAT Group		HVAC		MSPL Group		PHPL		Total	
	18 May 2022	31 December 2021	18 May 2022	31 December 2021	29 July 2022	31 December 2021	29 July 2022	31 December 2021	At disposal dates 1 and 2	31 December 2021
	$	$	$	$	$	$	$	$	$	$
Operating	**(286,482)**	(130,247)	**(12,877)**	(227,840)	**(9,410)**	(917,665)	**(213,027)**	567,428	(521,796)	(708,324)
Investing	**–**	(18,053)	**–**	–	**1,430**	527,682	**7,050**	(206)	8,480	509,423
Financing	**–**	–	**–**	–	**–**	(307,329)	**–**	(719,364)	–	(1,026,693)
Net cash (outflows)/inflows	**(286,482)**	(148,300)	**(12,877)**	(227,840)	**(7,980)**	(697,312)	**(205,977)**	(152,142)	(513,316)	(1,225,594)

Earning/(Loss) per share disclosures

	VAT Group		HVAC		MSPL Group		PHPL		Total	
	18 May 2022	31 December 2021	18 May 2022	31 December 2021	29 July 2022	31 December 2021	29 July 2022	31 December 2021	At disposal dates 1 and 2	31 December 2021
	$	$	$	$	$	$	$	$	$	$
Loss per share from discontinued operation attributable to owners of the Company (cents):										
Basic	**(0.22)**	0.64	**0.24**	0.22	**(0.01)**	(1.37)	**0.02**	(0.45)	0.03	(0.86)
Diluted	**(0.19)**	0.64	**0.20**	0.22	**(0.01)**	(1.36)	**0.02**	(0.35)	0.02	(0.85)

The basic and diluted earning/(loss) per share from discontinued operations are calculated by dividing the earning/(loss) from discontinued operation, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. Earnings per share

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
(Loss)/Profit attributable to ordinary shareholders	**(1,974,778)**	17,363,054	**183,389**	(1,869,770)	**(1,791,389)**	15,493,284

	2022	2021
Number of ordinary shares in issue at the beginning of the financial year	**549,359,674**	21,974,286
Issue of shares under placement	**35,586,568**	195,060,349
Issue of shares under rights issue	**71,386,649**	–
Issue of shares converted from warrants	**4,277,103**	–
Issue of shares to a vendor (Note 26)	**7,389,049**	–
Weighted average number of ordinary shares in issue during the financial year	**667,999,043**	217,034,635

Diluted earnings per share is based on:

	Group					
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
(Loss)/Profit attributable to ordinary shareholders	**(1,974,778)**	17,363,054	**183,389**	(1,869,770)	**(1,791,389)**	15,493,284

For the purpose of calculating the diluted loss per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive warrants into ordinary shares, with the potential ordinary shares weighted for the period outstanding.

The effects of the exercise of warrants on the weighted average number of ordinary shares in issue are as follows:

	2022	2021
Weighted average number of:		
Ordinary shares used in the calculation of basic earnings per share	**667,999,043**	217,034,635
Potential ordinary shares issuable under:		
– Warrants	**136,656,013**	1,949,798
Weighted average number of ordinary shares in issue and potential ordinary shares assuming full conversion	**804,655,056**	218,984,433

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Plant and equipment

	Computers and office equipment $	Renovation, furniture and fixtures $	Motor vehicles $	Machinery $	Total $
Group					
Cost					
At 1 January 2021	1,925,581	665,696	413,380	1,974,653	4,979,310
Additions	30,100	–	19,992	789	50,881
Disposal	(53,889)	–	–	(7,795)	(61,684)
Written off	(5,968)	–	–	–	(5,968)
Exchange difference	(3,766)	(14,555)	2,768	2,104	(13,449)
At 31 December 2021	1,892,058	651,141	436,140	1,969,751	4,949,090
Acquisition of subsidiary	1,027,866	2,236,566	–	–	3,264,432
Disposal of subsidiaries	(1,658,355)	(639,903)	(436,140)	(1,969,751)	(4,704,149)
Additions	654	5,031	–	–	5,685
Written off	(725,073)	(74,936)	–	–	(800,009)
Reclassification as held for sales	(83,060)	–	–	–	(83,060)
Exchange difference	(13,725)	(29,866)	–	–	(43,591)
At 31 December 2022	**440,365**	**2,148,033**	**–**	**–**	**2,588,398**
Group					
Accumulated depreciation					
At 1 January 2021	1,872,991	659,139	397,736	1,908,207	4,838,073
Charge for the year	32,347	1,090	30,520	58,053	122,010
Disposal	(53,889)	–	–	(7,210)	(61,099)
Written off	(5,968)	–	–	–	(5,968)
Exchange difference	(3,757)	(14,555)	2,689	1,280	(14,343)
At 31 December 2021	1,841,724	645,674	430,945	1,960,330	4,878,673
Charge for the year	20,820	74,713	–	13,762	109,295
Acquisition of subsidiary	649,579	774,546	–	–	1,424,125
Disposal of subsidiaries	(1,611,970)	(634,436)	(430,945)	(1,974,092)	(4,651,443)
Written off	(710,533)	(62,843)	–	–	(773,376)
Reclassification as held for sales	(39,902)	–	–	–	(39,902)
Exchange difference	(9,206)	(12,394)	–	–	(21,600)
At 31 December 2022	140,512	**785,260**	**–**	**–**	**925,772**
Carrying amount					
At 31 December 2022	**299,853**	**1,362,773**	**–**	**–**	**1,662,626**
At 31 December 2021	50,334	5,467	5,195	9,421	70,417

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Plant and equipment (cont'd)

	Computers and office equipment $	Renovation, furniture and fixtures $	Total $
Company			
Cost			
At 1 January 2021 and 31 December 2021	233,703	11,238	244,941
Written off	(233,703)	(11,238)	(244,941)
At 31 December 2022	–	–	–
Accumulated depreciation			
At 1 January 2021	226,419	11,238	237,657
Charge for the year	3,335	–	3,335
At 31 December 2021	229,754	11,238	240,992
Charge for the year	1,464	–	1,464
Written off	(231,218)	(11,238)	(242,456)
At 31 December 2022	–	–	–
Carrying amount			
At 31 December 2022	–	–	–
At 31 December 2021	3,949	–	3,949

Cash payments of $5,685 (2021: $50,881) were made by the Group to purchase plant and equipment.

13. Investments in subsidiaries

	Company 2022 $	2021 $
At cost		
At 1 January	**7,609,616**	91,744,965
Less: Impairment loss	**(7,279,178)**	(91,744,965)
At 31 December	**330,438**	–

Movements in the Company's provision of impairment losses for its investments in subsidiaries as at 31 December are as follows:

	Company 2022 $	2021 $
At 1 January	**91,744,965**	91,744,965
Disposals of subsidiaries	**(84,465,787)**	–
At 31 December	**7,279,178**	91,744,965

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in subsidiaries (cont'd)

(a) Details of subsidiaries held by the Company and its subsidiaries at 31 December are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of effective equity held by the Group 2022 %	2021 %
Held by the Company				
Diverse Supply Chain (SG) Pte Ltd (formerly known as Viking Offshore Global Pte Ltd)*	Singapore	Supply chain management services, trading, supply and distribution of artificial intelligence-powered robotic products and health wellness products	**100**	100
Viking HVAC Pte Ltd	Singapore	Design, manufacture, project management, and commissioning of heating, ventilation, air conditioning systems, and refrigeration systems	**–**	100
Promoter Hydraulics Pte Ltd	Singapore	Manufacture and repair of marine engines and ship parts; retail and rental of marine equipment, marine accessories and parts	**–**	100
Viking Airtech Pte Ltd	Singapore	Design, manufacture, project management, and commissioning of heating, ventilation, air conditioning systems, and refrigeration systems	**–**	100
Marshal Systems Pte Ltd	Singapore	Contractors for electronic and electrical engineering works	**–**	100
Viking Asset Management Pte Ltd*	Singapore	Investment holding	**100**	100
Diverse Supply Chain Sdn Bhd**	Malaysia	Supply chain management services, trading, supply and distribution of artificial intelligence-powered robotic products and health wellness products	**100**	–
9R Leisure Sdn Bhd**	Malaysia	Investment holding	**100**	–
Held through Viking Asset Management Pte. Ltd.				
Viking LR1 Pte Ltd*	Singapore	Ownership and charter of assets	**100**	100
Viking LR2 Pte Ltd*	Singapore	Ownership and charter of assets	**100**	100
Viking Gold Pte Ltd*	Singapore	Ownership and charter of assets	**100**	100

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13. **Investments in subsidiaries (cont'd)**

(a) Details of subsidiaries held by the Company and its subsidiaries at 31 December are as follows (cont'd):

Name of company	Country of incorporation	Principal activities	Percentage of effective equity held by the Group 2022 %	2021 %
Held through Viking Airtech Pte. Ltd.				
Viking Airtech (Yantai) Co., Ltd***	People's Republic of China	Marine air conditioning, manufacture, installation & design of marine refrigerating equipment maritime HVAC & R	–	100
Viking Offshore Malaysia Sdn Bhd***	Malaysia	Specialises in marine & offshore turkey HVAC & R systems	–	100
Viking Airtech (Shanghai) Co., Ltd***	People's Republic of China	Design, manufacture, project management, and commissioning of heating, ventilation, air conditioning systems, and refrigeration systems	–	49
PT Viking Offshore***	Indonesia	Design, manufacture, project management, and commissioning of heating, ventilation, air conditioning systems, and refrigeration systems	–	100
Held through Marshal Systems Pte, Ltd.				
Marshal Offshore and Marine Engineering Co., Ltd***	People's Republic of China	Contractors for electronic and electrical engineering works	–	100
Held through 9R Leisure Sdn Bhd				
GR9 Jewel Sdn Bhd***	Malaysia	Dormant company	**100**	–
Compact Sensation Sdn Bhd**	Malaysia	Lifestyle retail business with interactive entertainment where everyone can sing along with recorded music and food and beverage services provided	**100**	–

* Audited by Mazars LLP, Singapore.
** Audited by Mazars PLT, Malaysia.
*** Not audited as the subsidiary is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

In 2019, the Company disposed 51% of its shareholding in Viking Airtech (Shanghai) Co., Ltd to a third party. As at 31 December 2021, the Group has continued to consolidate Viking Airtech (Shanghai) Co., Ltd. as management has assessed that it still has control over the entity.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in subsidiaries (cont'd)

(b) Incorporation of Diverse Supply Chain Sdn. Bhd.

On 19 January 2022, the Company incorporated a wholly-owned subsidiary, Diverse Supply Chain Sdn. Bhd. with a share capital of RM1,000,000.

(c) Incorporation of 9R Leisure Sdn. Bhd.

On 13 May 2022, the Company incorporated a wholly-owned subsidiary, 9R Leisure Sdn. Bhd. ("9RL") with a share capital of RM20,000.

(d) Incorporation of GR9 Jewel Sdn. Bhd.

On 17 August 2022, the Company incorporated a wholly-owned subsidiary, GR9 Jewel Sdn. Bhd. ("GR9") with a share capital of RM10,000.

(e) Acquisition of Compact Sensation Sdn. Bhd. ("CSSB")

On 21 September 2022, the Group announced the proposed acquisition of the 100% equity interest in CSSB. The Group offered a purchase consideration of RM16.0 million (equivalent to $4.72 million) for the acquisition of the entire share capital. The consideration consists of 2 portions as follow:

1. RM4.0 million in cash (equivalent to $1.24 million) and RM9.5 million (equivalent to $2.95 million) in shares in the Company of which RM2.0 million in cash (equivalent to $0.62 million) has been paid in cash and RM9.5 million of shares in the Company has been issued. The remaining RM2.0 million in cash (equivalent to $0.62 million) has been paid after the financial year ended 31 December 2022.

2. An additional RM1.0 million in cash (equivalent to $0.27 million) and RM1.5 million (equivalent to $0.39 million) in shares in the Company as "Earn-out Shares" if CSSB has achieved an audited net profit after tax of RM2.5 million in the financial year ending 31 December 2023.

The Group foresees that the acquisition of CSSB will provide the Group with sustainable and long-term prospects of profitability and growth. The acquisition of CSSB is the next step undertaken by the Group in developing the lifestyle retail business. The lifestyle retail business will create new business opportunities and an alternate revenue stream for the Group, which would hence enhance the Group's business performance and shareholder value. In addition, the lifestyle retail business will allow the Group to reduce its reliance on its existing business.

The Group treated the acquisition of CSSB as a business combination. The acquisition of CSSB was on 1 October 2022, which was also the date the Group obtained control over CSSB.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in subsidiaries (cont'd)

(e) Acquisition of Compact Sensation Sdn. Bhd. ("CSSB") (cont'd)

Fair values of the identifiable assets and liabilities of Compact Sensation Sdn. Bhd. as at the date of acquisition

	Fair value recognised on date of acquisition $
Assets	
Deferred tax assets	37,636
Plant and equipment	1,840,307
Right-of-use assets	2,797,216
Income tax receivables	59,627
Inventories	319,245
Trade and other receivables	1,048,061
Cash and cash equivalents	70,043
	6,172,135
Liabilities	
Lease liabilities	(3,002,468)
Trade and other payables	(2,035,834)
	(5,038,302)
Net identifiable assets at fair value	1,133,833
Goodwill arising from acquisition	3,588,348
Total consideration	4,722,181

Goodwill of $3,588,348 was recognised on the acquisition based on the difference between the consideration and the fair value of the identifiable assets and liabilities at the date of the acquisition. The goodwill arising from the acquisition comprises the value of expanding the Group's portfolio approach. Therefore, existing operations of the Group will not be disposed of or reduced in terms of production capacity as a result of the combination. None of the goodwill recognised is expected to be tax deductible for income tax purposes.

