

# 2023 ANNUAL REPORT

BACUI TECHNOLOGIES  
INTERNATIONAL LTD.



**BACUI TECHNOLOGIES**  
INTERNATIONAL LTD.



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This Annual Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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# CORPORATE INFORMATION

## Board of Directors

**Yeo Kan Yen**

*Independent Non-Executive Chairman*

**Yang Ran**

*Executive Director*

**Yang Li**

*Executive and Strategy Director*

**Heng Victor Ja Wei**

*Independent Non-Executive Director*

**Peng Lei Qing**

*Independent Non-Executive Director*

## Nominating Committee

**Yeo Kan Yen**, *Chairman*

**Heng Victor Ja Wei**, *Member*

**Peng Lei Qing**, *Member*

## Remuneration Committee

**Peng Lei Qing**, *Chairman*

**Heng Victor Ja Wei**, *Member*

**Yeo Kan Yen**, *Member*

## Audit Committee

**Heng Victor Ja Wei**, *Chairman*

**Peng Lei Qing**, *Member*

**Yeo Kan Yen**, *Member*

## Company Secretary

**Chua Kern**

## Registered Office

138 Robinson Road

#26-03 Oxley Tower Singapore 068906

Registration No. 199407135Z

## Share Registrar

Tricor Barbinder

Share Registration Services

(A division of Tricor Singapore Pte. Ltd.)

9 Raffles Place Republic Plaza Tower 1

#26-01 Singapore 048619

## Auditor

Moore Stephens LLP

10 Anson Road #29-15 International Plaza

Singapore 079903

Partner-in-charge: Lao Mei Leng

(Appointed since financial period ended 31 December 2023)

## Sponsor

PrimePartners Corporate Finance Pte. Ltd.

16 Collyer Quay #10-00 Collyer Quay Centre

Singapore 049318

## Principal Bankers

Standard Chartered Bank (Singapore) Limited

# CHAIRMAN'S STATEMENT

## Dear Shareholders,

On behalf of the Board of Directors Bacui Technologies International Ltd. (the "**Company**"), I am pleased to present the annual report (the "**AR**") of the Company and its subsidiary corporations (the "**Group**") for the financial period ended 31 December 2023 ("**FP2023**"). The Company changed its financial year end from 31 March to 31 December on 15 November 2023 and the results of the Group in this AR is for a 9-month period.

The Company completed the acquisition of Bacui Elitist Technology Limited (together with its subsidiaries "**Bacui Group**") on 29 March 2023 and the financial performance of Bacui Group was consolidated with effect from 1 April 2023.

FP2023 has been a year of change for the Group. Shareholders approved the change of name to Bacui Technologies Internatioal Ltd. and a change of the core business of the Group at an extraordinary general meeting held on 31 July 2023. The change of core business has also led to new leadership resulting in the appointments of Mr Yang Ran as Executive Director and Mr Yang Li as Executive and Strategy Director.

The Group also disposed of its publishing and moneylending business in Hong Kong under Fame Harvest Limited and its subsidiary corporations on 27 September 2023 and its publishing business in Malaysia under Inovatif Media Asia Sdn Bhd on 12 October 2023 (the "**Disposal Group**").

## REVIEW OF FINANCIAL PERFORMANCE

### Revenue

The revenue for FP2023 is attributable to Bacui Group.

### Other income

Other income amounting S\$0.35 million is attributable to Bacui Group's operations while an amount of S\$37,000 is relating to the adjustment of translation reserves.

### Expenses

The increase in employee compensation, depreciation of property, plant and equipment, rental expenses and other operating expenses is attributable to Bacui Group.

The increase in professional fees is attributable to the consolidation of Bacui Group and an increase in the audit fees of the Company in FP2023 as compared to the financial year ended 31 March 2023 ("**FY2023**").

### (Loss)/profit attributable to shareholders

Loss attributable to shareholders for FP2023 was S\$0.46 million as compared to a profit of S\$0.44 million in FY2023.

The profit in FY2023 was primarily due to gain on bargain purchase of S\$1.85 million arising from the acquisition of Bacui Elitist Group.

## REVIEW OF FINANCIAL POSITION AND CASH FLOWS

As at 31 December 2023, the Group's Net Asset Value ("**NAV**") increased to S\$2.9 million as compared to S\$2.4 million in the beginning of the year. NAV per share as at 31 December 2023 was 0.27 cents as compared with 0.26 cents as at 31 March 2023.

### Balance sheet

The decrease in trade and other receivables, other current assets, intangible assets and non-current other receivables is mainly due to the deconsolidation of the Disposal Group with effect from 30 September 2023.

The decrease in amounts due to shareholder is due to repayment during FP2023. The amounts due to shareholder are interest free, unsecured and repayable on demand.

Cash and cash equivalents decreased by S\$0.85 million due largely to cash used in financing activity of S\$3.04 million, partially offset by cash generated from operating activities of S\$2.06 million and investing activities of S\$0.27 million. Please refer to the "Cash-flow" section below for explanation on the cash flow movements.

# CHAIRMAN'S STATEMENT

## Cash-flow

Cash and cash equivalents as at 31 December 2023 was S\$9.93 million as compared to S\$10.78 million as at 31 March 2023.

Cash generated from operating activities was S\$2.06 million in FP2023. The net operating cash inflow was due to operating loss before working capital changes of S\$0.3 million adjusted for working capital inflows of S\$1.96 million which were mainly attributable to a decrease in trade and other receivables during the period.

Cash generated from investing activities was S\$0.27 million in FP2023 mainly due to the disposal of subsidiary corporations.

Cash used in financing activities was S\$3.04 million due to the repayment of amounts due to shareholder/director of S\$3.03 million.

The Group had positive working capital of S\$2.85 million as at 31 December 2023 as compared to S\$2.09 million as at 31 March 2023.

## THE YEAR AHEAD

The Board and Management team at Bacui Group is dedicated to the advancement and expansion of our domestic human resources and labour outsourcing services in China. We are fully committed to utilizing our internal and external financial and operational resources to achieve this goal in the near and medium term.

Our primary objectives in the immediate future revolve around regional growth within China. We aim to establish a stronger presence in various regions across the country. Additionally, we seek to foster partnerships with prominent local corporations in China, with the aim of bolstering our market share and facilitating the rapid expansion of our operations. By pursuing these strategies, we anticipate an increase in our revenue.

In summary, Bacui Group is committed in their pursuit of developing and enhancing our domestic human resources and labor outsourcing-related services in China. We aim to leverage our financial and operational resources, expand into new regions, forge strategic alliances with reputable local corporations, and ultimately drive revenue growth.

The Company has recently announced the joint venture agreement between Foshan Shunde District Human Resources Co., Ltd. and Foshan Talent Development Co., Ltd. Please refer to the announcement dated 29 February 2024 for the details of the proposed joint venture.

## ACKNOWLEDGEMENTS AND APPRECIATION

On behalf of the Board, I would like to thank and express my appreciation to our shareholders, customers, business partners and suppliers for their continued support and trust over the past years.

I would also like to thank the Board for their guidance and support over the past year. My appreciation goes to staff and management for their hard work and contribution over the past year.

**Yeo Kan Yen**  
*Independent Non-Executive Chairman*

# SUSTAINABILITY REPORT

## ABOUT THIS REPORT

Bacui Technologies International Ltd. (formerly known as Arion Entertainment Singapore Limited), the “**Company**”, together with its subsidiaries, the “**Group**”, “**Bacui**”, “**we**”, “**us**” or “**our**”) is pleased to present our seventh Sustainability Report (the “**SR**” or “**this report**”).

This report provides an overview of the accomplishments and progress made towards Economic, Environment, Social, and Governance (“**EESG**”) matters, such as anti-corruption, occupational and customer health and safety, employment, labour and management relations, marketing and labeling, training and education, diversity and equal opportunity and non-discrimination, labour practice, and customer privacy. The data presented in this report covers the material EESG performance and matters during the financial period from 1 April 2023 to 31 December 2023 (the “**Reporting Period**”).

The Company acquired Bacui Elitist Technology Limited (“**Bacui Group**”) on 29 March 2023 and the EESG matters relating to Bacui Group was not reported in the financial year ended 31 March 2023 (“**FY2023**”). The Group completed the disposal of its subsidiaries, Fame Harvest Limited and Inovatif Media Asia Sdn. Bhd. (the “**Disposal Group**”) in September 2023 and October 2023 respectively. The scope of this report is different from that of FY2023 SR with the inclusion of Bacui Group and the exclusion of the Disposal Group. The Group considers the disposed publishing and moneylending businesses to be immaterial to the Group's overall EESG performance during the Reporting Period and therefore these EESG matters are not disclosed in the Reporting Period. As the segment in relation to the provision of human resources and labour outsourcing related services (“**HRLOS**”) operated in the People's Republic of China (“**PRC**”) contributes the most significant portion of the Group's revenue, as well as its impacts on the stakeholders, the Group includes HRLOS in PRC as the core business of the Group in the reporting scope for the Reporting Period, which is considered material unless otherwise specified. Revenue from the HRLOS segment accounted for approximately 89% of the total revenue of the Group during the Reporting Period. The Group will keep assessing major EESG aspects of different businesses and major subsidiaries to determine whether they should be covered in the SR.

This report is prepared with reference to the Global Reporting Initiative (“**GRI**”) Universal Standards 2021 and is in line with the requirements of the Singapore Exchange Securities Trading Limited Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The GRI Standards, which are recognised as the representation of international best practices, was chosen as the reporting framework for its strong principles and comprehensive guidance. The GRI content index included at the end of this report provides a summary of the disclosures.

The Group recognises that preparing climate-related disclosures aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”) has been recommended by the SGX-ST in its Practice Note 7F. However, after consideration by the senior management team, as the Group is not materially exposed to climate-related risks or opportunities due to the nature of its business and does not fall within the industries prioritised for mandatory disclosure under TCFD, this report does not currently include climate-related disclosures. The Group will continue to monitor any emerging climate-related risks or opportunities relating to its supply chain and operations regularly and will review and enhance the disclosure requirements based on TCFD recommendations in the subsequent years of sustainability reporting. Based on the requirements in Rule 711B of the Catalist Rules and Practice Note 7F, we have mapped our climate-related disclosures based on TCFD Recommendations and a summary is provided in the section TCFD Content Index on pages 28 and 29 of this Annual Report.