From the acquisition date, CSSB has contributed $1.13 million of revenue to the Group for the year. Had CSSB been consolidated from 1 January 2022, consolidated revenue and consolidated loss for the year ended 31 December 2022 would have been $6.93 million and $1.28 million respectively.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. Investments in subsidiaries (cont'd)

(e) Acquisition of Compact Sensation Sdn. Bhd. ("CSSB") (cont'd)

Effects of the acquisition of the subsidiary on cash flows

	$
Total consideration for 100% equity interest acquired	4,722,181
Consideration payable in cash (As above)	(618,009)
Fair value of consideration paid via share issuance of the Company	(2,821,414)
Contingent consideration payable in cash within one year	(272,250)
Contingent consideration payable via share issuance of the Company within one year	(392,499)
Consideration paid in cash	618,009
Less: Cash and cash equivalents of subsidiary acquired	(70,043)
Net cash outflow on acquisition during the financial year ended 31 December 2022	(547,966)

(f) Disposal of subsidiaries

As mentioned in Note 10, on 18 May 2022, the Company has disposed of its entire interest in VAT Group and HVAC. On 29 July 2022, the Company has disposed of its entire interest in MSPL Group and PHPL.

Carrying amounts of the assets and liabilities as at the respective date of disposals are as follows:

	VAT Group $	HVAC $	MSPL Group $	PHPL $	Total $
Assets					
Plant and equipment	31,203	–	16,063	5,440	52,706
Inventories	211,619	–	307,126	8,595	527,340
Trade and other receivables	1,055,578	91,847	677,408	494,065	2,318,898
Contract assets	1,042,374	–	120,152	135,269	1,297,795
Other assets	63,335	56	–	–	63,391
Amount due from related party	–	–	–	36,187	36,187
Cash and cash equivalents	400,756	15,023	227,159	107,729	750,667
	2,804,865	106,926	1,347,908	787,285	5,046,984
Liabilities					
Contract liabilities from contracts with customers	(760,622)	–	(517,453)	(398,749)	(1,676,824)
Trade and other payables	(2,326,586)	(844,535)	(650,852)	(449,882)	(4,271,855)
Amounts due to related party	(99,767)	(810,214)	–	–	(909,981)
	(3,186,975)	(1,654,749)	(1,168,305)	(848,631)	(6,858,660)
Net (liabilities)/assets	(382,110)	(1,547,823)	179,603	(61,346)	(1,811,676)
Cash consideration	25,000	25,000	252,500	252,500	555,000
Cash and cash equivalents of subsidiaries disposed of	(400,756)	(15,023)	(227,159)	(107,729)	(750,667)
Net cash (outflows)/inflows on disposal	(375,756)	9,977	25,341	144,771	(195,667)
Gain on disposal:					
Cash consideration received	25,000	25,000	252,500	252,500	555,000
Net liabilities derecognised	382,110	1,547,823	(179,603)	61,346	1,811,676
Cumulative exchange differences relating to Viking Airtech Pte. Ltd. reclassified from equity	18,185	–	–	–	18,185
Attribution to NCI	(132,740)	–	–	–	(132,740)
Gain on disposal	292,555	1,572,823	72,897	313,846	2,252,121

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. Investments in associates

	Group	
	2022	2021
	$	$
Unquoted equity shares, at cost	–	15,408,641
Share of post-acquisition reserves	–	(5,769)
Impairment losses	–	(15,402,872)
	–	–

Movements in the Company's provision of impairment losses for its investments in associates as at 31 December are as follows:

	Company	
	2022	2021
	$	$
At 1 January	15,402,872	15,402,872
Written off	(15,402,872)	–
At 31 December	–	15,402,872

Details of the associates are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of effective equity held by the Group 2022 %	Percentage of effective equity held by the Group 2021 %
Held through a subsidiary				
Smart Earl Investment Limited	Republic of Seychelles	Ownership and charter of assets	–	30
Quick Booms Investments Limited	British Virgin Islands	Ownership and charter of assets	–	30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. Intangible assets

	Goodwill $	Customer relationships $	Software $	Club membership $	Total $
Group					
Cost					
At 1 January 2021	817,948	9,648,000	159,915	70,000	10,695,863
Impairment	(817,948)	–	–	–	(817,948)
Exchange differences	–	–	1,700	–	1,700
At 31 December 2021	–	9,648,000	161,615	70,000	9,879,615
Addition	3,588,348	–	–	–	3,588,348
Disposal of subsidiaries	–	(9,648,000)	(161,615)	(70,000)	(9,879,615)
At 31 December 2022	**3,588,348**	**–**	**–**	**–**	**3,588,348**
Amortisation					
At 1 January 2021	–	9,648,000	159,906	55,464	9,863,370
Amortisation	–	–	9	–	9
Written off	–	–	–	14,536	14,536
Exchange differences	–	–	1,700	–	1,700
At 31 December 2021	–	9,648,000	161,615	70,000	9,879,615
Disposal of subsidiaries	–	(9,648,000)	(161,615)	(70,000)	(9,879,615)
At 31 December 2022	–	–	–	–	–
Carrying amount					
At 31 December 2022	**3,588,348**	**–**	**–**	**–**	**3,588,348**
At 31 December 2021	–	–	–	–	–

The intangible asset represents goodwill for the financial year and in prior financial year, intangible assets represent goodwill, customer relationships, software, and club membership. Customer relationships and goodwill were acquired through business combination.

For the financial year ended 31 December 2022, goodwill is allocated to the Group's cash-generating units ("CGU") identified that are expected to benefit from business combinations, being CSSB (2021: Offshore and Marine Telecommunication segment ("O&M Tele")) with carrying amount of $3,588,248 (2021: $Nil).

The Group tests the CGU for impairment annually, or more frequently when there is an indication that the unit may be impaired. The estimate of the recoverable amount is determined based on value-in-use calculations. Cash flow projection used in this calculation was based on financial budgets covering a five-year period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. Intangible assets (cont'd)

The key assumptions used in value-in-use calculations are as follows:

	Malaysia CSSB 2022
Growth rates[A]	10% – 15%
Pre-tax discount rate[B]	20%
Budgeted gross profit margin[C]	67%
Terminal growth rate[D]	4%

A Annual growth rates used to extrapolate cash flows for the next five-year period are based on the published industry research, adjusted for the specific circumstances of the CGU and based on management's experience.

B The discount rate applied is based on the weighted average cost of the Group's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and grossed-up to arrive at the pre-tax rate.

C Budgeted gross profit margin based on historical data, adjusted for the specific circumstances of the CGU.

D Terminal growth rate beyond the budget period based on published industry research, adjusted for the specific circumstances of the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal sources, including but not limited to historical data.

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognised

Consequent to the assessment during the financial year ended 31 December 2021, an impairment loss of $817,948 was recognised for goodwill arising from acquisition of O&M Tele segment as there has been a change in estimates, such as forecasted sales for the next year and revenue growth rates, in the discounted cashflow from prior year reflecting the current outlook for the CGU. Management believes that there are no reasonably possible changes in any of the key assumptions that would result in anything other than the full impairment of the goodwill for the O&M Tele segment.

16. Quoted equity investments

Financial instruments

	Group 2022 $	Group 2021 $
At fair value through profit or loss		
Equity shares (quoted)	–	4
Net carrying amount		
Non-current	–	4

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17. Deferred tax

	Group	
	2022	2021
	$	$
Deferred tax assets	1,473	–
Deferred tax liabilities	(171,565)	–

Deferred tax assets

The movements in deferred tax assets were as follows:

	Group	
	2022	2021
	$	$
At 1 January	–	–
Acquisition of subsidiary	37,636	
Charge for the year	1,514	–
Overprovision in prior financial years	(42,679)	
Currency realignment	5,002	–
At 31 December	1,473	–

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

Unrecognised deferred income tax assets

The following deferred income tax assets are not recognised in the statements of financial position as it is presently uncertain the extent timing and quantum of future taxable profit that will be available against which the Group can utilise the benefits as follows:

	Group	
	2022	2021
	$	$
Unabsorbed tax losses	4,451,210	4,451,210
Unrecognised deferred tax benefits	756,706	756,706

Tax losses do not expire under current legislation and are available for set-off against future taxable profits subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective country of incorporation. These losses may be carried indefinitely subject to the conditions imposed by law.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. Deferred tax (cont'd)

Deferred tax liabilities

The movements in deferred tax liabilities were as follows:

	Group	
	2022	**2021**
	$	**$**
At 1 January	–	–
Charge for the year	**(171,907)**	–
Currency realignment	**342**	
At 31 December	**(171,565)**	–

Deferred tax liabilities principally arise as a result of excess of carrying amount over tax written down value of plant and equipment.

18. The Group as a lessee

The Group leases office premise and outlet premise for 3 to 9 years, and residential property for 1 to 2 years. The Group has several lease contracts with extension options exercisable by the Group up to 180 days before the end of the non-cancellable contract period. These extension options are exercisable by the Group and not by the lessors. The extension options are used by the Group to provide operation flexibility in terms of managing the assets used in the Group's operation. As at 31 December 2022, the Group is not reasonably certain that they will exercise these extension options.

(a) Right-of-use assets

The carrying amount of right-of-use assets by class of underlying asset classified within plant and equipment are as follows:

	Office premise	**Outlet premise**	**Hostel**	**Total**
	$	**$**	**$**	**$**
Group				
At 1 January 2022	**–**	**–**	**–**	**–**
Acquisition of subsidiary	–	2,797,216	–	2,797,216
Additions	58,650	64,048	7,805	130,503
Written off	–	(6,401)	–	(6,401)
Depreciation	(22,614)	(15,076)	(4,013)	(41,703)
Currency realignment	621	(36,764)	110	(36,033)
At 31 December 2022	**36,657**	**2,803,023**	**3,902**	**2,843,582**

The total cash outflows for leases during the financial year ended 31 December 2022 is $266,494 (2021: $Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. The Group as a lessee (cont'd)

(b) Lease liabilities

	Group	
	2022	2021
	$	$
Non-current	2,443,910	–
Current	417,203	–
	2,861,113	–

The maturity analysis of lease liabilities is disclosed in Note 32.

Lease liabilities are denominated Malaysian ringgit.

(c) Amounts recognised in profit or loss

	Group	
	2022	2021
	$	$
Expense relating to short-term leases	60,665	79,820

19. Inventories

	Group	
	2022	2021
	$	$
Raw materials	–	426,899
Work-in-progress	–	126,939
Finished goods	963,519	–
	963,519	553,838

Inventories are stated after providing the allowance for inventories obsolescence as follows:

	Group	
	2022	2021
	$	$
At 1 January	11,482,840	9,800,736
Allowance for obsolescence	–	1,682,104
Written off	(8,925,050)	–
Disposal of subsidiaries	(2,557,790)	–
At 31 December	–	11,482,840

The cost of inventories recognised as an expense in cost of sales of the Group was $1,685,447 (2021: $2,224,792). Finished goods of the Group are stated at net realisable value after write off of inventories amounting to $43,756 (2021: $Nil).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. Trade receivables

	Group	
	2022	2021
	$	$
Non-current		
Trade receivables	**108,575**	–
Current		
Trade receivables	**578,297**	18,182,029
Less: Loss allowance	**(22,127)**	(16,926,769)
	556,170	1,255,260
Total trade receivables	**664,745**	1,255,260

Trade receivables are non-interest bearing and are generally on 7 to 30 days (2021: 30 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables are denominated in the following currencies as at the reporting date:

	Group	
	2022	2021
	$	$
Singapore dollar	–	505,497
United States dollar	–	557,321
Chinese renminbi	–	119,399
Malaysian ringgit	**664,745**	73,043
	664,745	1,255,260

21. Other receivables and deposits

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Deposits	**282,271**	186,604	–	117,100
Advances to employees	–	16,637	–	–
Advances to suppliers	**364,331**	62,950	–	–
GST receivables	**92,628**	63,125	**92,628**	7
Other receivables	**435,714**	308,080	–	124,090
Amounts due from ex-shareholder	**1,211,508**	–	–	–
Less: Loss allowance	–	(112,247)	–	(106,467)
	2,386,452	525,149	**92,628**	134,730

21. Other receivables and deposits (cont'd)

Amounts due from ex-shareholder are non-trade in nature, unsecured, interest-free and repayable on demand.

Other receivables and deposits are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Singapore dollar	**421,554**	413,608	**92,628**	134,730
Chinese renminbi	**–**	38,042	**–**	–
Malaysian ringgit	**1,964,898**	63,648	**–**	–
Indonesian rupiah	**–**	9,851	**–**	–
	2,386,452	525,149	**92,628**	134,730

22. Amounts due from subsidiaries

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

Amounts due from subsidiaries are denominated in Singapore dollar.

23. Contract assets and liabilities

Information about contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2022	2021
	$	$
Contract assets	**15,854**	2,730,704
Less: Loss allowance	**–**	(1,255,144)
	15,854	1,475,560
Contract liabilities	**(114,703)**	(1,357,633)

Contract assets consist of unbilled revenue and relate to the revenue recognised to date but have not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

Contract liabilities consist of advance consideration and relate to revenue not recognised to date but have been paid by the customers as at the financial year end, and is transferred to revenue, at the point when the performance obligation is satisfied.

Both contract assets and contract liabilities for the financial year ended 31 December 2022 decreased due to the disposal of the offshore and marine segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. Contract assets and liabilities (cont'd)

The Group's revenue recognised in the financial years that was included in the contract liabilities balance at the beginning of the respective financial years is as follows:

	Group	
	2022	2021
	$	$
Discontinued operation		
– Project revenue	**–**	930,865

24. Assets classified as held-for-sale

During the financial year, management has plans to dispose certain equipment after the acquisition of CSSB. Management has assessed that the disposal of the identified equipment as highly probable in accordance to SFRS(I) 5 and accordingly classified the identified equipment as assets held-for-sale. Subsequent to the financial year, the identified equipment has been sold to a third party.

25. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Cash and bank balances	**11,810,257**	1,229,697	**11,523,493**	94,544
Short term deposit	**31,051**	140,836	**–**	–
	11,841,308	1,370,533	**11,523,493**	94,544

The effective interest rates of the cash and bank balances of the Group was 1.85% (2021: 2.12% to 2.76%) per annum. Short term deposits are placed for twelve months and earn interest rate. The weighted average effective interest rate as at 31 December 2022 for the Group was 1.85% (2021: 2.5%) per annum.

Cash and cash equivalents are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Singapore dollar	**11,524,931**	636,533	**11,523,493**	94,544
United States dollar	**–**	362,682	**–**	–
Chinese renminbi	**–**	142,947	**–**	–
Malaysian ringgit	**316,377**	95,641	**–**	–
Euro	**–**	2,171	**–**	–
Indonesia rupiah	**–**	130,559	**–**	–
	11,841,308	1,370,533	**11,523,493**	94,544

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. Share capital and treasury shares

Share capital

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares		$	$
At 1 January	**549,518,904**	1,106,681,074	**104,811,429**	102,604,532
Share consolidation	**–**	(1,084,547,558)	**–**	–
Issuance of new shares	**413,468,897**	527,385,388	**16,042,825**	2,206,897
Issuance of new shares to vendor	**43,500,044**	–	**3,044,039**	–
At 31 December	**1,006,487,845**	549,518,904	**123,898,293**	104,811,429

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

During the financial year, the Company allotted and issued 456,968,941 ordinary shares amounting to $19,086,864 as follows:

1. 261,377,843 placement shares were allotted and issued to shareholders amounting to $13,399,565;
2. 43,500,044 new ordinary shares were allotted and issued to Body Power Sdn. Bhd. as part of settlement for acquisition of CSSB amounting to $2,949,302;
3. 140,086,704 new ordinary shares ("Right Shares") and 280,173,408 free detachable warrants ("Warrants") (collectively as "Rights cum Warrants shares") amounting to $2,257,823 in total (net of adjustment for warrant reserve on unexercised Warrants). Included in the Rights cum Warrants shares were 47,577,579 Rights Shares via conversion of loans from shareholders amounting to $1,189,440; and
4. 12,004,350 new ordinary shares were allotted and issued due to the Warrants being exercised at $0.04 per warrant for each new share amounting to $480,174. Details of warrant reserve adjusted for unexercised Warrants issued is disclosed in Note 27 to the financial statements.

In prior financial year, the Company completed the share consolidation of every 50 existing ordinary shares in the capital of the Company into 1 ordinary share in the capital of the Company ("Consolidated Share"), and the Company allotted and issued 477,943,013 placement shares to the placee, and 49,442,375 conversion shares to scheme creditors.

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares		$	$
Total number of issued shares	**1,006,487,845**	549,518,904	**123,898,293**	104,811,429
Number of treasury shares	**(159,230)**	(159,230)	**(527,775)**	(527,775)
Net number of issued shares	**1,006,328,615**	549,359,674	**123,370,518**	104,283,654

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. Share capital and treasury shares (cont'd)

Treasury shares

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares		$	$
At 1 January and 31 December	**(159,230)**	(159,230)	**(527,775)**	(527,775)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

27. Other reserves

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Foreign currency translation reserve	**(388,479)**	(322,041)	**–**	–
Capital reserve	**114,056**	114,056	**19,371,344**	19,548,945
Warrant reserve	**1,244,345**	–	**1,244,345**	–
	969,922	(207,985)	**20,615,689**	19,548,945

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group, as well as from the translation of foreign currency loans which form part of the Group's net investments in foreign operations.

Capital reserve

Capital reserve relates to the gain recognised on reissuance of treasury shares and forgiveness of amounts due to/from related companies.

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
At 1 January	**114,056**	114,056	**19,548,945**	114,056
Forgiveness of amounts due (from)/to subsidiaries	**–**	–	**(177,601)**	19,434,889
At 31 December	**114,056**	114,056	**19,371,344**	19,548,945

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. Other reserves (cont'd)

Warrant reserve

	Group and Company			
	2022	2021	2022	2021
	No. of ordinary shares		$	$
At 1 January	–	–	–	–
Issuance of new warrants (Note 26)	**280,173,408**	–	**1,300,047**	–
Exercise of warrants (Note 26)	**(12,004,350)**	–	**(55,702)**	–
At 31 December	**268,169,058**	–	**1,244,345**	–

On 29 June 2022, the Company allotted and issued 140,086,704 new ordinary shares ("Right Shares") at an issue price of $0.025 for each Right Share and 280,173,408 free detachable warrants ("Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each Warrant carries the right to subscribe for a new ordinary share in the capital of the Company at an exercise price of $0.04 for each new ordinary share and is exercisable during a five-year period from the date of issue.

During the financial year, 12,004,350 units of Warrants have been exercised at $0.04 per warrant for each new share and its proportioning warrant reserve for the exercised Warrants have been recognised in the Group's profit or loss following the exercise of Warrants.

28. Loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Non-current				
Loans from shareholders	**172,347**	–	**172,347**	–
Current				
Related party loan	**–**	1,490,000	**–**	1,490,000
Total loans and borrowings	**172,347**	1,490,000	**172,347**	1,490,000

Loans from shareholders pertain to interest-free loans from SSCM Sdn. Bhd. (formerly known as Synergy Supply Chain Management Sdn. Bhd.) ("SCCM") amounting to $43,805 and Mr. Toh Kok Soon amounting to $128,542 respectively. The loans have a repayment term of 2 years from initial dates of receipts which fall due on 21 February 2024 and 22 March 2024 respectively.

During the financial year, loan amount of $1,189,400 in total has been converted into Rights Shares of the Company as disclosed in Note 26 of the financial statements.

In prior year, related party loan pertains to interest free loans from Blue Ocean Capital Partners Pte. Ltd. and Mr. Ng Yeau Chong (collectively, the "Lenders") amounting to $1,415,000 and $75,000 respectively. This amount has been settled in full by the Company during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. Trade payables

	Group	
	2022	2021
	$	$
Trade payables	**273,302**	1,683,715

Trade payables are non-interest bearing and are generally settled within 30 to 90 days (2021: 30 to 90 days) credit terms.

Trade payables are denominated in the following currencies as at the reporting date:

	Group	
	2022	2021
	$	$
Singapore dollar	–	981,927
United States dollar	–	232,502
Euro	–	15,576
Chinese renminbi	**43,136**	144,431
Malaysian ringgit	**230,166**	180,367
Indonesia rupiah	–	128,912
	273,302	1,683,715

30. Other payables and accruals

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Accrued operating expenses	**461,298**	1,943,628	**76,862**	502,187
Customers deposits	**103,843**	179,864	–	–
Service tax payables	**47,280**	–	–	–
Other payables	**525,011**	1,067,609	**327,423**	341,797
Amounts due to ex-shareholder	**3,122,544**	–	–	–
	4,259,976	3,191,101	**404,285**	843,984

Amounts due to ex-shareholder are non-trade in nature, unsecured, interest-free and repayable on demand.

Other payables and accruals are denominated in the following currencies as at the reporting date:

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Singapore dollar	**641,662**	2,608,374	**404,285**	843,984
United States dollar	–	257,344	–	–
Chinese renminbi	**117,256**	270,589	–	–
Malaysian ringgit	**3,501,058**	42,742	–	–
Indonesian rupiah	–	12,052	–	–
	4,259,976	3,191,101	**404,285**	843,984

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. Segment information

The Group has five reportable segments, as described below, which are the Group's strategic business unit. The strategic business units are involved in business activities in at least nine different countries. The Board of Directors of the Group reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Offshore and marine: sale of offshore and marine goods, project revenue
- Chartering services: rendering of services
- Corporate management fee, dividend income
- Supply chain management: offering robot products and health and wellness products
- Lifestyle retail business: interactive entertainment and food and beverage service provided

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. For each of the strategic business units, the management reviews internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

The management also considers the business from both the business and geographical segment perspective.

Income taxes are managed on a Group basis.

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

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss. However, certain comparative figures have been reclassified to conform with the current financial year's presentation.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. Segment information (cont'd)

(a) Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Australia	**–**	423,225	**–**	–
Europe	**–**	313,562	**–**	–
Indonesia	**–**	1,644,886	**–**	938
Malaysia	**2,974,565**	458,850	**8,204,604**	3,103
Middle East	**–**	348,023	**–**	–
People's Republic of China	**–**	1,395,501	**–**	2,770
Singapore	**–**	5,977,930	**–**	63,610
Vietnam	**–**	96,075	**–**	–
Others	**–**	118,228	**–**	–
	2,974,565	10,776,280	**8,204,604**	70,421

Non-current assets information presented above consists of plant and equipment, right-of-use asset and intangible assets as presented in the consolidated balance sheets.

31. **Segment information (cont'd)**

(b) ***Business segments***

The following table presents revenue and results information regarding the Group's business segments for the year ended 31 December:

Group	Offshore and marine (Discontinued) $	Chartering services $	Corporate $	Supply chain management $	Lifestyle retail business $	Adjustments and eliminations $	Total $
2022							
Revenue							
External customers	–	–	–	1,846,324	1,128,241	–	2,974,565
Total revenue	**–**	**–**	**–**	**1,846,324**	**1,128,241**	**–**	**2,974,565**
Profit/(Loss) from operations	**2,389,106**	**312,719**	**(1,759,701)**	**(56,522)**	**(495,049)**	**–**	**390,553**
Interest expense – lease liabilities	–	–	–	56,336	2,348	–	58,684
Depreciation of plant and equipment	13,762	–	1,464	497	93,572	–	109,295
Plant and equipment written off	–	–	2,486	–	24,147	–	26,633
Fair value adjustment arising from contingent considerations in relation to acquisition of a subsidiary	–	–	–	–	222,625	–	222,625
Gain on disposal of subsidiary	(2,252,121)	–	–	–	–	–	(2,252,121)
Quoted equity investment written off	–	–	4	–	–	–	4
Depreciation of right-of-use assets	–	–	–	26,627	15,076	–	41,703
Right-of-use assets written off	–	–	–	–	6,401	–	6,401
Inventories written off	–	–	–	–	43,756	–	43,756
Impairment losses on financial assets and contract assets, net	–	–	–	16,182	5,945	–	22,127
Write-back of other creditors and accrual	–	(187,555)	(47,486)	–	–	–	(235,041)
Provision for warranty	–	–	–	6,921	–	–	6,921
Unrealised foreign exchange differences	–	–	–	–	140	–	140
Other income	–	–	(37,345)	–	–	–	(37,345)
(Loss)/Profit before income tax	150,747	125,164	(1,840,578)	50,041	(81,039)	–	(1,595,665)
Income tax (expense)/credit	–	–	–	(24,671)	(203,695)	–	(228,366)
Net (loss)/profit for the financial year	150,747	125,164	(1,840,578)	25,370	(284,734)	–	(1,824,031)
Reportable segment assets	–	6	17,727,358	2,009,142	11,503,072	(7,130,478)	24,109,100
Reportable segment liabilities	–	(102,296)	(1,107,792)	(1,601,547)	(10,358,406)	5,246,066	(7,923,975)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. **Segment information (cont'd)**

(b) ***Business segments (cont'd)***

The following table presents revenue and results information regarding the Group's business segments for the year ended 31 December (cont'd):

Group	Offshore and marine (Discontinued) $	Chartering services $	Corporate $	Adjustments and eliminations $	Total $
2021					
Revenue					
External customers	10,776,280	–	–	–	10,776,280
Inter-segment [A]	9,362	924,000	–	(933,362)	–
Total revenue	10,785,642	924,000	–	(933,362)	10,776,280
Profit/(Loss) from operations	(6,440,988)	41,399,216	(81,776)	–	34,876,452
Depreciation of plant and equipment	118,674	3,336	–	–	122,010
Amortisation of intangible assets	9	–	–	–	9
Intangible assets written down	14,536	–	–	–	14,536
Impairment losses on intangible assets	817,948	–	–	–	817,948
Impairment loss on contract asset	1,094,439	–	–	–	1,094,439
Impairment loss on trade receivables	174,900	–	–	–	174,900
Write-back of allowance for expected credit losses	(83,221)	–	–	–	(83,221)
Inventories written down	1,682,104	–	–	–	1,682,104
Loss/(Gain) from reversal of liabilities upon completion of the Scheme of Arrangement	3,415	–	(23,957,722)	–	(23,954,307)
Interest expense	678,283	–	–	–	678,283
Interest income	(4,580)	–	–	–	(4,580)
Unrealised foreign exchange differences	27,898	–	–	–	27,898
(Loss)/Profit before income tax	(1,916,583)	41,402,552	(24,039,498)	–	15,446,471
Income tax (expense)/credit	(643)	–	–	–	(643)
Net (loss)/profit for the financial year	(1,917,226)	41,402,552	(24,039,498)	–	15,445,828
Reportable segment assets	4,978,505	3,649	254,597	97,343	5,334,094
Reportable segment liabilities	(6,436,492)	(494,534)	(853,765)	1,552,342	(6,232,449)