We have presented our data in this report in good faith and to the best of our understanding. We have not sought external assurance for this report. Our internal review cycle spans over 3 years. For the Reporting Period under review, the monitoring and verification of the disclosed data in this report are performed internally by management and overseen by the Board. We are dedicated to listening to our stakeholders' feedback on any aspect of our sustainability performance. You could reach us at [yyb.bcyj.cn/contact-us.html](http://yyb.bcyj.cn/contact-us.html).

# SUSTAINABILITY REPORT

## BOARD STATEMENT

### Dear Stakeholders,

Bacui Technologies International Ltd. is delighted to present our Sustainability Report, highlighting our unwavering commitment to EESG practices. In these challenging times, we remain steadfast in our dedication to responsible operations and creating a positive impact on the world around us.

The Board of Directors (the “**Board**”) plays a vital role in overseeing the identification, management, and monitoring of the Group’s material EESG factors. We firmly believe that sustainability must be embedded into our decision-making processes and guide our strategic direction. With the unwavering support of the Board, we are dedicated to actively engaging our current and prospective stakeholders, addressing their interests and concerns. By fostering strong partnerships, we aim to advance our sustainability efforts and create long-term value for all stakeholders.

The acquisition of Bacui Group was completed on 29 March 2023, and the Group completed the disposal of its subsidiaries, Fame Harvest Limited and Inovatif Media Asia Sdn. Bhd. in September 2023 and October 2023 respectively. Bacui Group is now the sole component of our diverse portfolio. Shareholders have also approved the change of core business of the Group to the provision of human resources and labour outsourcing related services operated in the PRC during the extraordinary general meeting (“**EGM**”) held on 31 July 2023.

Bacui actively aligns with national strategies and urban construction directions, focusing on sustainable and high-quality development. Over the past few years, the Group’s overall operating conditions have been stable with progress. Building upon a stable and high-quality customer base, we actively explore new markets. We are committed to improving operational efficiency, continuously innovating products and services, and maintaining one of the leading position in the service outsourcing industry. In addition, we continue to promote the adjustment of its business structure, mainly serving governments, financial institutions, state-owned enterprises, etc., and operating in multiple sectors to reduce operational risks.

We extend our sincere appreciation to Bacui’s management team, employees, partners, and stakeholders who have played a significant role in our sustainability journey thus far. Your continued support is invaluable, and we eagerly look forward to fostering collaboration with all of you as we collectively work towards achieving our sustainability goals in the future.

**Signed,  
Yeo Kan Yen**

*Independent Non-Executive Chairman*

## CORPORATE PROFILE

Listed on the Singapore Stock Exchange's Catalist board, Bacui Technologies International Ltd. (formerly known as "Arion Entertainment Singapore Limited") is an investment holding company, established in 1994 and was listed on the Catalist Board of the SGX-ST in 1997. The Company has business interests in China through the subsidiaries within the Bacui Group. On 29 March 2023, the Company completed the acquisition of Bacui Elitist Technology Limited and its subsidiaries, or the Bacui Group which is engaged in the provision of human resources, labour outsourcing related services, infrastructure management services and food distribution service. Shareholders of the Company has approved the change of core business to that of provision of labour/talent (mainly blue-collar contract workers) to local governments and businesses in the PRC and elsewhere and related services at the EGM held on 31 July 2023. With the disposal of the publishing and moneylending businesses, Bacui's principal activities changed to the provision of human resources, labour outsourcing related services, infrastructure management services and food distribution service in the PRC.

<b>Mission Statement and Key Objectives</b>	<b>The Core:</b> Unity of Righteousness and Benefit
	<b>Two Abilities:</b> the ability to embrace happiness, the ability to solve the problems
	<b>Three Creations:</b> create value for customers, create happiness for employees, and create benefits for shareholders
	<b>Four Principles:</b> be grateful, be willing to undertake, be resilient, be highly executive
	<b>Five Habits:</b> make good use of time, communicate and collaborate effectively, pursue life-long learning, continuously improve oneself, and be willing to contribute

Currently, Bacui's main operating services are summarized below:

<b>Human resource and labour outsourcing services</b>	Labour outsourcing services, labour dispatch services, training and development services, recruitment services, talent assessment services, career planning services
<b>Integrated logistics outsourcing services</b>	Security services, environmental management services, equipment management services, catering and cafeteria services, smart city services, fresh food delivery services
<b>Business process outsourcing services</b>	Government affairs monitoring, examination management services, training and inspection, archives management, financial and logistics services, data processing

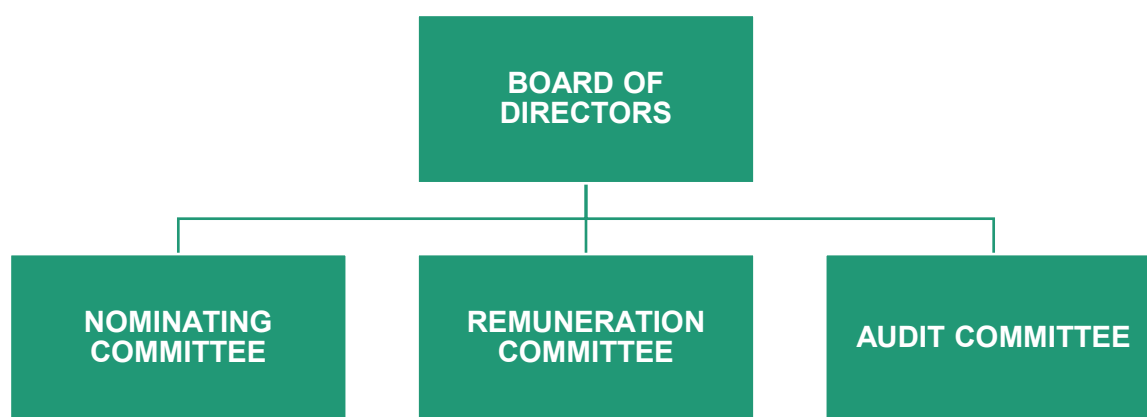


# SUSTAINABILITY REPORT

## CORPORATE GOVERNANCE

Bacui places great importance on upholding exemplary corporate governance practices, accountability, adherence to the law, and integrity. We recognise the significance of establishing a sound corporate governance framework to promote the long-term success and sustainability of our business. Our corporate governance structure encompasses various policies and procedures, which are in accordance with the principles and guidelines outlined in the Code of Corporate Governance 2018.

The Board oversees the development of the Group's overall corporate governance practices and sustainability strategies. These strategies are formalised by senior management to ensure their alignment with our business objectives.



### Board of Directors

- Yeo Kan Yen (Independent Non-Executive Director, appointed on 27 March 2023, redesignated as Non-Executive Chairman on 17 October 2023)
- Yang Ran (Executive Director, appointed on 17 October 2023)
- Yang Li (Executive and Strategy Director, appointed on 17 October 2023)
- Ng Kai Man (Executive Director, resigned on 17 October 2023)
- Heng Victor Ja Wei (Independent Non-Executive Director, appointed on 30 June 2023)
- Prof Peng Lei Qing (Independent Non-Executive Director, appointed on 30 June 2023)
- Chou Kong Seng (Independent Non-Executive Director, resigned on 31 July 2023)
- Kesavan Nair (Independent Non-Executive Director, resigned on 31 July 2023)
- Lee Keng Mun (Independent Non-Executive Director, resigned on 31 July 2023)

### Nominating Committee

- Yeo Kan Yen (Chairman, appointed on 31 July 2023)
- Kesavan Nair (Chairman, resigned on 31 July 2023)
- Heng Victor Ja Wei (Member, appointed on 31 July 2023)
- Prof Peng Lei Qing (Member, appointed on 31 July 2023)
- Chou Kong Seng (Member, resigned on 31 July 2023)
- Lee Keng Mun (Member, resigned on 31 July 2023)

## Remuneration Committee

- Prof Peng Lei Qing (Chairman, appointed on 31 July 2023)
- Lee Keng Mun (Chairman, resigned on 31 July 2023)
- Heng Victor Ja Wei (Member, appointed on 31 July 2023)
- Yeo Kan Yen (Member, appointed on 31 July 2023)
- Chou Kong Seng (Member, resigned on 31 July 2023)
- Kesavan Nair (Member, resigned on 31 July 2023)

## Audit Committee

- Heng Victor Ja Wei (Chairman, appointed on 31 July 2023)
- Chou Kong Seng (Chairman, resigned on 31 July 2023)
- Prof Peng Lei Qing (Member, appointed on 31 July 2023)
- Yeo Kan Yen (Member, appointed on 31 July 2023)
- Kesavan Nair (Member, resigned on 31 July 2023)
- Lee Keng Mun (Member, resigned on 31 July 2023)

## SUSTAINABILITY GOVERNANCE

The Board's commitment to sustainable development includes the development of management policies and strategies to ensure that environmental protection, social responsibility and effective governance practices are taken into account in the operations of the Group. This commitment is reflected in our overall vision and strategies to ensure that the Group's business activities comply with environmental regulations, adopt sustainable practices, focus on employee well-being and establish an effective governance structure. The link between the Board's commitment to sustainable development and the business is that a company's long-term success and profitability are closely linked to its EESG performance. Effective environmental management, social responsibility and good governance structures not only help reduce risk, but also enhance the attractiveness of the Group, to investors, customers and employees. Therefore, the sustainable development commitment of the Board directly affects business performance and long-term development of the Group. The Group mainly adopts the following four aspects as the main measures to promote the sustainable development process:

- To ensure that sustainable development considerations are fully taken into account in our operations by establishing relevant management policies, strategies, priorities and objectives. These management policies and strategies should be closely related to business development to ensure that the Group can achieve profitability while also reducing environmental impact, fulfilling social responsibility and promoting social progress.
- To ensure that the EESG performance of the Group is achieved through regular reviews and timely adjustments to management policies and strategies. This practice helps to ensure that our commitment is aligned with business development and helps to enhance our brand image and reputation.
- To systematically manage the setting, promotion and review of sustainable targets. The Board works with the Group's internal ESG team to ensure that the measurement mechanisms and industry benchmarks adopted are in line with industry standards and best practices. The ESG team, under the leadership of the Board, comprise heads from the various departments and is responsible for reporting to the Board regularly. In order to assess the progress of our sustainability goals, the Board sets baseline based on the actual situation of the Group, which serves as a reference point and makes comparison from time to time. The Board reviews and evaluates the EESG performance or results with respect to sustainable targets. If we fail to meet the targets, the board should require analysis and disclosure of the reasons. The Board in cooperation with the senior management, develops appropriate continued strengthening or adjustment measures in response to the performance of the targets. This may include resetting targets, adjusting strategies, and strengthening resources to ensure that the Group can make progress on sustainable development. Remuneration policies for the Board and executives are linked to the targets and performance of managing the impact on EESG, which may include incorporating sustainable targets into compensation incentives to motivate management and employees to make progress on sustainability.