A Inter-segment revenues are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. Segment information (cont'd)

Reconciliations of reportable segment revenue, profit or loss and other material items

	31 December 2022 $	31 December 2021 $
Revenue		
Total revenue for reportable segments	**2,974,565**	10,776,280
Elimination of discontinued operation	**–**	(10,776,280)
Consolidated revenue	**2,974,565**	–
Profit or loss		
Total profit for reportable segments	**(1,824,031)**	15,445,828
Elimination of discontinued operation	**(150,747)**	1,917,226
Consolidated loss/(profit) before income tax	**(1,974,778)**	17,363,054

	Reportable segments $	Offshore and marine (Discontinued) $	Total $
Other material items 2022			
Depreciation of plant and equipment	**(109,295)**	**13,762**	**(95,533)**
Gain on disposal of subsidiary	**2,252,121**	**(2,252,121)**	**–**
Other material items 2021			
Depreciation of plant and equipment	(122,010)	118,674	(3,336)
Finance costs	(817,948)	817,948	–
Impairment loss on contract asset	(1,094,439)	1,094,439	–
Impairment loss on trade receivables	(174,900)	174,900	–
Write-back of allowance for expected credit losses	83,221	(83,221)	–
Inventories written down	(1,682,104)	1,682,104	–
(Loss)/Gain from reversal of liabilities upon completion of the Scheme of Arrangement	23,954,307	3,415	23,957,722
Interest expense	(678,283)	678,283	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Fair value through profit or loss				
Quoted equity investments	**–**	4	**–**	4
Financial assets at amortised cost				
Trade receivables	**664,745**	1,255,260	**–**	–
Other receivables and deposits*	**1,929,493**	382,437	**92,628**	134,723
Amounts due from subsidiaries	**–**	–	**5,441,072**	–
Cash and cash equivalents	**11,841,308**	1,370,533	**11,523,493**	94,544
	14,435,546	3,008,230	**17,057,193**	229,267
Financial liabilities at amortised cost				
Trade payables	**273,302**	1,683,715	**–**	–
Other payables and accruals**	**4,212,696**	3,191,101	**404,285**	843,984
Loans and borrowings	**172,347**	1,490,000	**172,347**	1,490,000
Lease liabilities	**2,861,113**	–	**–**	–
	7,519,458	6,364,816	**576,632**	2,333,984

* Exclude advances to employees, advances to suppliers and GST receivables.
** Exclude service tax payables.

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

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

Credit risks

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risks arise mainly from cash and cash equivalents, trade and other receivables and other debt instruments carried at amortised cost. Cash and cash equivalents are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from cash and cash equivalents to be material, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

To assess and manage its credit risks, the Group categorises the aforementioned financial assets and contract assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 90 days past due as per SFRS(I) 9's presumption.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer. The Group has established credit limits for each customer under which these customers are analysed for credit worthiness before the Group's standard payment, and delivery terms are offered. The Group's reviews include external ratings, where available and in some cases bank references. Customers that fail to meet the Group's benchmark are only allowed to transact with the Group on a prepayment or cash basis. Most of the customers have been with the Group for many years and losses have occurred infrequently. The Group does not require collateral in respect of trade and other receivables.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks[Note 1]	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition[Note 2] or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired[Note 3]	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount[Note 4]	Written off

Note 1. Low credit risks

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

Note 2. Significant increase in credit risks

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward-looking quantitative and qualitative information.

Forward-looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information (e.g. expert reports, analyst's reports etc.) and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are > 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit-impaired

In determining whether financial assets are credit-impaired, the Group assesses whether 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;
* Breach of contract, such as a default or being more than 90 days past due;
* It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
* the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cash flows to repay the amounts subjected to the write off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics other than the geographical location of their operations.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 20) and contract assets (Note 23)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and contract assets, where the loss allowance is equal to lifetime ECL.

The contract assets relate mainly to unbilled revenue and have substantially the same risk characteristics as trade receivables for the same type of contracts. Therefore, the Group concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the credit loss rates of the contract assets.

The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses and estimates, for example, the gross domestic production growth rates of the countries (i.e. Singapore and Malaysia) and the growth rates of the major industries in which its customers operate.

Trade receivables and contract assets are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

The loss allowance for trade receivables and contract assets are determined as follows:

	Current	Past due less than 60 days	Past due 60 to 90 days	Past due more than 90 days	Total
31 December 2022					
Expected credit loss rates	**0.00%**	**4.58%**	**7.01%**	**7.50%**	
Trade receivables (Gross amount)	**337,654**	**116,203**	**138,423**	**94,592**	**686,872**
Contract assets (Gross amount)	**15,854**	**–**	**–**	**–**	**15,854**
Loss allowance ($)	**–**	**5,322**	**9,709**	**7,096**	**22,127**
31 December 2021					
Expected credit loss rates	0.00%	0.00%	29.80%	97.73%	
Trade receivables (Gross amount)	297,725	197,210	486,608	17,200,486	18,182,029
Contract assets (Gross amount)	1,475,560	–	–	1,255,144	2,730,704
Loss allowance ($)	–	–	144,989	18,036,924	18,181,913

32. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

Other receivables and deposits (Note 21)

As of 31 December 2022, the Group recorded other receivables of $1,929,493 (2021: $382,437) consequent to an extension of loans to third parties. The Group assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk. In its assessment of the credit risk of these third parties, the Group considered amongst other factors, the financial position of the third parties as of 31 December 2022, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the third parties operate in. Using 12-month ECL, the Group determined that the ECL is insignificant.

Amounts due from subsidiaries (Note 22)

As of 31 December 2022, the Company recorded amount owing by subsidiaries of $5,441,072 (2021: $Nil) consequent to an extension of loans to subsidiaries. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to its assessment and conclusion that these amounts are of low credit risk. In its assessment of the credit risk of these subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 December 2022, the past financial performance and cashflow trends, adjusted for the outlook of the industry and economy in which the subsidiaries operate in. Using a 12-month ECL, the Company determined that the ECL is insignificant.

32. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables, contract assets and other receivables are as follows:

Group	**Trade receivables**				**Contract assets**			**Other receivables and deposits (Note (ii))**			
Internal credit risk grading	**Note (i)**	**Category 4**	**Category 5**	**Total**	**Note (i)**	**Category 4**	**Total**	**Category 1**	**Category 4**	**Category 5**	**Total**
	$	$	$	$	$	$	$	$	$	$	$
Loss allowance											
At 1 January 2021	–	16,835,090	–	16,835,090	–	160,705	160,705	–	112,247	–	112,247
Loss allowance recognised	–	174,900	–	174,900	–	1,094,439	1,094,439	–	–	–	–
Write-back of receivables	–	(83,221)	–	(83,221)	–	–	–	–	–	–	–
At 31 December 2021	–	16,926,769	–	16,926,769	–	1,255,144	1,255,144	–	112,247	–	112,247
Loss allowance recognised	22,127	–	–	22,127	–	–	–	–	–	–	–
Disposal of subsidiaries	–	(418,706)	–	(418,706)	–	(1,255,144)	(1,255,144)	–	–	–	–
Transfer between categories	–	–	16,508,063	–	–	–	–	–	(112,247)	112,247	–
Write off of receivables	–	–	(16,508,063)	(16,508,063)	–	–	–	–	–	(112,247)	(112,247)
At 31 December 2022	**22,127**	**–**	**–**	**22,127**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Gross carrying amount											
At 31 December 2021	1,255,260	16,926,769	–	18,182,029	1,475,560	1,255,144	2,730,704	382,437	112,247	–	494,684
At 31 December 2022	**686,872**	**–**	**–**	**686,872**	**15,854**	**–**	**15,854**	**1,929,493**	**–**	**–**	**1,929,493**
Net carrying amount											
At 31 December 2021	1,255,260	–	–	1,255,260	1,475,560	–	1,475,560	382,437	–	–	382,437
At 31 December 2022	**664,745**	**–**	**–**	**664,745**	**15,854**	**–**	**15,854**	**1,929,493**	**–**	**–**	**1,929,493**

Note (i): For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL.

Note (ii): Other receivables and deposits exclude advances to employees, advances to suppliers and GST receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Credit risks (cont'd)

The movement in the loss allowance during the financial year and the Company's exposure to credit risk in respect of other receivables are as follows:

Company	Other receivables and deposits (Note (ii))			
Internal credit risk grading	Category 1	Category 4	Category 5	Total
	$	$	$	$
Loss allowance				
At 1 January 2021 and 31 December 2021	–	106,467	–	106,467
Transfer between categories	–	(106,467)	106,467	–
Write off of receivables	–	–	(106,467)	(106,467)
At 31 December 2022	–	–	–	–
Gross carrying amount				
At 31 December 2021	117,100	124,090	–	241,190
At 31 December 2022	–	–	–	–
Net carrying amount				
At 31 December 2021	117,100	17,623	–	134,723
At 31 December 2022	–	–	–	–

Market risks

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. Except for foreign currency forward contracts used to hedge against foreign currency risk, the Group did not enter into derivative financial instruments to hedge against foreign currency risk and interest rate risk.

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risks relate to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

At the reporting date, the Group and the Company do not have significant exposure to interest rate risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Market risks (cont'd)

Foreign currency risks

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Singapore dollar (SGD) and Malaysian ringgit (MYR). The foreign currencies in which these transactions are denominated are mainly SGD and MYR. Approximately 100% (2021: 45%) of the Group's sales are denominated in foreign currencies whilst 100% (2021: 38%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group is exposed to foreign currency risk on certain income, expenses, monetary assets, mainly cash and cash equivalents, and liabilities that are denominated in currencies other than the functional currencies of the respective entities in the Group. As at the reporting date, the Group and Company do not have significant foreign currency risk exposure except for the financial assets denominated in Malaysian ringgit.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations in Malaysia. The Group's net investments in Malaysia are not hedged as currency positions in Malaysian ringgit are considered to be long-term in nature.

The Group's exposures to foreign currency are as follows:

	2022		2021			
	MYR	RMB	MYR	USD	RMB	IDR
	$	$	$	$	$	$
Monetary assets:						
Trade receivables	**664,745**	**–**	73,043	557,321	119,399	–
Other receivables and deposits	**1,964,898**	**–**	63,648	–	38,042	9,851
Cash and cash equivalents	**316,377**	**–**	95,641	73,043	142,947	130,559
	2,946,020	**–**	232,332	630,364	300,388	140,410
Monetary liabilities:						
Trade payables	**(230,166)**	**(43,136)**	(180,367)	(232,502)	(144,431)	(128,912)
Other payables and accruals	**(3,501,058)**	**(117,256)**	(42,742)	(257,344)	(270,589)	(12,052)
Lease liabilities	**(2,861,113)**	**–**	–	–	–	–
	(6,592,337)	**(160,392)**	(223,109)	(489,846)	(415,020)	(140,964)
Currency exposure of monetary assets/(liabilities) net of those denominated in the respective entity's functional currency	**(3,646,317)**	**(160,392)**	9,223	140,518	(114,632)	(554)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Market risks (cont'd)

Foreign currency sensitivity analysis

At 31 December 2022, it is estimated that a five percentage point weakening of foreign currencies against the functional currency of respective entities, with all variables held constant, would decrease the Group's post-tax loss by approximately $75,700 (2021: increase post-tax profit by $641,000). A five percentage point strengthening of foreign currencies against the functional currency, with all variables held constant, would have an equal but opposite effect. 5% is the sensitivity rate used when reporting foreign currency risks internally to key management personnel and represents management's assessment of the possible changes in foreign exchange rate.

If the following foreign currencies strengthens by 5% (2021: 5%) against the functional currency of each Group entity, profit or loss will increase/(decrease) by:

	Loss before income tax	
	2022	2021
	$	$
USD	**–**	(7,026)
RMB	**8,020**	5,732
MYR	**182,316**	(461)

Liquidity risks

Liquidity risk refers to the risk in which the Group is unable to meet its short-term obligations. Liquidity risk is managed by matching the payments and receipts cycle.

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.

The Group prepares cash flows projections on a regular basis for its core operations to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group's operations are financed mainly through internal funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Effective interest rate %	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Group					
As at 31 December 2022					
Undiscounted financial assets					
Trade receivables	–	556,170	108,575	–	664,745
Other receivables and deposits*	–	1,929,493	–	–	1,929,493
Cash and cash equivalents	–	11,841,308	–	–	11,841,308
		14,326,971	108,575	–	14,435,546
Undiscounted financial liabilities					
Trade payables	–	273,302	–	–	273,302
Other payables and accruals**	–	4,212,696	–	–	4,212,696
Lease liabilities	2.58% – 5.70%	504,461	1,808,945	825,537	3,138,943
Loans and borrowings	–	–	172,347	–	172,347
		4,990,459	1,981,292	825,537	7,797,288
Total net undiscounted financial assets/(liabilities)		9,336,512	(1,872,717)	(825,537)	6,638,258

* Exclude advances to employees, advances to suppliers and GST receivables.
** Exclude service tax payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Continued):

	Effective interest rate %	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Group					
As at 31 December 2021					
Undiscounted financial assets					
Quoted equity investments	–	–	–	4	4
Trade receivables	–	1,255,260	–	–	1,255,260
Other receivables and deposits*	–	382,437	–	–	382,437
Cash and cash equivalents	–	1,370,533	–	–	1,370,533
		3,008,230	–	4	3,008,234
Undiscounted financial liabilities					
Trade payables	–	1,683,715	–	–	1,683,715
Other payables and accruals	–	3,191,101	–	–	3,191,101
Loans and borrowings	–	1,490,000	–	–	1,490,000
		6,364,816	–	–	6,364,816
Total net undiscounted financial (liabilities)/assets		(3,356,586)	–	4	(3,356,582)
Company					
As at 31 December 2022					
Undiscounted financial assets					
Amount due from subsidiaries	–	5,441,071	–	–	5,441,071
Cash and cash equivalents	–	11,523,493	–	–	11,523,493
		16,964,564	–	–	16,964,564
Undiscounted financial liabilities					
Other payables and accruals	–	404,285	–	–	404,285
Loans and borrowings	–	–	172,347	–	172,347
		404,285	172,347	–	576,632
Total net undiscounted financial assets/(liabilities)		16,560,279	(172,347)	–	16,387,932

* Exclude advances to employees, advances to suppliers and GST receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial instruments and financial risks (cont'd)

Liquidity risks (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations (Continued):

	Effective interest rate %	Less than 1 year $	1 to 5 years $	More than 5 years $	Total $
Company					
As at 31 December 2021					
Undiscounted financial assets					
Quoted equity investments	–	–	–	4	4
Other receivables and deposits*	–	134,723	–	–	134,723
Cash and cash equivalents	–	94,544	–	–	94,544
		229,267	–	4	229,271
Undiscounted financial liabilities					
Other payables and accruals	–	843,984	–	–	843,984
Loans and borrowings	–	1,490,000	–	–	1,490,000
		2,333,984	–	–	2,333,984
Total net undiscounted financial (liabilities)/assets		(2,104,717)	–	4	(2,104,713)

* Exclude advances to employees, advances to suppliers and GST receivables.

33. Fair value of assets and liabilities

The carrying amounts of cash and cash equivalents, loans and borrowings, current trade and other receivables and payables approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Valuation policies and techniques

The management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, the management reports to the Group's audit and risk committee.

It is the Group's policy that where assessed necessary by the management, the Group would engage experts to perform significant complex financial reporting valuations. The management is responsible for selecting and engaging such external experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance. The Group's internal financial personnel will undertake non-complex financial reporting valuations.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. The management also reviews at least on an annual basis, the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. Fair value of assets and liabilities (cont'd)

Valuation policies and techniques (cont'd)

The analysis and results of the external valuations are then reported to the audit and risk committee for the latter's comments before presenting the results to the Board of Directors for approval.

Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are 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.

Assets and liabilities measured at fair value

The following table shows an analysis of financial instruments measured at fair value at the end of the reporting period:

	Quoted prices in active markets for identical instruments (Level 1) $	Significant observable inputs other than quoted prices (Level 2) $	Significant unobservable inputs (Level 3) $	Total
Group				
2021				
Assets measured at fair value				
Financial assets:				
Equity securities though profit or loss				
– Quoted equity instruments (Note 16)	4	–	–	4
Financial assets as at 31 December 2021	4	–	–	4

The financial assets and financial liabilities of the Group comprise of trade receivables, other receivables and deposits, amounts due to subsidiaries, cash and cash equivalents, trade payables, other payables and accruals, and loans and borrowings.

The carrying amount of these financial assets and financial liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the loans disclosed in Note 28 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed above.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from 2021.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as loans and borrowings, lease liabilities and trade and other payables, less cash and cash equivalents. Total capital is calculated as total equity including non-controlling interests, as shown in the statement of financial position, plus net debt.

	Group	
	2022	**2021**
	$	**$**
Total debt	**7,566,738**	6,364,816
Less: cash and cash equivalents (Note 25)	**(11,841,308)**	(1,370,533)
Net debt	**(4,274,570)**	4,994,283
Equity attributable to the owners of the Company	**16,185,125**	(2,388,355)
Total capital	**16,185,125**	(2,388,355)
Capital and net debt	**11,910,555**	2,605,928
Gearing ratio	**26%**	209%

The Group is in compliance with the externally imposed requirement for the financial years ended 31 December 2022 and 2021.

35. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. Significant related party transactions (cont'd)

A related party is defined as follows (cont'd):

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Associates are related parties and include those that are associates of the holding and/or related companies. Many of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, other than those disclosed elsewhere in the financial statements, the Group had no significant transactions with related parties.

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Income				
Management fee income from subsidiaries	**–**	–	**–**	924,000

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Loans from shareholders	**172,347**	–	**172,347**	–
Related party loan (Note 28)	**–**	1,490,000	**–**	1,490,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. Significant related party transactions (cont'd)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel remuneration:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Short-term employee benefits	**236,900**	753,040	**130,000**	193,000
Employers' contribution to defined contribution plans	**22,483**	47,493	**9,660**	22,970
Total compensation paid to key management personnel	**259,383**	800,533	**139,660**	215,970
Comprise amounts paid to:				
– Directors of the Company	**88,621**	574,473	**50,000**	107,730
– Other key management personnel	**170,762**	226,060	**89,660**	108,240
	259,383	800,533	**139,660**	215,970

The remuneration of key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

36. Events subsequent to reporting date

On 7 February 2023, the Group through its subsidiary 9R Leisure Sdn. Bhd. ("9RL"), incorporated a wholly-owned subsidiary, 9R Canary Sdn. Bhd. ("9RC"), with a paid-up share capital of RM10,000. The principal activity of 9RC is to run lifestyle retail business.

On 17 February 2023, the Group through its subsidiary 9RL, incorporated a wholly-owned subsidiary, 9R Management Sdn. Bhd. ("9RM"), with a paid-up share capital of RM10,000. The principal activity of 9RM is to provide management services to the Group.

SHAREHOLDING STATISTICS

AS AT 27 MARCH 2023

Number of issued shares	:	1,006,328,615 (excluding treasury shares and subsidiary holdings)
Class of shares	:	Ordinary shares
Voting rights	:	On a poll, one vote for each ordinary share/No vote for Treasury Shares
Number of Treasury Shares	:	159,230 (0.02% of the total number of shares outstanding (excluding treasury shares))
Number of subsidiary holdings	:	Nil

Analysis of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares (Including treasury shares)	%
1 – 99	219	11.74	6,147	0.00
100 – 1,000	729	39.07	387,531	0.04
1,001 – 10,000	690	36.97	2,354,282	0.23
10,001 – 1,000,000	211	11.31	22,255,875	2.21
1,000,001 and above	17	0.91	981,484,010	97.52
	1,866	**100.00**	**1,006,487,845**	**100.00**

Public Float

Based on information available to the Company as at 27 March 2023, approximately 34.98% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

Top 20 Shareholders

S/No.	Name of Shareholders	No. of Shares Held	%*
1	UOB Kay Hian Pte Ltd	804,161,457	79.91
2	OCBC Securities Private Ltd	66,955,618	6.65
3	Phillip Securities Pte Ltd	56,639,212	5.63
4	Luminor Pacific Fund 2 Ltd (In Members' Voluntary Liquidation)	11,517,296	1.14
5	Blue Ocean Capital Partners Pte Ltd	10,053,188	1.00
6	Kenneth Ryan Wan Cheng Kai	10,000,000	0.99
7	CGS-CIMB Securities (Singapore) Pte Ltd	4,312,290	0.43
8	Maybank Securities Pte. Ltd.	4,302,980	0.43
9	Liu Hong	2,871,669	0.29
10	Tiger Brokers (Singapore) Pte. Ltd.	1,814,100	0.18
11	DBS Nominees Pte Ltd	1,806,855	0.18
12	IFast Financial Pte Ltd	1,409,040	0.14
13	Kam Teow Chong	1,200,000	0.12
14	Peter Tan Swee Peng	1,200,000	0.12
15	Yeo Seng Buck	1,154,327	0.11
16	Lim Andy	1,061,400	0.11
17	Raffles Nominees (Pte) Limited	1,024,578	0.10
18	Merrill Lynch (Singapore) Pte Ltd	879,100	0.09
19	Luminor Pacific Fund 1 Ltd (In Members' Voluntary Liquidation)	720,379	0.07
20	Tehg Sai Lin	625,000	0.06
		983,708,489	**97.75**

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 27 March 2023 of 1,006,328,615 shares (which excludes 159,230 shares which are held as treasury shares).

SHAREHOLDING STATISTICS

AS AT 27 MARCH 2023

Substantial Shareholders as at 27 March 2023

	Direct Interest		Deemed Interest			
Name of Substantial Shareholder	Number of Shares	%	Number of Shares	%	Total	%*
Subtleway Management Sdn. Bhd.[1]	166,548,703	16.55	–	–	166,548,703	16.55
Lim Jun Hao[2]	–	–	166,548,703	16.55	166,548,703	16.55
Tristan Management Sdn. Bhd.[3]	161,918,008	16.09	–	–	161,918,008	16.09
Ng Boon Chee[4]	–	–	161,918,008	16.09	161,918,008	16.09
Irelia Management Sdn. Bhd.[5]	116,322,340	11.56	–	–	116,322,340	11.56
Tan Chiau Wei[6]	–	–	116,322,340	11.56	116,322,340	11.56
Toh Kok Soon[7]	94,668,142	9.41	–	–	94,668,142	9.41
Xiang XiPing[8]	50,936,128	5.06	–	–	50,936,128	5.06

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 27 March 2023 of 1,006,328,615 shares (which excludes 159,230 shares which are held as treasury shares).

Notes:

(1) Subtleway Management Sdn. Bhd. has a direct interest in 166,548,703 shares which are registered and held through UOB Kay Hian Private Limited.

(2) Mr Lim Jun Hao holds the entire issued share capital of Subtleway Management Sdn. Bhd. and is therefore deemed interested in the 166,548,703 shares held by Subtleway Management Sdn. Bhd..

(3) Tristan Management Sdn. Bhd. has a direct interest in 161,918,008 shares which are registered and held through UOB Kay Hian Private Limited.

(4) Mr Ng Boon Chee holds the entire issued share capital of Tristan Management Sdn. Bhd. and is therefore deemed interested in the 161,918,008 shares held by Tristan Management Sdn. Bhd..

(5) Irelia Management Sdn. Bhd. has a direct interest in 116,322,340 shares which are registered and held through UOB Kay Hian Private Limited.

(6) Mr Tan Chiau Wei holds the entire issued share capital of Irelia Management Sdn. Bhd. and is therefore deemed interested in the 116,322,340 shares held by Irelia Management Sdn. Bhd..

(7) Mr Toh Kok Soon has a direct interest in 94,668,142 shares which are registered and held through UOB Kay Hian Private Limited.

(8) Ms Xiang XiPing has a direct interest in 50,936,128 shares, of which 32,600,000 shares are registered and held through UOB Kay Hian Private Limited and 18,336,128 shares are registered and held through Kenanga Investment Bank Berhad.