# SUSTAINABILITY REPORT

- iv. Responsible for the review and approval of the SR through the establishment of a dedicated review committee. The Group's internal ESG team or an external professional team commissioned to collect and process the data to ensure that the report complies with the relevant principles (please refer to the section *Material Topics*), and meets the relevant reporting requirements and standards. The Board reviews the disclosures in the report to ensure that the company makes full disclosure which is material and transparent, without withholding or misrepresenting information. After all, the Board approves the disclosure data in the SR to ensure that it is consistent with the values and commitments of the Group and meets the expectations of stakeholders.

## CORPORATE INFORMATION

### Training and Updates for the Board

During the Reporting Period, the Board welcomed the addition of four (4) newly appointed directors. The Company Secretary and independent auditor ensured the Board stayed informed about regulatory updates and new and/or changes in accounting standards requirements, respectively. At each Board meeting, the Executive Directors provided timely updates on business and strategy developments, including significant concerns and the Company's risk areas.

Furthermore, due to the recent change in the core business in July 2023, there have been significant changes in the members of the board of directors during the Reporting Period. In compliance with the enhanced SGX-ST sustainability reporting rules announced in December 2021, the Group has developed and scheduled the mandatory ESG training course for the newly appointed directors. As of the date of this Report, three (3) of the newly appointed directors have completed the mandatory ESG training course, while other newly appointed director plans to attend and complete the relevant training as soon as possible in the next financial year ending 31 December 2024.

### Internal Control

The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the AC which conducts the reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems. The 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. In the Reporting Period, the Board has received assurances from the Executive Directors of the Company that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control system were adequate and effective.

### Supply Chain Management

Since the core business of the Group has changed to HRL0S for the Reporting Period, there is a major change in our supply chain compared to previous financial year. Due to the nature of business, the Group had not engaged with any long-term key suppliers during the Reporting Period. Furthermore, the Group had not engaged any subcontractors to provide human resources services to any of its clients. When selecting suppliers, the Group will fully consider the customer profile of the supplier, giving priority to suppliers specializing in serving government units and large enterprises. Nevertheless, the Group is committed to giving priority to products and suppliers that meet environmental standards in the procurement process, encouraging partners to work together on sustainable development and environmental protection.

### Memberships of Associations and Permits

The Group has joined Guangdong Province Human Resource Management Association\* (廣東省人力資源管理協會), Foshan Shunde District Property Management Industry Association\* (佛山市順德區物業管理行業協會) and Foshan Shunde District Labour Security Promotion Association\* (佛山市順德區勞動保障事業促進會), in order to acquire the latest industry knowledge and technology, gain a comprehensive market understanding and access greater learning opportunities for our team.

\* The English name is for identification purpose only.

## STAKEHOLDER ENGAGEMENT

We regularly engage with diverse stakeholders through various platforms, leveraging on their feedback to shape our strategy and promote transparency. This table summarises our key stakeholders, engagement methods, and their concerns and expectations.

Stakeholder	Concerns	How We Engage	Expectations And Actions
<b>Customers</b>	<ul style="list-style-type: none"> <li>Service Quality</li> </ul>	<ul style="list-style-type: none"> <li>Formal meeting</li> <li>Feedback from marketing staff</li> <li>Daily communication and feedback with customers</li> </ul>	Expanding our outreach and continuing to provide exemplary services to our customers through communication and analysis of changing needs while providing solutions to customers.
<b>Supplier</b>	<ul style="list-style-type: none"> <li>Service/Products Quality</li> <li>Service Experience</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from daily communication</li> <li>Quality Assessment</li> </ul>	Complying with the Group's internal purchasing procedures and ensuring effective communication with suppliers to ensure the quality and efficiency of the services/products provided by suppliers.
<b>Employees</b>	<ul style="list-style-type: none"> <li>Opportunities</li> <li>Fairness</li> </ul>	<ul style="list-style-type: none"> <li>Daily communication</li> <li>Formal interviews</li> <li>Satisfaction surveys</li> <li>Employee evaluations</li> </ul>	Providing constant communication with our employees and ensuring fair and non-discriminatory practices at our workplace.
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Company Growth</li> <li>Transparency</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders meetings</li> <li>Keeping abreast with updated information on Company's website <a href="http://yyb.bcjy.cn">http://yyb.bcjy.cn</a></li> <li>Updates via SGXNet Announcements</li> </ul>	Conveying timely, complete and credible information to shareholders through announcements and creating long term value and economic growth.
<b>Government and Regulators</b>	<ul style="list-style-type: none"> <li>Compliance with relevant regulatory and industry standards and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Information disclosure</li> <li>Reports</li> <li>Consultations and survey organised by key regulatory bodies</li> </ul>	Aiming to comply with policies and regulations required by the respective authorities at all times.

# SUSTAINABILITY REPORT

## MATERIAL TOPICS

Based on the feedback received from our stakeholders, we have conducted a materiality assessment of the EESG topics. Through this assessment, we have identified and prioritized the topics based on their materiality. The Material EESG factors are also identified with reference to SASB Standards and GRI's principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability to ensure report quality.

We would like to highlight that the significant change in our core business has led to a notable shift in the material topics for the Reporting Period compared to previous years. The material topics identified are listed below:

- Customer privacy
- Occupational health and safety
- Customer health and safety
- Employment
- Labour/management relations
- Market and labeling
- Training and education
- Diversity and equal opportunity
- Forced or compulsory labour
- Child labour
- Non-discrimination
- Anti-corruption

## ANTI-CORRUPTION

### Why is it Material

We strive to conduct our business with the highest level of integrity and transparency to safeguard the interests of our stakeholders and prevent any harm to the reputation of our Group. Our commitment is to conduct our business in full compliance with all relevant laws, rules, and regulations in the jurisdictions where we operate. We have zero tolerance towards any form of bribery and corruption.

## Management Approach

All employees are required to adhere to our stringent Code of Conduct, which addresses conflicts of interest and fraud. To ensure that our senior management stays informed about relevant regulations and changes in the Companies Act, the Company Secretary provides updates on a yearly basis. We are committed to protecting the interests of our stakeholders, and as part of this commitment, we assess and update our Code of Conduct once a year. Additionally, we have implemented various measures to mitigate the risk of corruption, including periodic updates from senior management to the Board regarding strategic changes and performance measurements. These measures enable the Board to actively monitor and promptly respond to any potential risks. For more detailed information, we encourage you to refer to the "Corporate Governance Report" section in our annual report for the period from 1 April 2023 to 31 December 2023.

In accordance with GRI 205-1 regarding operations assessed for risks related to corruption, our organisation has conducted thorough evaluations in the key region our Group is involved in in the Reporting Period under review, namely the PRC. These assessments are carried out on an annual basis as part of our comprehensive risk assessment process. Within this broader review, corruption stands as a significant risk factor that we consistently monitor and evaluate.

## Whistle-blowing Policy

The Group has in place a whistle-blowing policy to ensure independent investigations of complaints relating to fraud, corruption, possible improprieties in financial reporting, breach of law, non-compliance with the Group's code of conduct and business practices, and any wrongful acts by any employees of the Group, and for appropriate follow-up action.

The policy is aimed at encouraging the reporting of such matters in good faith and that staff of the Group and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal and detrimental or unfair treatment. The Group is also committed in ensuring that the identity of the whistleblower is kept confidential.

Anonymous complaints may be considered, taking into account factors such as the merits of the issues raised. Any suspected non-compliance case and/or concern may be reported in writing and forwarded to the Non-Executive Chairman of the Company and Chairman of Audit Committee by:

- (i) Post to 138 Robinson Road #26-03 Oxley Tower Singapore 0638898; and/or
- (ii) Email to [whistleblow@bcjy.cn](mailto:whistleblow@bcjy.cn)

The policy has a well-defined process which ensues independent investigation of issues/concerns raised and appropriate follow-up action. All reported whistle-blowing incidents or concerns will be independently investigated and remedial actions will be taken to address the whistle-blowing incidents. The Audit Committee has oversight and monitoring of the policy.

During the onboarding process, all employees, including the Management and the Board, are required to disclose any existing or potential interests in companies within the Group and their nature, and when such conflict of interest arises. Additionally, new employees will receive information about the various policies during company orientation. Updates to policies or regulations will be communicated to all relevant employees via email.

# SUSTAINABILITY REPORT

## Performance

In order to enhance anti-corruption awareness and levels, an internal anti-corruption and anti-commercial bribery training has been provided to staff during the Reporting Period, which covered topics such as the relevant content, laws and cases of corruption, and the forms of commercial bribery and legal liability, and the risk control of commercial bribery in enterprises. The following table provide details on communication and training about anti-corruption policies and procedures:

Aspects	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Number	% of Total
<b>Communication to the Board</b>		
The Board members	5	100%
<b>Communication to Employees</b>		
Senior management and managerial employees	80	100%
Non managerial employees	3,218	100%
<b>Board Members received Anti-corruption Training</b>		
The Board members	5	100%
<b>Employees received Anti-corruption Training</b>		
Senior management and managerial employees	4	5%
Non managerial employees	25	1%

Note:

1. The scope of this Report is different from that of the SR in previous year as the scope of the SR in previous year mainly covered the publishing and financial business of the Group, which was disposed of during the Reporting Period, thus the data for the Corresponding Period is not available and comparable.

There were no reported incidents or public legal cases regarding corruption and no whistle-blowing reports received in the Reporting Period. The Group has met the target of zero cases of corruption previously set in the last Reporting Period.

## Target

We will continue to conduct regular reviews and develop relevant policies and procedures to ensure compliance with the standards and requirements established by regulatory authorities. Through our strong corporate governance practices and the implementation of preventive measures, we are committed to maintaining a record of zero corruption cases as our short, medium and long term target. Our dedication to upholding ethical standards and strong governance serves as the foundation for our ongoing efforts in this regard.

## EMPLOYMENT AND LABOUR/MANAGEMENT RELATIONS

### Why is it Material

Employees are our internal stakeholders and are pivotal to our success. In our organisation, we recognise the immense value of our employees and strive to minimise employee turnover. Labour and management relations promote effective communication, conflict resolution, employee satisfaction, and decision-making. By fostering a positive relationship, we create a harmonious work environment that benefits both employees and management, leading to a more successful and sustainable business.

### Management Approach

The Group strictly abides by the laws and regulations of the PRC regarding employment, including but not limited to the Labour Law of the PRC\* (《中華人民共和國勞動法》), the Labour Contract Law of the PRC\* (《中華人民共和國勞動合同法》), the Social Insurance Law of the PRC\* (《中華人民共和國社會保險法》), the Employment Promotion Law of the PRC\* (《中華人民共和國就業促進法》), and the Law of the PRC on the Protection of Minors\* (《中華人民共和國未成年人保護法》) and other laws and regulations. The Group has formulated a series of human resource management policies including but not limited to recruitment, attendance, onboarding and offboarding process, promotion, salary, performance appraisal. We specifically forbid forced labour and child labour and take its prevention very seriously (please refer to section *Labour Standards*). Additionally, all employees are informed of the relevant information which clearly states the policies, employment guidelines, remuneration package and Code of Conduct of the Group. We maintain beneficial plans for all full-time employees such as contributions to social insurance, accumulation fund, group accident insurance and medical insurance. In addition, we typically provide employees and their representatives with a minimum notice of 30 days prior to the implementation of significant operational changes that could cause substantially effects.

### Performance

During the Reporting Period, we continued to advocate for a stable and dynamic group. While we make effort to minimise staff turnover, we also strive to find fresh workforce. In addition, we remain committed to fostering a positive labour and management relationship. All our employees are from PRC. The following tables provide details on the different compositions of new employee hires and employee turnover.

\* The English name is for identification purpose only.



# SUSTAINABILITY REPORT

Composition of New Employee Hires	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Number of staff	% of Total <sup>2</sup>
<b>By Gender</b>		
Male	395	30%
Female	471	26%
<b>Total</b>	<b>866</b>	<b>28%</b>
<b>By Age Group</b>		
Below 30	451	38%
30-50	355	22%
Above 50	60	18%
<b>Total</b>	<b>866</b>	<b>28%</b>

Composition of Employee Turnover	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Number of staff	% of Total <sup>3</sup>
<b>By Gender</b>		
Male	280	21%
Female	229	13%
<b>Total</b>	<b>509</b>	<b>16%</b>
<b>By Age Group</b>		
Below 30	250	21%
30-50	187	12%
Above 50	72	22%
<b>Total</b>	<b>509</b>	<b>16%</b>

Note:

1. The scope of this Report is different from that of the SR in previous year as the scope of the SR in previous year mainly covered the publishing and financial business of the Group, which was disposed during the Reporting Period, thus the data for the Corresponding Period is not available and comparable.
2. Calculation methodology of new employee hires rate: employees in the specified category new hiring employment divided by the average of total number of employees in the specified category of the Group at the beginning and the end of the Reporting Period.
3. Calculation methodology of turnover rate: employees in the specified category leaving divided by the average of total number of employees in the specified category of the Group at the beginning and the end of the Reporting Period.

The following tables provide details of employees' entitlement to parental leave in accordance with relevant national and regional regulations.

	This Reporting Period (April 2023 – December 2023)	
	Male	Female
<b>Total Number of employees that were entitled to Parental Leave</b>	1,189	1,199
<b>Total Number of employees that took Parental Leave</b>	31	148

During the Reporting Period, the Group was not aware of any violation cases relating to benefits and welfare including compensation, recruitment and promotion, working hours, holidays, and not aware of any issues of labour and management relations that have a significant impact on the operations of the Group.

### Target

The Group will regularly review salary remuneration and benefits to retain talents and stay attractive and competitive in the market. We will strive to maintain our record of zero reported violation cases relating to benefits and welfare that have a significant impact on the operations of the Group in FY2024 and also as our medium and long term target.

## OCCUPATIONAL HEALTH AND SAFETY

### Why is it Material

We recognise that occupational health and safety is a critical aspect of corporate governance and contributes to the overall success and sustainability of our Group. In addition to satisfying the legal requirement, consideration of occupational health and safety is also important for our own business development, such as protecting our employees, reducing business costs, improving productivity, building a good reputation, and fulfilling our ethical responsibilities.

### Management Approach

The Group prioritises the health and safety of our employees in all phases of our operation and administration. We are subject to PRC labour, safety and work-related laws and regulations. One of our subsidiaries which operates the principal business of the Group has obtained ISO14001 Environmental Management system certification and ISO45001 Occupational Health and Safety Management certification, ensuring that its operations comply with applicable environmental and employee safety regulations and legal requirements. Due to the nature of the Group's business, the Group is responsible for the occupational health and safety management of all employees except for the labour dispatch programmes, which the host organisations are responsible for the occupational health and safety management of our employees under the labour dispatch programmes. Meanwhile, we have implemented various health and safety measures, as well as relevant risk identification and assessment measures, such as:

# SUSTAINABILITY REPORT

Aspects	Concrete Measures
Development of health and safety procedures and practices	<ul style="list-style-type: none"> <li>• Provision of personal protective, safety and emergency equipment, such as helmets, protective clothing and reflective clothing, to employees with occupational safety risks;</li> <li>• Provision of clean and good working conditions in the workplace;</li> <li>• Development of appropriate work arrangements and shift systems to reduce work stress and fatigue;</li> <li>• Maintaining medical insurance and group accident insurance for all full-time employees;</li> <li>• Encourage employees to participate in and provide input to the development of an occupational safety and health management system.</li> </ul>
Accidents and emergencies Management	<ul style="list-style-type: none"> <li>• Implement an emergency plan to deal with possible accidents and emergencies, including defining responsibilities, equipping emergency equipment, organising emergency evacuations and rescues;</li> <li>• Regularly organisation of emergency drills and simulation tests to test the effectiveness of emergency plan and the ability of employees to respond to emergencies.</li> </ul>
Management of the environment and working conditions	<ul style="list-style-type: none"> <li>• Regular assessment and improvement of working environment and conditions to ensure compliance with relevant regulations and standards;</li> <li>• Provision of appropriate office equipment to enhance occupational health;</li> <li>• Provision of good lighting, ventilation and temperature control.</li> </ul>
Training and education	<ul style="list-style-type: none"> <li>• Necessary training and educational opportunities to enable employees to understand the importance of occupational health, safety, environment and working conditions and to acquire relevant knowledge and skills.</li> </ul>
Physical and mental health construction	<ul style="list-style-type: none"> <li>• Organisation of corporate culture activities to enhance the feelings among employees, strengthen mutual communication and contact, and build an efficient collaborative team, such as festival celebration and gift welfare, frisbee and camping activities, watching movies, annual tourism, staff quarterly birthday party, public welfare training, medical staff condolences and so on;</li> <li>• Provision of emotional stress relief training courses and psychological counseling services.</li> </ul>

## Performance

In the Reporting Period, the Group did not record any accidents that resulted in death, and did not identify any material non-compliance with laws and regulations relevant to the health and safety of employees. During the Reporting Period, the main types of work-related injury are accidental injuries, and four serious physical injury occurred as a result of traffic accidents. The following tables provide details of the Groups' work-related injuries and fatalities.

	This Reporting Period (April 2023 – December 2023) <sup>1</sup>		
	Number	Employee number of occurrence per 200,000 hours worked	Employee number of occurrence per 100 employees
<b>Total number of hours worked</b>	5,077,252	N/A	N/A
<b>Work-related fatalities</b>	–	– <sup>2</sup>	– <sup>3</sup>
<b>High-consequence work-related injuries</b>	4	0.16 <sup>4</sup>	0.12 <sup>5</sup>
<b>Recordable injuries</b>	17	0.67 <sup>6</sup>	0.52 <sup>7</sup>

Note:

1. The scope of this Report is different from that of the SR in previous year as the scope of the SR in previous year mainly covered the publishing and financial business of the Group, which was disposed during the Reporting Period, thus the data for the Corresponding Period is not available and comparable.
2. Calculation methodology of employee number of work-related fatalities per 200,000 hours worked = employee number of fatalities as a result of work-related injuries/total number of hours worked \* 200,000
3. Calculation methodology of employee number of work-related fatalities per 100 employees = employee number of fatalities as a result of work-related injuries/total number of employees \* 100
4. Calculation methodology of employee number of high-consequence work-related injuries per 200,000 hours worked = employee number of high-consequence work-related injuries/total number of hours worked \* 200,000
5. Calculation methodology of employee number of high-consequence work-related injuries per 100 employees = employee number of high-consequence work-related injuries/total number of employees \* 100
6. Calculation methodology of employee number of recordable work-related injuries per 200,000 hours worked = employee number of recordable work-related injuries/total number of hours worked \* 200,000
7. Calculation methodology of employee number of recordable work-related injuries per 100 employees = employee number of recordable work-related injuries/total number of employees \* 100

## Target

We will focus on the occupational health and safety of employees, enrich the measures to protect their physical and mental health, and aim to improve the mental health support and counseling services by FY2024 and also our medium and long term target to help employees deal with work and life stress and promote their mental health.

# SUSTAINABILITY REPORT

## TRAINING AND EDUCATION

### Why is it Material

Employees are the key contributors to the growth of our Group. The Group believes that training and education are essential to improve employees' work quality.

### Management Approach

The Group has developed a training management system. Eligible employees will acquire job-related knowledge and skills corresponding to their job scope from time to time to enable them to cope with the rapidly changing market and accommodate the market's needs. The Group aims to enhance the quality and skill-set of all staff by providing relevant skill-based training through carefully selected qualified trainers.

Internal training courses cover specific topics related to industry trends or job skills, and anti-corruption. Newcomers are required to undergo induction training to get familiar with the Group's policy and undergo on-the-job training guided by experienced employees. External training covers health and safety training, regulatory updates and listing rules, and SR reporting.