WARRANTHOLDING STATISTICS

AS AT 27 MARCH 2023

Warrants – 9RW270628

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 – 99	37	12.05	2,046	0.00
100 – 1,000	23	7.49	12,202	0.00
1,001 – 10,000	115	37.46	340,722	0.13
10,001 – 1,000,000	125	40.72	11,289,852	4.21
1,000,001 and above	7	2.28	256,524,236	95.66
	307	**100.00**	**268,169,058**	**100.00**

Top 20 Warrantholders

S/No.	Name of Warrantholders	No. of Warrants Held	%
1	UOB Kay Hian Pte Ltd	161,778,956	60.33
2	OCBC Securities Private Ltd	78,513,614	29.28
3	Blue Ocean Capital Partners Pte Ltd	9,013,674	3.36
4	Lim Andy	2,541,926	0.95
5	Phillip Securities Pte Ltd	2,259,152	0.84
6	CGS-CIMB Securities (Singapore) Pte Ltd	1,416,894	0.53
7	Tan Weiren Vincent (Chen Weiren Vincent)	1,000,020	0.37
8	Maybank Securities Pte. Ltd.	881,628	0.33
9	OCBC Nominees Singapore Pte Ltd	738,920	0.28
10	Tan Gek Poey	715,000	0.27
11	Lee Kunfeng Daniel	599,600	0.22
12	Wong Twee Leom	491,900	0.18
13	Ong Swee Whatt	365,900	0.14
14	Yeo Seng Buck	341,730	0.13
15	Tan Gek Poh	317,000	0.12
16	Soh Kay Meng	300,000	0.11
17	Lee Bee Kim	300,000	0.11
18	Romien Chandrasegaran	297,700	0.11
19	Lim Yan Ling	275,152	0.10
20	Tan Lay Hiu	270,000	0.10
		262,418,766	**97.86**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of 9R Limited (the "**Company**") will be convened and held by way of electronic means on **Friday, 28 April 2023 at 10.00 a.m.** to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Datuk Low Kim Leng, who is retiring pursuant to Article 93 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 2)**
(See Explanatory Note 1)

3. To re-elect Mr Ong Swee Sin, who is retiring pursuant to Article 93 of the Company's Constitution, and who, being eligible, offers himself for re-election as a Director of the Company. **(Resolution 3)**
(See Explanatory Note 2)

4. To approve the payment of Directors' fees of S$166,800 for the financial year ending 31 December 2023. **(Resolution 4)**
(See Explanatory Note 3)

5. To re-appoint Messrs Mazars LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

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

6. Authority to allot and issue shares **(Resolution 6)**

That pursuant to Section 161 of the Companies Act 1967 ("**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to:

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

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and/or

NOTICE OF
ANNUAL GENERAL MEETING

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of a rights issue, bonus issue or subdivision or consolidation of shares; and

(b) notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such 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) in the capital of the Company, at the time this Resolution is passed after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities which are issued and outstanding or subsisting at the time of the passing of this Resolution;

(b) new Shares arising from exercising share options or vesting of share awards which are issued and outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Catalist Rules; and

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

NOTICE OF ANNUAL GENERAL MEETING

(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 SGX-ST) and the Company's Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Company or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 4)

7. The Proposed Renewal of the Share Buyback Mandate **(Resolution 7)**

That:

(a) for the purposes of the Catalist Rules and the Companies Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or acquire its issued and fully paid-up shares representing not more than ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at such price(s) as may be determined by the Directors of the Company or a committee of Directors of the Company that may be constituted for the purposes of effecting purchases or acquisitions of shares by the Company from time to time up to the Maximum Price (as defined below), whether by way of:

(i) an on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(ii) an off-market purchase ("**Off-Market Purchase**"), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buyback Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) unless varied or revoked by Shareholders of the Company in a general meeting, purchases or acquisitions of shares pursuant to the proposed Share Buyback Mandate may be made, at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders of the Company in a general meeting,

whichever is the earliest;

(c) in this resolution:

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

(i) in the case of a Market Purchase, 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 pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of the shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which the purchase or acquisition of shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) market days period and the day on which the purchases or acquisitions of shares are made;

NOTICE OF
ANNUAL GENERAL MEETING

"**day of the making of the offe**r" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

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

(See Explanatory Note 5)

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

BY ORDER OF THE BOARD

Lai Kuan Loong, Victor
Company Secretary

13 April 2023
Singapore

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes:

1. Datuk Low Kim Leng will, upon re-election as a Director of the Company, remain as an Independent Non-executive Director, Chairman of the Board, Chairman of the Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee of the Company. Datuk Low Kim Leng is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

   Key information on Datuk Low Kim Leng as required pursuant to Rule 720(5) of the Catalist Rules can be found under "Board of Directors and Key Management", "Corporate Governance Report" and "Appendix 1: Disclosure of Information on Directors Seeking Re-Election" of the Company's Annual Report 2022.

2. Mr Ong Swee Sin will, upon re-election as a Director of the Company, remain as an Executive Director and Chief Executive Officer of the Company.

   Key information on Mr Ong Swee Sin as required pursuant to Rule 720(5) of the Catalist Rules can be found under "Board of Directors and Key Management", "Corporate Governance Report" and "Appendix 1: Disclosure of Information on Directors Seeking Re-Election" of the Company's Annual Report 2022.

3. Ordinary Resolution 4, if passed, will authorise the Company to effect payment of Directors' fees to the Non-executive Directors (including fees payable to members of the various Board Committees) for the financial year ending 31 December 2023. This Resolution will facilitate the payment by the Company of the Directors' fees during the financial year in which they are incurred.

4. Ordinary Resolution 6, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or the date such authority is revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed one hundred per cent (100%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company may be issued other than on a *pro-rata* basis to existing shareholders.

5. Ordinary Resolution 7, if passed, will authorise the Directors of the Company from the date of this Annual General Meeting of the Company until the date 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 the purchases or acquisitions of shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated or the date on which such authority is revoked or varied by shareholders of the Company in a general meeting, whichever is the earliest, to purchase or acquire by way of Market Purchases or Off-Market Purchases not more than ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at such price(s) up to the Maximum Price. Information relating to this Ordinary Resolution 7 is set out in "Appendix 2: Share Buyback Mandate" of this Notice of Annual General Meeting in relation to the proposed renewal of the Share Buyback Mandate.

Notes:

1. The Annual General Meeting ("**AGM**") is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Shareholders will not be allowed to attend the AGM in person.** Printed copies of this Notice of AGM, Proxy Form and Annual Report 2022 will not be sent to shareholders. Instead, these documents will be sent to shareholders by electronic means via publication on SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://9rlimited.com/agm23/index.html.

   "Live" audio-visual webcast and "live" audio-only stream

2. Shareholders (including CPF and SRS investors) or their duly appointed proxies will be able to observe and/or listen to the AGM proceedings through the "live" audio-visual webcast or "live" audio-only stream. To do so, shareholders will need to register at https://conveneagm.sg/9RAGM2023 (the "**Registration Link**") by 10.00 a.m. on 26 April 2023 ("**Registration Deadline**") to enable the Company to verify their status.

3. Following verification, authenticated shareholders or their duly appointed proxies will receive an email by 10.00 a.m. on 27 April 2023 containing instructions on how to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings. Shareholders must not forward the abovementioned instructions to persons who are not shareholders of the Company and who are not entitled to attend the AGM.

4. Shareholders who register by the Registration Deadline but do not receive an email response by 10.00 a.m. on 27 April 2023, should email support@conveneagm.com.

NOTICE OF ANNUAL GENERAL MEETING

Voting at the AGM

5. Voting for the Ordinary Resolutions will be conducted by poll. Voting at the AGM may be carried out as set out below:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM;

   (b) (where the member is an individual or a corporate) submit a Proxy Form (in advance of the AGM) appointing a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her behalf; or

   (c) (where the member is an individual or a corporate) submit a Proxy Form (in advance of the AGM) appointing the Chairman of the AGM to cast votes, or abstain from voting, on their behalf.

6. A proxy need not be a member of the Company.

7. Shareholders who wish to submit instruments appointing a proxy(ies) must do so by downloading, completing and signing the Proxy Form in accordance with the instructions printed thereon, which have been uploaded together with this Notice of AGM and the Annual Report 2022 on SGXNET and the Company's website. The Proxy Form can be submitted to the Company in the following manner:

   (a) if sent by post, to the office of the Company's Share Registrar, M & C Services Private Limited ("**M&C**"), at 112 Robinson Road, #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, M&C, at gpb@mncsingapore.com, or via the online process through the Registration Link,

   in either case by 10.00 a.m. on 26 April 2023, being forty-eight (48) hours before the time fixed for the holding of the AGM. Shareholders are strongly encouraged to submit completed instruments appointing a proxy(ies) electronically via email or via the Registration Link.

   CPF or SRS investors:

   (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective CPF agent banks or SRS operators, and should contact their respective CPF agent banks or SRS operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM in which case they should approach their respective CPF agent banks or SRS operators to submit their votes by 10.00 a.m. on 19 April 2023, being at least seven (7) working days before the AGM.

   Appointed proxy(ies) will be prompted via email (within two (2) business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register at the pre-registration website at https://conveneagm.sg/9RAGM2023, in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings.

   The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Submission of questions

8. Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), who participate by way of observing the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings may ask text-based questions live and online (in real time) during the AGM, by typing in and submitting their questions via the "live" "Ask a Question" function via the online platform hosting the audio-visual webcast.

9. Alternatively, shareholders (including CPF and SRS investors) may pre-submit questions relating to the Ordinary Resolutions by (a) email to agm.question@9rlimited.com, or (b) submitting by post to the Company's Share Registrar, M&C, at 112 Robinson Road, #05-01, Singapore 068902, or (c) the Registration Link, by 5.00 p.m. on 20 April 2023.

10. For questions submitted in advance of the AGM, the Company will provide responses to all questions which are substantial and relevant to the Ordinary Resolutions by publication on the SGXNET and the Company's website by 24 April 2023, which is at least forty-eight (48) hours prior to the closing date and time for the lodgement of the Proxy Forms to facilitate shareholders' votes and to allow shareholders to make an informed decision on the Ordinary Resolutions to be tabled at the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Relevant intermediaries

11. Investors who hold shares through relevant intermediaries (as defined in section 181 of the Companies Act), including CPF and SRS investors, and who wish to participate in the AGM by (a) observing or listening to the AGM proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions live and online (in real time) during the AGM or in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF agent banks and SRS operators) through which they hold such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

Personal data privacy:

Where a member of the Company completes the pre-registration in accordance with this notice or submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.

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 of the AGM. Accordingly, the personal data of a member of the Company and/or his proxy(ies) and/or representative(s) (such as his/her name and his/her presence at the AGM) may be recorded by the Company for such purpose.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Datuk Low Kim Leng and Mr Ong Swee Sin are the Directors of the Company seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 28 April 2023 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F relating to the Retiring Directors to be put forward for re-election at the forthcoming AGM is disclosed below:

	DATUK LOW KIM LENG	MR ONG SWEE SIN
Date of appointment	1 January 2022	6 January 2022
Date of last re-appointment	29 April 2022	29 April 2022
Age	60	39
Country of principal residence	Malaysia	Malaysia
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	The Board of Directors of the Company ("**Board**") has considered, among others, the recommendation of the Nominating Committee of the Company ("**NC**") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Datuk Low Kim Leng for reappointment as Independent Non-Executive Director of the Company. Datuk Low Kim Leng has demonstrated strong independent character and judgement during his tenure in discharging his duty and responsibilities as Independent Non-Executive Director of the Company. He has expressed individual viewpoints, debated issues, objectively scrutinised management of the Company and has sought clarification and amplification as he deemed necessary. The Board has reviewed and concluded that Datuk Low Kim Leng possesses the experience, expertise, knowledge, skills and independence to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Ong Swee Sin for reappointment as Executive Director of the Company. The Board has reviewed and concluded that Mr Ong Swee Sin possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DATUK LOW KIM LENG	MR ONG SWEE SIN
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive Mr Ong Swee Sin is responsible for the overall corporate development, business and general management of the Group.
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director and Chairman of the Board. Chairman of the Remuneration Committee, as well as a member of the Audit and Risk Committee and the Nominating Committee.	Executive Director and Chief Executive Officer.
Professional qualifications	Bachelor of Arts (Honors) (Law) (Manchester Metropolitan University) Barrister-at-law, Gray's Inn (Inns of Court School of Law, UK) Advocate & Solicitor (High Court of Malaya) Registered Trade Mark Agent (Registrar of Trade Marks Malaysia) Notary Public (Attorney General Malaysia)	Bachelor of Engineering (Honors) Electronics majoring in Robotics and Automation, Multimedia University Malaysia
Working experience and occupation(s) during the past 10 years	Ringo Low & Associates (from 2003 to present) – Managing Partner	VK Kinetic Sdn Bhd (from 1 November 2021 to 31 January 2022) – Project Manager TOGL Technology Sdn Bhd (from 1 August 2021 to 31 August 2021) – Group General Manager TOGL Technology Sdn Bhd (from 1 February 2020 to 31 July 2021) – Chief Corporate & Compliance Officer TOGL Technology Sdn Bhd (from 1 August 2019 to 31 January 2020) – Corporate Development Officer

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DATUK LOW KIM LENG	MR ONG SWEE SIN
		TOGL Technology Sdn Bhd (from 16 May 2019 to 31 July 2019) – Business Development Manager Tinnolab Sdn Bhd (currently dormant) (from March 2017 to present) – Chief Executive Officer & Director ViTrox Corporation Berhad (from September 2013 to January 2019) – Assistant Manager
Shareholding interest in the listed issuer and its subsidiaries	Nil	20,419,958 ordinary shares (deemed interest in the Company through SSCM Sdn Bhd (formerly known as Synergy Supply Chain Management Sdn Bhd), a company wholly owned by Mr Ong Swee Sin)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Mr Ong Swee Sin, being the sole shareholder of SSCM Sdn Bhd (formerly known as Synergy Supply Chain Management Sdn Bhd), has deemed interest in the Company. Please see details set out above.
Conflict of Interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Directorships: AppAsia Berhad Sersol Berhad	Directorships: Obviously Blue Sdn Bhd Incredible Spark Sdn Bhd Power Nutriboost Sdn Bhd Dominant Resowave Sdn Bhd
Present	Directorships: Messrs. Ringo Low & Associates RLA Management Sdn Bhd	Directorships: Tinnolab Sdn Bhd (currently dormant) SSCM Sdn Bhd (formerly known as Synergy Supply Chain Management Sdn Bhd) Moments View Enterprise

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		DATUK LOW KIM LENG	MR ONG SWEE SIN
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

		DATUK LOW KIM LENG	MR ONG SWEE SIN
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(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

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DATUK LOW KIM LENG	MR ONG SWEE SIN
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

APPENDIX 1:
DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	DATUK LOW KIM LENG	MR ONG SWEE SIN
Disclosure applicable to the appointment of Director only		
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. 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 a Director of the Company.	Not applicable as this is a re-election of a Director of the Company.