### Performance

In the Reporting Period, employees received a total of 3,540 training hours. The percentage of employees trained was 37% and the average employee training hours was 1.07 hours.

The following tables provide details on the data of our employee training and regular performance and career development reviews.

	<b>This Reporting Period (April 2023 - December 2023)<sup>1</sup></b>
<b>Average Training Hours</b>	<b>Hours</b>
<b>By Gender</b>	
<b>Male</b>	1.15
<b>Female</b>	1.02
<b>By Employee Category</b>	
<b>Non managerial employees</b>	1.06
<b>Senior management and managerial employees</b>	1.65
<b>Average training hours per employee</b>	1.07

	This Reporting Period (April 2023 - December 2023) <sup>1</sup>
<b>Percentage of employees received regular performance and career development reviews</b>	<b>% of Total<sup>2,3</sup></b>
<b>By Gender</b>	
<b>Male</b>	104%
<b>Female</b>	105%
<b>By Employee Category</b>	
<b>Non managerial employees</b>	105%
<b>Senior management and managerial employees</b>	100%

Note:

1. The scope of this Report is different from that of the SR in previous year as the scope of the SR in previous year mainly covered the publishing and financial business of the Group, which was disposed during the Reporting Period, thus the data for the Corresponding Period is not available and comparable.
2. Calculation methodology of employees receiving regular performance and career development reviews rate: employees in the specified category receiving regular performance and career development reviews employment divided by the total number of employees in the specified category of the Group at the end of the Reporting Period.
3. The calculated percentage represents the proportion of employees in the specified category who have received regular performance and career development reviews (including the employees resigned during the Reporting Period), out of the total employees in that specified category.

## Target

We will continue to improve our training programmes according to the market changes and employee performance to maintain a high-quality and talented workforce as our short, medium and long term target in the future.

## DIVERSITY, EQUAL OPPORTUNITY AND NON-DISCRIMINATION

### Why is it Material

A diverse and skilled workforce is crucial for its business. We are committed to cultivate a fair work environment and upholds the principles of non-discrimination that provides equal opportunities, rewards, and labour practices for all. With a diverse team representing different cultures and backgrounds, we gain valuable perspectives and viewpoints, enabling us to better understand and serve clients or consumers from various groups and backgrounds.

### Management Approach

Our Group has established a diversified, standardized and transparent recruitment process to attract diversified talents that meets client's needs and requirements. We ensure the fair selection and evaluation of employees based on experience, potential, merit and competency during the hiring process. This prevents any form of discrimination based on age, gender, marital status, sexual orientation, disability, race, nationality, ethnicity, or religion. Our comprehensive human resource policy (please refer to the section *Employment and Labour/ Management Relations*) also emphasises equal opportunities for career progression and growth, which are determined through the annual performance evaluations for our employees. All employees are treated equally within the policy, and there is no discrimination or differential treatment.

# SUSTAINABILITY REPORT

Our employees work very closely together in a harmonious environment, supporting one another to achieve common goals in the workplace. The Group regularly holds training courses or distributes relevant anti-discrimination training courses to employees to convey the values of equality and respect, cultivate the understanding and inclusive mentality of management and employees on multiculturalism and diversity to strengthen anti-discrimination education for all personnel. At the same time, we have established an online employee feedback channel where employees can anonymously make suggestions and complaints. The Human Resource Department is responsible for reviewing and addressing any necessary action based on the feedback received.

## Performance

During the Reporting Period, we continued to advocate for gender equality and age diversity among our employees in the PRC. We remain committed to fostering an inclusive and diverse workforce.

The following tables provide details on the different compositions of our employee groups and the Board.

Gender Composition of Employees	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Number	% of Total
Male	1,392	42%
Female	1,906	58%
Total	3,298	100%

Age Group of Employees	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Number	% of Total
Below 30	1,287	39%
30-50	1,684	51%
Above 50	327	10%
Total	3,298	100%

Function of all Employees	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Number	% of Total
Non managerial employees	3,218	98%
Senior management and managerial employees	80	2%
Total	3,298	100%

# SUSTAINABILITY REPORT

Composition of the Board	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Number	% of Total
<b>By Gender</b>		
Male	4	80%
Female	1	20%
<b>Total</b>	<b>5</b>	<b>100%</b>
<b>By Age Group</b>		
Below 30	-	-
30-50	3	60%
Above 50	2	40%
<b>Total</b>	<b>5</b>	<b>100%</b>
<b>Other</b>		
The Board Independence	3	60%

Ratio of Basic Salary and Remuneration of Female to Male	This Reporting Period (April 2023 – December 2023) <sup>1</sup>	
	Ratio of Basic Salary (Female: Male)	Ratio of Remuneration (Female: Male)
Non managerial employees	0.94:1	0.83:1
Senior management and managerial employees	0.89:1	0.85:1

Note:

- The scope of this Report is different from that of the SR in previous year as the scope of the SR in previous year mainly covered the publishing and financial business of the Group, which was disposed during the Reporting Period, thus the data for the Corresponding Period is not available and comparable.

In the previous SR, we had targeted at zero reported incidents of discrimination for the Reporting Period. We are pleased to report that there were zero reported incidents of discrimination for the Reporting Period.

## Target

We will continue to ensure that all employees are treated without bias and provide equal opportunities in all aspects of work to uphold our strong culture of non-discrimination in the workplace. We will strive to maintain our record of zero reported incidents of discrimination in FY2024 and also as our medium and long term target.



# SUSTAINABILITY REPORT

## LABOUR STANDARDS

### Why is it Material

The Group is well aware that the prohibition of child labour and forced or compulsory labour is essential for upholding human rights, protecting children, promoting education, ensuring safe working conditions, fostering economic development, and achieving social welfare.

### Management Approach

The Group strictly complies with relevant labour laws and regulations in the PRC, including but not limited to those listed in the “*Employment and Labour/Management Relations*” section of this Report, and the Law of the PRC on the Protection of Minors\* (《中華人民共和國未成年人保護法》) and other laws and regulations. We specifically forbid forced labour and child labour and take its prevention very seriously. During the recruitment process, the Personnel Department of the Group will check identity cards and age-related documents of employees and candidates to verify that the minimum statutory working age is met. Additionally, all employees are informed of the relevant information which clearly states the policies, employment guidelines, remuneration package and Code of Conduct of the Group.

The Group strives to create a fair, respectful and free workplace for employees. With an emphasis on work-life balance, the Group neither encourages nor forces employees to work overtime. The Group keeps a record of attendance and leave to ensure working time and rest days of all employees comply with the laws and regulations. In the event of any discovery of forced labour or child labour, the Group will promptly carry out investigation and rectification.

### Performance

In the Reporting Period, there was no material non-compliance with the relevant laws and regulations or incident about discrimination. We are pleased to confirm that our commitment to ethical employment practices has resulted in no reported instances of child labour or forced labour concerns.

### Target

We will continue to comply with the relevant laws and regulations or incident about child and forced or compulsory labour, and strive to maintain our record of zero reported incidents of non-compliance with the labour standards above in FY2024 and also as our medium and long term target.

## CUSTOMER HEALTH AND SAFETY

### Why is it Material

Affected by the impact of the epidemic in recent years, the general public has paid more attention to the issue of health and safety. In addition to the occupational health and safety of our employees, we also attach great importance to the health and safety of our customers, especially the customers who are primarily engaged in infrastructure management services and food distribution service.

### Management Approach

As a professional services provider, the key service responsibilities of the Group are on providing high quality services and privacy matters of our clients and candidates. Emphasis is placed on recruiting and retaining skillful, knowledgeable, and experienced employees, monitoring service quality and staff training (please refer to the section *Training and Education* for details). We ensure that our employees have sufficient knowledge and competence in their job-related processes and operations to ensure that services or products provided meet the quality requirements, including the health and safety requirements of our clients. In addition, the Group has formulated product service manual and service quality inspection system to standardise the workflow and quality inspection process of related services and ensure the high quality of services.

\* The English name is for identification purpose only.

Given the Group's business nature, the Group was not involved in the sale of products, therefore disclosure on product recall procedures and number of products recalled are not applicable. However, the Group provides after-sales services for both human resources and labour outsourcing related services. The Group generally provides replacements for the placed candidates under certain circumstances for human resources services and may terminate the relevant contingent employees if their performance is below the required standard. The Group will also meet with clients and candidates on a regular basis to build up good relationships and to collect feedback on services provided. The Group believes that this will allow it to maintain its high quality of services provided and gain market intelligence to keep its staff abreast to the latest developments in the human resources services industry.

## Performance

In the Reporting Period, there was no complaint and no dispute and claim regarding customer health and safety. The Group is also pleased to report that the customers are satisfied with its professionalism and the quality of services.

## Target

We will regularly review and improve the existing internal policies and system, provide professional training for employees, and maintain a high level of quality service. We will strive to maintain our record of zero reported dispute and claim regarding customer health and safety in FY2024 and also as our medium and long term target.

## MARKETING AND LABELING

### Why is it Material

We realized that marketing and labeling help differentiate products, build brand recognition, communicate targeted messages and create a competitive advantage, which is only appropriate that these roles are based on compliance with relevant regulations.

### Management Approach

The Group understands the rights of our clients and candidates and is committed to providing accurate product and service information for clients and candidates in connection with their contractual decision. The Group requires careful review of advertising material to protect the interest of our clients and candidates. The Group is committed to providing sufficient and accurate information to clients, such as product service manual, and considers that it is an extended responsibility of service quality management.

### Performance

There were no incidents of non-compliance concerning product and service information, labelling and marketing communications during the Reporting Period.

### Target

We will continue to uphold a record of zero incidents involving breaches of marketing and labeling in FY2024 and also as our medium and long term target.

## CUSTOMER PRIVACY

### Why is it Material

As technological advancements continue at a rapid pace, we recognise the growing concerns surrounding the collection and use of personal data in our business operations. We fully understand the importance of protecting the privacy and security of our customers' and shareholders' personal information. Therefore, we are committed to safeguard the privacy and security of their personal data.

# SUSTAINABILITY REPORT

## Management Approach

We are entrusted by our customers and shareholders to handle and store their personal data in a professional manner, such as obtaining consent from individuals before collecting their personal information, and only collect data that is necessary for the purposes defined. We remain committed to adhering to personal data protection regulations, including PRC's Personal Information Protection Law of the PRC\* (“《中華人民共和國個人信息保護法》”). We consistently remind our employees that any inappropriate use of personal data is strictly prohibited.

The Group takes feasible steps to safeguard the personal data from unauthorised or accidental access, processing, erasure, loss or use by third parties. Data must be collected in a lawful way and directly for recruitment purposes only. All information is stored in highly secure systems, password-protected, and accessible only to authorised personnel within the Group. We have established stringent data destruction procedures for information that is no longer needed. The Group discloses personal data, both internally and externally on a need-to-know basis. We recognise the importance of continually improving our security systems to prevent the loss of personal data and to promptly address any potential data breaches.

## Performance

We are pleased to report that during the Reporting Period, we did not receive any complaints from external parties or regulatory agencies regarding breaches of data privacy. Additionally, no incidents of data leaks, thefts, or losses were detected by our management. The target set in previous year for the Reporting Period has been met.

## Target

We will remain committed to effectively managing personal data within a secure operational environment. Our target for FY2024 would be to uphold a record of zero incidents involving breaches of data privacy and also as our medium and long term target. To ensure compliance with changing regulations, we will provide training to our employees, keeping them updated on any relevant updates or modifications. By doing so, we strive to maintain the highest standards of data protection and privacy for our valued customers and shareholders.

\* The English name is for identification purpose only.

## SUSTAINABILITY DATA STATEMENTS IN ENVIRONMENTAL ASPECTS

The Group is mainly engaged in human resources services, and the related business has not caused a significant impact on the environment and natural resources. Employees will be encouraged to conserve energy and use recyclable materials to minimise the consumption of natural resources. The Group is committed to complying with environmental regulations, actively participating in environmental protection projects, giving priority to products and suppliers that meet environmental standards in the procurement process, encouraging partners to work together on sustainable development and environmental protection, and promoting environmental awareness among employees and stakeholders.

The following is a summary of sustainability data in environmental aspect of the Group for the Reporting Period:

Environmental Aspects	Unit	This Reporting Period (April 2023 – December 2023) <sup>1</sup>
<b>Greenhouse Gas Emissions ("GHG")</b>		
Direct GHG emissions (Scope 1)	Tonnes of CO <sub>2</sub> e	16.87
Indirect GHG emissions (Scope 2)	Tonnes of CO <sub>2</sub> e	46.83
Indirect GHG emissions (Scope 3)	Tonnes of CO <sub>2</sub> e	145.20
Total GHG emissions (Scopes 1, 2 and 3)	Tonnes of CO <sub>2</sub> e	208.91
GHG emission intensity (per employee) (Scopes 1 and 2)	Tonnes of CO <sub>2</sub> e/per employee	0.02
GHG emission intensity (per employee) (Scopes 3)	Tonnes of CO <sub>2</sub> e/per employee	0.04
GHG emission intensity (per employee) (Scopes 1, 2 and 3)	Tonnes of CO <sub>2</sub> e/per employee	0.06
<b>Energy Consumption</b>		
Total energy consumption	MWhs	151.95
Energy consumption intensity	MWhs/per employee	0.05
<b>Water Consumption</b>		
Total water consumption	m <sup>3</sup>	88,157.34
Water consumption intensity	m <sup>3</sup> /per employee	26.73
<b>Waste Generation</b>		
Total waste generated <sup>2</sup>	t	N/A

Note:

- The scope of this Report is different from that of the SR in previous year as the scope of the SR in previous year mainly covered the publishing and financial business of the Group, which was disposed during the Reporting Period, thus the data for the Corresponding Period is not available and comparable.
- There was no data regarding the KPIs of waste collected because the Group's insignificant amount of waste generated in view of our business nature. The Group would enhance the data collection methods of these data in the future and will consider disclosing the relevant data as soon as possible.

# SUSTAINABILITY REPORT

## TCFD CONTENT INDEX

Based on the requirements in the Rule 711B of the Catalist Rules and Practice Note 7F Sustainability Reporting Guide, we have mapped our climate-related disclosures based on TCFD Recommendations as shown in the table below:

Although the Group does not fall within the industries prioritized for mandatory disclosure under TCFD and is not materially exposed to climate-related risks or opportunities due to the nature of its business, the Group will continue to monitor any emerging climate-related risks or opportunities relating to its supply chain and operations regularly and will review and consider the disclosure requirements based on TCFD recommendations in the subsequent years of sustainability reporting.

TCFD RECOMMENDATIONS	DISCLOSURE	REFERENCE
<b>GOVERNANCE</b>		
Describe the board's oversight of climate-related risks and opportunities.	Bacui is adopting a phased approach towards managing climate-related risks.  The board's oversight mechanism of climate-related risks and opportunities of the Group will be carried out in the subsequent years of sustainability reporting.	-
Describe management's role in assessing and managing climate-related risks and opportunities.	Bacui is adopting a phased approach towards managing climate-related risks.  Management's approach to assess and manage of climate-related risks and opportunities of the Group will be carried out in the subsequent years of sustainability reporting.	-
<b>STRATEGY</b>		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Bacui is adopting a phased approach towards managing climate-related risks.  Identifying climate-related risks and opportunities of the Group will be carried out in the subsequent years of sustainability reporting.	-
Describe the impact of climate-related risk and opportunities on the organisation's businesses, strategy, and financial planning.	Bacui is adopting a phased approach towards managing climate-related risks.  Identifying the impact on climate-related risks and opportunities on the Group's business, strategy and financial planning will be carried out in the subsequent years of sustainability reporting.	-
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Bacui is adopting a progressive strategy towards managing climate-related risks.  Scenario analysis will be carried out in the subsequent years of sustainability reporting.	-

TCFD RECOMMENDATIONS	DISCLOSURE	REFERENCE
<b>RISK MANAGEMENT</b>		
Describe the organisation's processes for identifying and assessing climate-related risks.	<p>Bacui is adopting a phased approach towards managing climate-related risks.</p> <p>Identifying and assessing climate-related risks will be carried out in the subsequent years of sustainability reporting.</p>	-
Describe the organisation's process for managing climate-related risks.	<p>Bacui is adopting a phase approach towards managing climate-related risks.</p> <p>The Group's processes for managing climate-related risks will be determined and carried out in the subsequent years of sustainability reporting.</p>	-
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Bacui is adopting a phased approach towards managing climate-related risks.</p> <p>Analysis on integration with enterprise climate-related risk management of the Group will be carried out in the subsequent years of sustainability reporting.</p>	-
<b>METRICS AND TARGET</b>		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>We track metrics such as:</p> <ul style="list-style-type: none"> <li>- Scope 1, Scope 2 and Scope 3 GHG emissions</li> <li>- Non-renewal energy and water consumption</li> <li>- Waste</li> </ul>	Pg 27
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	<p>Scope 1, Scope 2 and Scope 3 GHG emissions are disclosed in our SR.</p> <p>This is the first time we reported on Scope 1, Scope 2 and Scope 3 GHG emissions for the Reporting Period based on fuel and energy consumption Group-wide and the available emission factors from the referred documentation.</p>	Pg 27
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Bacui is adopting a phased strategy towards managing climate-related risks.</p> <p>Appropriate targets used to manage climate-related risks shall be analysed and set in the subsequent years of sustainability reporting.</p>	-

# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

<b>Statement Of Use</b>	Bacui Technologies International Ltd. has reported with reference to the GRI Standards for the period starting 1 April 2023 to 31 December 2023.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page Reference and Reasons for Omission, if applicable</b>
<b>GRI 2: General Disclosures 2021</b>	<b>General Disclosure</b>	
	2-1 Organisational details	Pg. 7
	2-2 Entities included in the organisation's sustainability reporting	Pg. 7
	2-3 Reporting period, frequency and contact point	Pg. 5
	2-4 Restatements of information	Pg. 5
	2-5 External assurance	Pg. 5
	2-6 Activities, value chain and other business relationships	Pg. 7 & 10
	2-7 Employees	Pg. 21-23
	2-8 Workers who are not employees	N.A.
	2-9 Governance structure and composition	Pg. 42-44 of the Annual Report for the Reporting Period ("AR")
	2-10 Nomination and selection of the highest governance body	AR Pg. 46
	2-11 Chair of the highest governance body	AR Pg. 45
	2-12 Role of the highest governance body in overseeing the management of impacts	Pg. 8
	2-13 Delegation of responsibility for managing impacts	Pg. 8
	2-14 Role of the highest governance body in sustainability reporting	Pg. 8
	2-15 Conflicts of interest	Pg. 12-14
	2-16 Communication of critical concerns	AR Pg. 64
	2-17 Collective knowledge of the highest governance body	Pg. 6-7
	2-18 Evaluation of the performance of the highest governance body	AR Pg. 52
2-19 Remuneration policies	AR Pg. 53-55	

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page Reference and Reasons for Omission, if applicable</b>
	2-20 Process to determine remuneration	AR Pg. 54
	2-22 Statement on sustainable development strategy	Pg. 5, 8-10
	2-27 Compliance with laws and regulations	Pg. 10, 12, 15, 17, 19, 23-26
	2-28 Membership associations	Pg. 10
	2-29 Approach to stakeholder engagement	Pg. 11-12
	2-30 Collective bargaining agreements	N.A.
<b>GRI 3: Material Topics 2021</b>	<b>Material Topics</b>	
	3-1 Process to determine material topics	Pg. 12
	3-2 List of material topics	Pg. 12
<b>GRI 205: Anti-corruption 2016</b>	<b>Anti-corruption</b>	
	205-1 Operations assessed for risks related to corruption	Pg. 13
	205-2 Communication and training about anti-corruption policies and procedures	Pg. 14
	205-3 Confirmed incidents of corruption and actions taken	Pg. 14
<b>GRI 401: Employment 2016</b>	<b>Employment and Labour/Management Relations</b>	
	401-1 New employee hires and employee turnover	Pg. 15-16
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg. 15
	401-3 Parental leave	Pg. 17
<b>GRI 402: Labour/Management Relations 2016</b>	<b>Employment and Labour/Management Relations</b>	
	402-1 Minimum notice periods regarding operational changes	Pg. 15