APPENDIX 2:
SHARE BUYBACK MANDATE

Definitions

In this Appendix, the following definitions apply throughout unless otherwise stated:

"AGM"	:	Annual general meeting of the Company. Unless the context otherwise requires, "**AGM**" shall refer to the annual general meeting of the Company to be held on 28 April 2023
"Annual Report 2022"	:	The Company's annual report for the financial year ended 31 December 2022
"Appendix"	:	This appendix to Shareholders in relation to the proposed renewal of the Share Buyback Mandate
"associate"	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i). his immediate family; (ii). the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii). any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"associated company"	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
"Average Closing Price"	:	Has the meaning ascribed to it in Section 2.2(d) of this Appendix
"Board"	:	The board of Directors of the Company for the time being
"Catalist"	:	The Catalist board of the SGX-ST
"Catalist Rules"	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time

APPENDIX 2:
SHARE BUYBACK MANDATE

"Company"	:	9R Limited (formerly known as Viking Offshore and Marine Limited)
"Constitution"	:	The constitution of the Company, as amended or modified from time to time
"Controlling Shareholder"	:	A person who holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) (subject to the SGX-ST determining that such a person is not a Controlling Shareholder) or a person who in fact exercises control over the Company
"Director(s)"	:	The director(s) of the Company
"EGM"	:	Extraordinary general meeting of the Company
"EPS"	:	Earnings per Share
"FY"	:	Financial year ended or ending 31 December
"Group"	:	The Company and its subsidiaries
"Independent Director"	:	An independent director of the Company
"Latest Practicable Date"	:	27 March 2023 being the latest practicable date prior to the issue of this Appendix
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	:	Has the meaning ascribed to it in Section 2.2(c) of this Appendix
"Maximum Price"	:	Has the meaning ascribed to it in Section 2.2(d) of this Appendix
"NTA"	:	Net tangible assets
"Off-Market Purchase"	:	Has the meaning ascribed to it in Section 2.2(c) of this Appendix
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Buyback Mandate"	:	A general mandate given by Shareholders to authorise the Directors to purchase or acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set out in the Companies Act and the Catalist Rules
"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Accounts maintained are credited with Shares

APPENDIX 2:
SHARE BUYBACK MANDATE

"Shares"	:	Ordinary shares in the capital of the Company
"Sponsor"	:	UOB Kay Hian Private Limited
"Substantial Shareholder"	:	A Shareholder who has an interest in not less than 5% of the issued Shares
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"$" and "cents"	:	Dollars and cents respectively of the currency of Singapore
"%" or "per cent"	:	Per centum or percentage

The terms "Depositors", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act 2001 of Singapore. The term "subsidiary" shall has the meaning ascribed to it in Section 5 of the Companies Act.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re- enacted.

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

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

APPENDIX 2: SHARE BUYBACK MANDATE

1. INTRODUCTION

The purpose of this Appendix is to provide the Shareholders with information relating to, and to seek Shareholders' approval for the proposal renewal of the Share Buyback Mandate as further described in Section 2 of this Appendix, at the forthcoming AGM.

If a Shareholder is in doubt about the contents herein or the action he or she should take, he or she should consult his or her bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

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

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1. Rationale

At the EGM held on 15 December 2011, the Company obtained the approval of the Shareholders for the Share Buyback Mandate. The Share Buyback Mandate was last renewed at the AGM held on 29 April 2022.

As the Share Buyback Mandate renewed at the last AGM held on 29 April 2022 will be expiring on 28 April 2023, being the date of the forthcoming AGM, the Company intends to seek the approval of the Shareholders for the renewal of the Share Buyback Mandate at such AGM.

The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in Section 2.2(a) of this Appendix at any time during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

(a) in managing the business of the Group, the management team strives to increase Shareholders' value by improving, inter alia, the return on equity of the Group. In addition to growth and expansion of the business, share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;

(b) share buybacks by the Company will also enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose; and

(c) the Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire the Shares if and when circumstances permit, during the period when the proposed Share Buyback Mandate is in force. It is an expedient, effective and cost-efficient way for the Company to return surplus cash and/or funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans, to its Shareholders. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, inter alia, the Company's share capital structure.

APPENDIX 2:
SHARE BUYBACK MANDATE

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in Section 2.2(b) of this Appendix, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Group, or result in the Company being delisted from Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on Catalist.

2.2. Authority and limits

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

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the forthcoming AGM at which the Share Buyback Mandate is renewed. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 1,006,328,615 Shares in issue (excluding 159,230 treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, and that the Company does not reduce its share capital, not more than 100,632,861 Shares (representing not more than 10% of the issued ordinary share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the duration referred to in Section 2.2(b) of this Appendix.

(b) Duration of authority

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the forthcoming AGM, at which the Share Buyback Mandate is renewed, up to:

(i). the date on which the next AGM of the Company is held or required by law to be held;

(ii). the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii). the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the next AGM or any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose certain information, including details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, the total consideration paid for the purchases or acquisitions.

APPENDIX 2:
SHARE BUYBACK MANDATE

(c) Manner of purchases or acquisitions of Shares

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

(i). an on-market purchase ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(ii). an off-market purchase ("**Off-Market Purchase**"), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act, and otherwise in accordance with all others laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for time being be applicable.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Companies Act and the Catalist Rules, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

(i). offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii). all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii). the terms of the offers are the same, except that there shall be disregarded:

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

(i). the terms and conditions of the offer;

(ii). the period and procedures for acceptances;

(iii). the reasons for the proposed purchase or acquisition of Shares;

(iv). the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(v). whether the purchases or acquisitions of shares, if made, would have any effect on the listing of the Shares on Catalist;

(vi). details of any purchases or acquisitions of shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and

(vii). whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

APPENDIX 2:
SHARE BUYBACK MANDATE

(d) Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

(i). in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii). in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the "Maximum Price") in either case, excluding related expenses of the purchase or acquisition, where:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days period and the day on which the purchase or acquisitions of Shares are made; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3. Status of purchased or acquired Shares

All Shares purchased or acquired by the Company (other than Shares held in treasury by the Company to the extent permitted under the Companies Act and the Constitution) will be automatically delisted from Catalist, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

The Company intends to hold all Shares purchased or acquired pursuant to the Share Buyback Mandate as treasury shares.

2.4. Treasury Shares

Under the Companies Act, where ordinary shares of the Company are purchased or acquired by the Company in accordance with Sections 76B to 76G of the Companies Act, the Company may hold or deal with such shares as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum holdings

The number of shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

APPENDIX 2:
SHARE BUYBACK MANDATE

(b) Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

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

(i). sell the treasury shares for cash;

(ii). transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(iii). transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv). cancel the treasury shares; or

(v). sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.5. Reporting requirements

Pursuant to Rule 871 of the Catalist Rules, a listed company shall announce all purchases or acquisitions of its Shares not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The announcement of such purchases or acquisitions of Shares shall be in such form and shall include such details as may be prescribed under the Catalist Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company, in a timely fashion, the necessary information which will enable the Company to make the relevant announcement.

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The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

(i). date of the sale, transfer, cancellation and/or use;

(ii). purpose of such sale, transfer, cancellation and/or use;

(iii). number of treasury shares sold, transferred, cancelled and/or used;

(iv). number of Shares before and after such sale, transfer, cancellation and/or use;

(v). percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(vi). value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6. Sources of funds

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, the Company is permitted to purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of the Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.7. Financial effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS of the Group and the Company as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total issued share capital will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

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Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company, are based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2022, and are based on the assumptions set out below:

(a) based on 1,006,328,615 Shares in issue as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the AGM and no Shares are held by the Company as treasury shares on or prior to the AGM, not more than 100,632,861 Shares (representing not more than 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate;

(b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires the 100,632,861 Shares at the Maximum Price of S$0.0554 for one (1) Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase or acquisition of the 100,632,861 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately $5,579,086; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the Shares at the Maximum Price of S$0.0634 for one (1) Share (being the price equivalent to 20% above the Average Closing Price of the Shares on the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase or acquisition of the 100,632,861 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S$6,376,098.

For illustrative purposes only and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed by internal sources of funds and/or external borrowings, (ii) the Share Buyback Mandate had been effective on 1 January 2022 and (iii) the Company had purchased or acquired the 100,632,861 Shares (representing not more than 10% of its issued ordinary share capital (excluding treasury shares and subsidiary holdings) at the Latest Practicable Date), the financial effects of the purchase or acquisition of the 100,632,861 Shares by the Company pursuant to the Share Buyback Mandate:

(1) by way of purchases made entirely out of profits and held as treasury shares;

(2) by way of purchases made entirely out of capital and held as treasury shares;

(3) by way of purchases made entirely out of profits and cancelled; and

(4) by way of purchases made entirely out of capital and cancelled,

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on the audited financial statements of the Group and the Company for the financial year ended 31 December 2022 pursuant to the Share Buyback Mandate are as follows:

(1) Purchases made entirely out of profits and held as treasury shares

	Group			Company		
	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000
Share capital	123,898	123,898	123,898	123,898	123,898	123,898
Other reserves	970	970	970	20,616	20,616	20,616
Accumulated losses	(108,155)	(108,155)	(108,155)	(127,170)	(127,170)	(127,170)
	16,713	16,713	16,713	17,344	17,344	17,344
Treasury shares	(528)	(6,107)	(6,904)	(528)	(6,107)	(6,904)
Shareholders' funds	16,185	10,606	9,809	16,816	11,237	10,440
Net tangible assets	12,597	7,018	6,221	16,816	11,237	10,440
Current assets	15,904	10,325	9,528	17,063	11,484	10,687
Current liabilities	5,136	5,136	5,136	404	404	404
Working capital	10,768	5,189	4,392	16,659	11,080	10,283
Number of issued Shares (excluding of treasury shares)	1,006,329	905,696	905,696	1,006,329	905,696	905,696
Financial ratios						
Net tangible assets/ Share (cents)[1]	1.25	0.77	0.69	1.67	1.24	1.15
Current ratio (times)[2]	3.10	2.01	1.86	42.20	28.40	26.43
Earnings per Share (cents)[3]	(0.27)	(0.32)	(0.32)	(0.19)	(0.22)	(0.22)

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(2) Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000
Share capital	123,898	123,898	123,898	123,898	123,898	123,898
Other reserves	970	970	970	20,616	20,616	20,616
Accumulated losses	(108,155)	(108,155)	(108,155)	(127,170)	(127,170)	(127,170)
	16,713	16,713	16,713	17,344	17,344	17,344
Treasury shares	(528)	(6,107)	(6,904)	(528)	(6,107)	(6,904)
Shareholders' funds	16,185	10,606	9,809	16,816	11,237	10,440
Net tangible assets	12,597	7,018	6,221	16,816	11,237	10,440
Current assets	15,904	10,325	9,528	17,063	11,484	10,687
Current liabilities	5,136	5,136	5,136	404	404	404
Working capital	10,768	5,189	4,392	16,659	11,080	10,283
Number of issued Shares (excluding of treasury shares)	1,006,329	905,696	905,696	1,006,329	905,696	905,696
Financial ratios						
Net tangible assets/ Share (cents)[1]	1.25	0.77	0.69	1.67	1.24	1.15
Current ratio (times)[2]	3.10	2.01	1.86	42.20	28.40	26.43
Earnings per Share (cents)[3]	(0.27)	(0.32)	(0.32)	(0.19)	(0.22)	(0.22)

APPENDIX 2:
SHARE BUYBACK MANDATE

(3) Purchases made entirely out of profits and cancelled

	Group			Company		
	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000	Before Share Purchase S$'000	After Share Purchase assuming on market purchase S$'000	After Share Purchase assuming off market purchase S$'000
Share capital	123,898	123,898	123,898	123,898	123,898	123,898
Other reserves	970	970	970	20,616	20,616	20,616
Accumulated losses	(108,155)	(113,734)	(114,531)	(127,170)	(132,749)	(133,546)
	16,713	11,134	10,337	17,344	11,765	10,968
Treasury shares	(528)	(528)	(528)	(528)	(528)	(528)
Shareholders' funds	16,185	10,606	9,809	16,816	11,237	10,440
Net tangible assets	12,597	7,018	6,221	16,816	11,237	10,440
Current assets	15,904	10,325	9,528	17,063	11,484	10,687
Current liabilities	5,136	5,136	5,136	404	404	404
Working capital	10,768	5,189	4,392	16,659	11,080	10,283
Number of issued Shares (excluding of treasury shares)	1,006,329	905,696	905,696	1,006,329	905,696	905,696
Financial ratios						
Net tangible assets/ Share (cents)[1]	1.25	0.77	0.69	1.67	1.24	1.15
Current ratio (times)[2]	3.10	2.01	1.86	42.20	28.40	26.43
Earnings per Share (cents)[3]	(0.27)	(0.32)	(0.32)	(0.19)	(0.22)	(0.22)

APPENDIX 2:
SHARE BUYBACK MANDATE

(4) Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Purchase S$'000	**After Share Purchase assuming on market purchase S$'000**	**After Share Purchase assuming off market purchase S$'000**	**Before Share Purchase S$'000**	**After Share Purchase assuming on market purchase S$'000**	**After Share Purchase assuming off market purchase S$'000**
Share capital	123,898	118,319	117,522	123,898	118,319	117,522
Other reserves	970	970	970	20,616	20,616	20,616
Accumulated losses	(108,155)	(108,155)	(108,155)	(127,170)	(127,170)	(127,170)
	16,713	11,134	10,337	17,344	11,765	10,968
Treasury shares	(528)	(528)	(528)	(528)	(528)	(528)
Shareholders' funds	16,185	10,606	9,809	16,816	11,237	10,440
Net tangible assets	12,597	7,018	6,221	16,816	11,237	10,440
Current assets	15,904	10,325	9,528	17,063	11,484	10,687
Current liabilities	5,136	5,136	5,136	404	404	404
Working capital	10,768	5,189	4,392	16,659	11,080	10,283
Number of issued Shares (excluding of treasury shares)	1,006,329	905,696	905,696	1,006,329	905,696	905,696
Financial ratios						
Net tangible assets/ Share (cents)[1]	1.25	0.77	0.69	1.67	1.24	1.15
Current ratio (times)[2]	3.10	2.01	1.86	42.20	28.40	26.43
Earnings per Share (cents)[3]	(0.27)	(0.32)	(0.32)	(0.19)	(0.22)	(0.22)

Notes:

(1) Based on issued share capital of 1,006,328,615 Shares (excluding Treasury Shares) as at the Latest Practical Date.