# SUSTAINABILITY REPORT

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
<b>GRI 403: Occupational Health and Safety 2016</b>	<b>Occupational Health and Safety</b>	
	403-1 Occupational health and safety management system	Pg. 17
	403-2 Hazard identification, risk assessment, and incident investigation	Pg. 17
	403-3 Occupational health services	Pg. 17-18
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pg. 17-18
	403-5 Worker training on occupational health and safety	Pg. 17-18
	403-6 Promotion of worker health	Pg. 17-18
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg. 17-18
	403-8 Workers covered by an occupational health and safety management system	Pg. 17
	403-9 Work-related injuries	Pg. 19
	403-10 Work-related ill health	Pg. 19
<b>GRI 404: Training and Education 2016</b>	<b>Training and Education</b>	
	404-1 Average hours of training per year per employee	Pg. 20
	404-2 Programs for upgrading employee skills and transition assistance programs	Pg. 20
	404-3 Percentage of employees receiving regular performance and career development reviews	Pg. 21

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	<b>Diversity, Equal Opportunity and Non-Discrimination</b>	
	405-1 Diversity of governance bodies and employees	Pg. 21-23
	405-2 Ratio of basic salary and remuneration of women to men	Pg. 23
<b>GRI 406: Non-Discrimination</b>	<b>Diversity, Equal Opportunity and Non-Discrimination</b>	
	406-1 Incidents of discrimination and corrective actions taken	Pg. 21-23
<b>GRI 408: Child Labour 2016</b>	<b>Labour Standards</b>	
	408-1 Operations and suppliers at significant risk for incidents of child labour	Pg. 24-25
<b>GRI 409: Forced or Compulsory Labour 2016</b>	<b>Labour Standards</b>	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Pg. 24-25
<b>GRI 416: Customer Health and Safety 2016</b>	<b>Customer Health and Safety</b>	
	416-1 Assessment of the health and safety impacts of product and service categories	Pg. 25
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Pg. 25
<b>GRI 417: Marketing and Labeling 2016</b>	<b>Marketing and Labeling</b>	
	417-1 Requirements for product and service information and labeling	Pg. 25
	417-2 Incidents of non-compliance concerning product and service information and labeling	Pg. 25
	417-3 Incidents of non-compliance concerning marketing communications	Pg. 25
<b>GRI 418: Customer Privacy 2016</b>	<b>Customer Privacy</b>	
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg. 25-26

# BOARD OF DIRECTORS

## Yeo Kan Yen

### Independent Non-Executive Chairman and Chairman of the Nominating Committee

*Date first appointed: 27-03-2023*

*Date last re-elected: 31-07-2023*

Mr Yeo serves as the Independent Non-Executive Chairman of the Company. Mr Yeo is currently the Head of Legal and Compliance and Executive Director of MG Commercial Bank Limited, an International Bank domiciled in the Republic of Vanuatu. Mr Yeo is the current Compliance Officer approved by the Reserve Bank of Vanuatu and the Financial Intelligent Unit of Vanuatu and his responsibilities includes policy making, Know Your Client, Anti-Money Laundering, and Counter-Terrorist Financing issues.

Mr Yeo was the Lead Independent Director of Oceanus Group Limited, a SGX mainboard-listed company, from 2013 to 2017. Mr Yeo was also appointed as Independent Director of Cacola Furniture International Limited, a SGX mainboard-listed company in 2011 and was re-designated as Vice-Chairman and Executive

Director in 2013. Mr Yeo served as the Chief Operating Officer and Executive Director of Carriernet Global Ltd (now Polaris Ltd.), listed on the Catalist Board of SGX from 2008 to 2012.

Mr Yeo established Primasiana Pte Ltd in 2012, a member of Sitcomasia Group where he is a Director and Chief Commercial Officer. Sitcomasia Group operates Customer Service and Repair Centre around the region including Singapore, Indonesia, Thailand, Philippines, Vietnam, Cambodia, and Laos servicing brands such as Apple, Samsung, Microsoft, Blackberry, Levono, and Western Digital.

Mr Yeo has a Bachelor in Business Administration in Accounting from the University of Hawaii at Manoa and Masters in Information System Management from Hawaii Pacific University.

Mr Yeo does not hold any directorships in other listed companies as at 31 December 2023.

## Yang Ran

### Executive Director

*Date first appointed: 17-10-2023*

*Date last re-elected: N/A*

Mr Yang Ran is the Executive Chairman of Best Group, and is in charge of the day-to-day management of the Group's operations in China. Mr. Yang Ran first started his career in the banking industry in 1999 and commenced his own business from 2003 covering a

wide range of industries such as (i) property development projects, (ii) education and (iii) human resources and labour outsourcing related services and property management services. Mr Yang Ran obtained his master degree in Shanghai Jiaotong University and Ph.D. in European University.

Mr Yang Ran does not hold any directorships in other listed companies as at 31 December 2023.

## Yang Li

### Executive Director

*Date first appointed: 17-10-2023*

*Date last re-elected: N/A*

Mr Yang Li serves as the Executive and Strategy Director of the Company and is assisting Mr. Yang Ran in the day-to-day operations in China as well as developing and implementing the Group's overall strategy. Mr Yang Li started his career in the banking

industry in 2010 and joined the Group's China operations in 2013. Mr Yang Li has served as the Executive Director and Chief Financial Officer of Best Group Co., Ltd., ("**Best Group**") since 2015 and is responsible for the finance and IT functions and the operations and management of Best Group's operations. Mr Yang Li has a Masters in Business Administration from Sun Yat Sen University.

Mr Yang Li does not hold any directorships in other listed companies as at 31 December 2023.

## Heng Victor Ja Wei

### Independent Non-Executive Director and Chairman of the Audit Committee

*Date first appointed: 30-06-2023*

*Date last re-elected: 31-07-2023*

Mr Heng holds a Master of Science degree of the Imperial College of Science, Technology and Medicine, the University of London. Mr Heng is a member of the Hong Kong Institute of Certified Public Accountants and holds a Certified Public Accountant (Practising) certificate issued by Accounting and Financial

Reporting Council and is a fellow of the Association of Chartered Certified Accountants.

Mr. Heng serves as an independent non-executive director of Best Food Holding Company Limited, Lee & Man Chemical Company Limited, Matrix Holdings Limited, Veson Holdings Limited, TradeGo FinTech Limited and company secretary of China Life Insurance Company Limited, all of which are listed on the Hong Kong Stock Exchange

## Peng Lei Qing

### Independent Non-Executive Director and Chairman of the Remuneration Committee

*Date first appointed: 30-06-2023*

*Date last re-elected: 31-07-2023*

Professor Peng Lei Qing is currently a full time professor in Guangdong University of Finance and Economics at the School of International Business. Professor Peng is also the State-owned Enterprise External Director (“SEED”) of Guangzhou Lingnan

Business Travel Investment Group Co. Ltd and was the Independent Director of Guangzhou Wondfo Biotech Co., Ltd from 2012 to 2018 and SEED of Guangzhou Vanlead Co., Ltd from 2014 to 2019.

Professor Peng has a Ph.D. in Business Administration (Marketing) from Renmin University of China and a Bachelor of Economics from Hunan University.

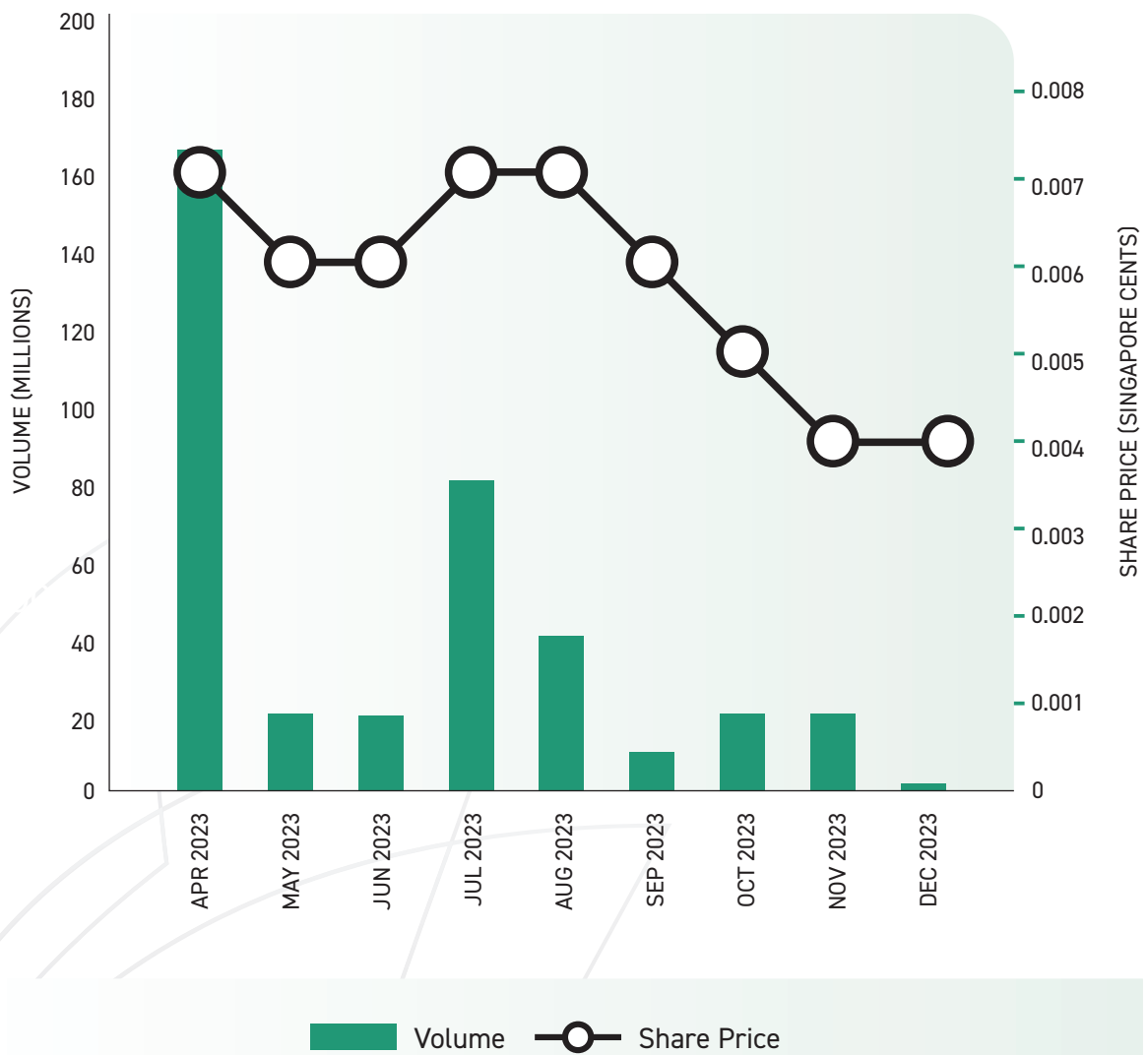
Professor Peng does not hold any directorships in other listed companies as at 31 December 2023.