(2) Current ratio equal to current assets divided by total liabilities

(3) Earnings per Share equals to profit attributable to owners of the Company divided by the weighted average number of Shares, assuming the Share Buyback took place on 1 January 2022

Shareholders should note that the financial effects set out above are purely for illustrative purposes and based only on the above-mentioned assumptions. In particular, it is important to note that the above financial analysis is based on the Group's and the Company's historical numbers for the financial year ended 31 December 2022, and is not necessarily representative of the future financial performance of the Group and the Company. The Company will take into account both financial and non-financial factors (for example, equity market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

APPENDIX 2:
SHARE BUYBACK MANDATE

2.8. Catalist Rules

While the Catalist Rules do not expressly prohibit purchases of shares by a Catalist company during any particular time or times, a Catalist company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such price-sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealing issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

(a) one (1) month immediately preceding the announcement of the Company's full-year results; and

(b) two (2) weeks immediately preceding the announcement of the Company's first three (3) quarterly results.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares (excluding preference shares, convertible equity securities and treasury shares) are in the hands of the public. The "public", as defined under the Catalist Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Group, as well as the associates of such persons.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, 352,015,292 Shares, representing approximately 34.98% of the issued Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate, and there is no other change to the capital structure of the Company and no change to the Shares held by the Directors and the Substantial Shareholders, the number of Shares in the hands of the public would be reduced to 251,382,432 Shares, representing approximately 27.76% of the reduced issued share capital of the Company. If the Shares in the hands of the public falls below 10% of the reduced issued share capital of the Company, the SGX-ST may suspend trading of the Shares.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity. In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on Catalist, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.9. Take-over Code implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(a) Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting rights of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

APPENDIX 2:
SHARE BUYBACK MANDATE

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be persons acting in concert:

(i). a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

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

(iii). a company with any of its pension funds and employee share schemes;

(iv). a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(v). a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;

(vi). directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(vii). partners; and

(viii). an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

APPENDIX 2:
SHARE BUYBACK MANDATE

(c) Effect of Rule 14 and Appendix 2 to the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares:

(i). the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or

(ii). in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months (commonly referred to as the "1% creeper rule").

In calculating the percentages of voting rights of such Directors and persons acting in concert with them, treasury shares shall be excluded.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares:

(i). the voting rights of such Shareholder would increase to 30% or more; or

(ii). if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the information in the Company's Register of members as at the Latest Practicable Date, none of the Directors or Substantial Shareholders are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 to the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the proposed Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.10. Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buyback Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.11. Previous Share buybacks

The Company did not purchase or acquire any Shares during the 12-month period immediately proceding the Latest Practicable Date.

2.12. Limits on Shareholdings

The Company does not have any individual or foreign limit on the shareholding of any Shareholder.

APPENDIX 2:
SHARE BUYBACK MANDATE

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the Registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares, respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	%(1)	No. of Shares	%(1)
Directors				
Ong Swee Sin(2)	–	–	20,419,958	2.03
Low Kim Leng	–	–	–	–
Wee Hock Kee	–	–	–	–
Mark Leong Kei Wei	–	–	–	–
Substantial Shareholders (other than Directors)				
Subtleway Management Sdn. Bhd.(3)	166,548,703	16.55	–	–
Lim Jun Hao(4)	–	–	166,548,703	16.55
Tristan Management Sdn. Bhd.(5)	161,918,008	16.09	–	–
Ng Boon Chee(6)	–	–	161,918,008	16.09
Irelia Management Sdn. Bhd.(7)	116,322,340	11.56	–	–
Tan Chiau Wei(8)	–	–	116,322,340	11.56
Toh Kok Soon(9)	94,668,142	9.41	–	–
Xiang XiPing(10)	50,936,128	5.06	–	–

Notes:

(1) Based on the issued share capital of the Company comprising 1,006,328,615 Shares (excluding treasury shares), as at the Latest Practicable Date.

(2) Mr Ong Swee Sin holds the entire issued share capital of SSCM Sdn Bhd (formerly known as Synergy Supply Chain Management Sdn. Bhd)., which has a direct interest in 20,419,958 Shares. Accordingly, Ong Swee Sin has a deemed interest in the 20,419,958 Shares held by SSCM Sdn Bhd (formerly known as Synergy Supply Chain Management Sdn. Bhd).

(3) Subtleway Management Sdn. Bhd. has a direct interest in the 166,548,703 Shares which are registered and held through UOB Kay Hian Private Limited.

(4) Mr Lim Jun Hao holds the entire issued share capital of Subtleway Management Sdn. Bhd. and is therefore deemed interested in the 166,548,703 Shares held by Subtleway Management Sdn. Bhd.

(5) Tristan Management Sdn. Bhd. has a direct interest in the 161,918,008 Shares which are registered and held through UOB Kay Hian Private Limited.

(6) Mr Ng Boon Chee holds the entire issued share capital of Tristan Management Sdn. Bhd. and is therefore deemed interested in the 161,918,008 Shares held by Tristan Management Sdn. Bhd.

(7) Irelia Management Sdn. Bhd. has a direct interest in the 116,322,340 Shares which are registered and held through UOB Kay Hian Private Limited.

(8) Mr Tan Chiau Wei holds the entire issued share capital of Irelia Management Sdn. Bhd. and is therefore deemed interested in the 116,322,340 Shares held by Irelia Management Sdn. Bhd.

(9) Mr Toh Kok Soon has a direct interest in 94,668,142 Shares which are registered and held through UOB Kay Hian Private Limited.

(10) Ms Xiang XiPing has a direct interest in 50,936,128 Shares, of which 32,600,000 Shares are registered and held through UOB Kay Hian Private Limited and 18,336,128 Shares are registered and held through Kenanga Investment Bank Berhad.

Save as disclosed above, none of the Directors or Substantial Shareholders and their respective Associates, has any interest, direct or indirect, in the Share Buyback Mandate.

APPENDIX 2:
SHARE BUYBACK MANDATE

4. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, inter alia, the terms, rationale and benefits of the proposed renewal of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate, at the forthcoming AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Constitution and the Annual Report 2022 may be inspected by Shareholders at the registered office of the Company at 105 Cecil Street, #12-02 The Octagon, Singapore 069534 during normal business hours from the date of this Appendix up to and including the date of the AGM.

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9R LIMITED

(Formerly known as Viking Offshore and Marine Limited)
(Company Registration No. 199307300M)
(Incorporated in the Republic of Singapore)

PROXY FORM
FOR ANNUAL GENERAL MEETING

IMPORTANT:

1. The Annual General Meeting ("**AGM**" or the "**Meeting**") of 9R Limited is being convened and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Annual Report 2022, Notice of AGM dated 13 April 2023 and this Proxy Form will not be mailed to members. Instead, copies of these documents will be available by electronic means via publication on SGXNET at http://www.sgx.com/securities/company-announcements and the Company's website at https://9rlimited.com/agm23/index.html.
2. **Members will not be able to attend the AGM in person.** Alternative arrangements relating to: (a) attendance at the AGM via electronic means (including arrangements by which the Meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (b) submission of questions in advance of, or "live" via text-based questions through the audio-visual webcast platform at, the AGM, and addressing of substantial and relevant questions in advance of, or "live" at, the AGM; and (c) voting at the AGM (i) "live" by the member or his/her/its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the AGM, are set out in the Notice of AGM dated 13 April 2023.
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who hold ordinary shares through their CPF/SRS funds. CPF/SRS investors who wish to vote should approach their respective CPF agent banks or SRS operators to submit their votes at least seven (7) working days before the date of the AGM.

I/We ______________________ (Name) ______________ (NRIC/Passport/Company Registration No.)

of ____ (Address),
being a member/members of **9R LIMITED** hereby appoint:

Name	NRIC/Passport No.	Email Address^	Proportion of Shareholdings	
			No. of Shares	%
Address				

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Email Address^	Proportion of Shareholdings	
			No. of Shares	%
Address				

or failing whom, the Chairman of the AGM as my/our proxy to vote for me/us on my/our behalf at the AGM of the Company, to be held by electronic means on **28 April 2023 at 10.00 a.m.** (Singapore time) and at any adjournment thereof in the following manner:

	Ordinary Resolutions	For**	Against**	Abstain**
	Ordinary Business			
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2022 together with the Auditors' Report thereon			
2.	Re-election of Datuk Low Kim Leng as a Director of the Company			
3.	Re-election of Mr Ong Swee Sin as a Director of the Company			
4.	Payment of Directors' fees of S$166,800 for the financial year ending 31 December 2023			
5.	Re-appointment of Messrs Mazars LLP as Auditors and to authorise the Directors to fix their remuneration			
	Special Business			
6.	Authority to allot and issue shares			
7.	Approval of the proposed renewal of the Share Buyback Mandate			

* *Delete as appropriate.*

** *Voting will be conducted by poll. If you wish to exercise all your votes "**For**" or "**Against**", please tick (√) in the "**For**" or "**Against**" box. Alternatively, please indicate the number of votes "**For**" or "**Against**" in the appropriate box. If you wish to "**Abstain**" from voting on the resolution, please tick (√) in the "**Abstain**" box. Alternatively, please indicate the number of shares which you wish to abstain from voting.*

^ *Appointed proxy(ies) will be prompted via email (within two (2) business days after the Company's receipt of a validly completed and submitted instrument appointing a proxy(ies)) to pre-register at the pre-registration website at https://conveneagm.sg/9RAGM2023, in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings.*

Dated this ______ day of ______________ 2023

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

Notes:

1. If the member has shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of shares. If the member has shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of shares. If the member has shares entered against his/her/its name in the Depository Register and shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy(ies) will be deemed to relate to all the shares held by the member.

2. A member will not be able to attend the AGM in person. A member who wishes to exercise his/her/its voting rights at the AGM may:

   (a) (where the member is an individual) vote "live" via electronic means at the AGM;

   (b) (where the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/her/its behalf; or

   (c) (where the member is an individual or a corporate) appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM.

3. This proxy form may be accessed at the Company's website and on SGXNET.

4. A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. If no proportion of the number of the member's shares is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the number of shares of his/her appointer and the proxy whose name appears second shall be deemed to be nominated in the alternate.

5. A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument. If no proportion of the number of the member's shares is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the number of shares of his/her appointer and the proxy whose name appears second shall be deemed to be nominated in the alternate.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

6. A proxy need not be a member of the Company.

7. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or

   (b) if submitted electronically, be submitted: (i) via email to the Company's Share Registrar at gpb@mncsingapore.com; or (ii) via the online process through the pre-registration website at https://conveneagm.sg/9RAGM2023,

   in each case, not less than forty-eight (48) hours before the time appointed for holding the AGM.

   A member who wishes to submit an instrument appointing a proxy(ies) by post or via email must first download, complete and sign the proxy form before submitting it by post to the address provided above, or before submitting it via email (e.g., by enclosing a completed and signed PDF copy of the proxy form) to the email address provided above. A member may also appoint a proxy(ies) via the online process through the aforesaid pre-registration website.

8. Completion and return of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the AGM. A member who accesses the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings may revoke the appointment of a proxy(ies) at any time before voting commences and in such an event, the Company reserves the right to terminate the proxy(ies)' access to the "live" audio-visual webcast and "live" audio-only stream of the AGM proceedings.

9. The instrument appointing a proxy(ies) must, if submitted by post or electronically via email, be signed under the hand of the appointor or of his/her attorney duly authorised in writing, or if submitted electronically via the online process through the aforesaid pre-registration website, be authorised by the appointor via the online process through the website. Where the instrument appointing a proxy(ies) is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its seal or under the hand of an officer or attorney duly authorised, or if submitted electronically via the online process through the aforesaid pre-registration website, be authorised by the appointor via the online process through the website. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument or, if the instrument is submitted electronically via email, be emailed with the instrument, failing which the instrument may be treated as invalid.

10. The Company shall be entitled to reject an instrument appointing a proxy(ies) if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 13 April 2023.

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105 Cecil Street
#12-02 The Octagon
Singapore 069534

Tel: +65 89288467
Website: www.9rlimited.com