# FINANCIAL HIGHLIGHTS

Year	Revenue * \$'000	(Loss)/ Profit Attributable to Shareholders \$'000	(Loss)/Earnings Per Share Cents
FY 2020	897	(1,036)	(0.17)
FY 2021	881	(699)	(0.09)
FY 2022	907	(929)	(0.10)
FY 2023	2,716	435	0.05
<b>FP 2023</b>	<b>40,578</b>	<b>(464)</b>	<b>(0.04)</b>

\* Including other income

## SHARE PRICE AND TOTAL VOLUME



The Share Price is the closing price at the last trading day of each month. (Source: [www.shareinvestor.com](http://www.shareinvestor.com))

# FINANCIAL HIGHLIGHTS

## REVENUE \* BY BUSINESS DIVISION

	9 months ended 31 December 2023 # \$'million	12 months ended 31 March 2023 # \$'million
Human resources and labour outsourcing related services	40.29	-
Publishing & advertisements	0.24	0.83
Moneylending	0.01	0.03
HQ Costs & Investments	0.04	1.85

# Refer to Note 26 to the Financial Statements

\* Including other income

## OPERATING PROFIT/ (LOSS) BY BUSINESS DIVISION

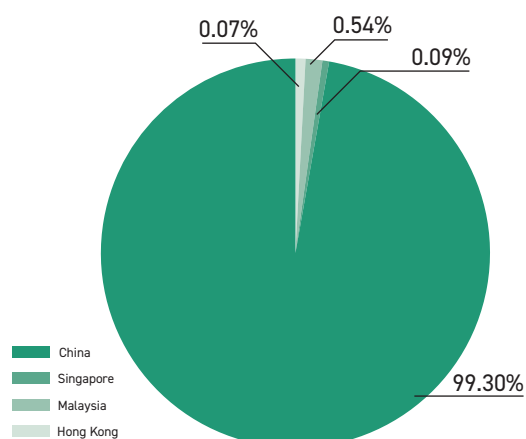
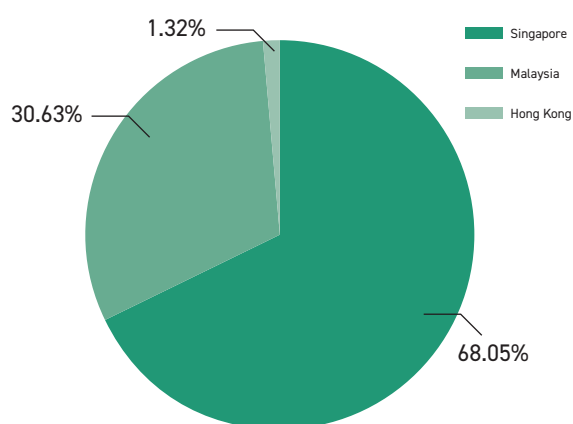
	9 months ended 31 December 2023 # \$'million	12 months ended 31 March 2023 # \$'million
Human resources and labour outsourcing related services	0.36	-
Publishing & advertisements	(0.10)	(0.06)
Moneylending	0.02	(0.25)
HQ Costs & Investments	(0.74)	0.75

## STAFF STRENGTH

	December 2023	March 2023
HQ & Investments	-	2
Publishing & advertisements	-	8
Moneylending	-	2
Human resources and labour outsourcing related services	3,298	2,430
<b>TOTAL</b>	<b>3,298</b>	<b>2,442</b>

## REVENUE BY GEOGRAPHICAL REGION

\* Including other income



# MANAGEMENT TEAM

## **MR. LIANG JIAN FENG** General Manager

Mr. Liang is the General Manager of the Group in China and is responsible for the overall daily management of the Group. He joined the Bacui Group in 2013 where he served as the Head of the Customer Service Department, Deputy General Manager, Head of the Science and Technology Department and other senior management positions. He graduated from East China University of Science and Technology and is a current master's degree student at Hubei University of Technology.

## **MS. FAN XIN** Deputy General Manager and Head of Marketing Department

Ms. Fan joined the Group in 2020 as the Deputy General Manager and Head of Marketing Department in China and is responsible for the overall daily management of the Marketing Department and the Group. She graduated from Foshan University with Economics Professional Qualification (Finance) and holds the title of Intermediate Economist.

## **MS. MA XIU LIAN** Head of Operations Department

Ms. Ma joined the Group since 2018 as the Head of Operations Department in China and is responsible for the daily management of the Operations Department. She graduated from Dongbei University of Finance and Economics and holds the title of Intermediate Human Resource Manager and obtained PMP International Project Management Professional Certification.

## **MS. CHEN TING** Head of Administration Department

Ms. Chen is the Head of Administration Department of the Group in China and is responsible for the administration and human resources management of the Group. She joined the Bacui Group in 2018 where she served as the Head of Human Resources; in 2021, she has transferred to the position of Head of Human Resources and Administration Department. She graduated from Shandong University of Economics with a Bachelor's degree in Economics and obtained National Human Resources Administrator Class II qualification.

# CORPORATE GOVERNANCE

The Board of Directors (the “**Board**”) of Bacui Technologies International Ltd. (the “**Company**”) and together with its subsidiary corporations, the “**Group**”) recognises the significance of sound corporate governance in ensuring greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting. It is committed to maintaining a high standard of corporate governance within the Group on which its operations, businesses and strategies are based on.

This report describes the Group's corporate governance practices that were in place throughout the financial period from 1 April 2023 to 31 December 2023 (“**FP2023**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and accompanying practice guidance (“**PG**”), which forms part of the continuing obligations of the Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Board and the Management are pleased to confirm that for FP2023, the Group has adhered to the principles and provisions as set out in the Code and the Catalyst Rules. Where there are deviations from the Code, explanations as to how the Group's practices were consistent with the intent of the Principle in question are provided in this report. The Company did not adopt any alternative corporate governance policies in FP2023.

## BOARD MATTERS

### (1) Board's Conduct of its Affairs

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

#### Provision 1.1 – Role of the Board

The Board is primarily responsible for providing entrepreneurial leadership so as to protect and enhance long-term value and returns for the shareholders. The Board also sets the tone for the Group where ethics and values are concerned. Apart from its statutory responsibilities, the key functions of the Board include:

- provides entrepreneurial leadership and guidance on the overall business strategies, strategic direction and long-term goals of the Group (which include appropriate focus on growth, value creation, innovation and sustainability) to be implemented by Management, and ensuring that adequate resources including financial and human resources are available
- sets the values and standards (including ethical standards) of the Group and appropriate tone-from-the-top and desired organisational culture, ensuring that the Group's policies and practices are consistent with the culture, and that there is proper accountability within the Group
- reviews the adequacy and effectiveness of the Group's risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite to safeguard shareholders' interests and the Group's assets
- sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met
- reviews and approves the Group's business plan, including annual budgets, significant capital expenditure, investment and divestment proposals



# CORPORATE GOVERNANCE

- ensures good corporate governance practices to protect the interests of shareholders
- oversees the business, financial performance and affairs of the Group, and monitoring the performance of Management
- sets out policy and framework for promoting diversity on the Board
- considers sustainability issues, e.g. environmental, health and safety and social factors as part of its strategic formulation.

All Directors, in discharging their fiduciary duties, are expected to exercise objective judgement and make decisions in the best interest of the Company. A Director who is interested in a transaction or proposed transaction is required to declare if he has a conflict of interest and will recuse himself/herself from deliberation and voting on the matter unless the Board is of the opinion that the participation of the conflicted Director is in the best interests of the Company.

## Provision 1.2 – Directors' Orientation, Induction, Trainings and Development

Newly appointed Directors will be briefed by the Chairman on the Directors' duties and obligations, and on the Group's organisation structure, business and governance practices. In addition, Directors who have no prior experience as a director of a company listed on the SGX-ST ("**First-time Director**") is required to undergo training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST under Practice Note 4D of the Catalist Rules, and such training will be completed within one year from the date of appointment. All Directors, save for Mr Yeo Kan Yan, are First-time Directors. Notwithstanding, the Directors have been briefed on the roles and responsibilities of a director of a public listed company in Singapore. The First-time Directors have undertaken to undergo the trainings as prescribed by the SGX-ST pursuant to Practice Note 4D of the Catalist Rules within one year from their respective dates of appointment.

The Board values on-going professional development and recognizes that it is important that all Directors receive regular training to serve effectively on and contribute to the Board, encouraging all Directors to attend any courses or seminars that would be beneficial. The Company allocates a budget for such purposes annually. During FP2023, the Directors received updates on the regulatory changes to the Catalist Rules, Companies Act from the Company Secretary and accounting standards from the external auditors ("**EA**"). The Executive Director also updates the Board at each Board meeting on business and strategic developments, and highlights the salient issues as well as the risk management considerations for the Group.

## Provision 1.3 – Board Reserved Matters

The Board has laid out a list of matters that require its approval, which has been clearly communicated to Management. Key matters that are specifically reserved for the Board's consideration and decision include, but are not limited to, matters involving a conflict of interest for a substantial shareholder or Director, corporate planning, public release of periodic financial results, material acquisitions and disposals of assets, corporate or financial restructuring, share issuances, formulation of any dividend policy or the change of such dividend policy and declaration of dividends, and nomination of directors to the Board and any interested person transactions above S\$100,000.

## Provision 1.4 – Delegation of Authority

To facilitate effective management and assist in the execution of its responsibilities, the Board has delegated certain functions to the Board Committees, namely the Audit Committee (“AC”), the Remuneration Committee (“RC”) and the Nominating Committee (“NC”), to ensure that there are appropriate checks and balances. These Board Committees operate within clearly defined terms of reference (“TOR”) which are reviewed from time to time, along with the committee structures and memberships to ensure their continued relevance, taking into consideration any changes in the governance and development of the Group. Any change to the TOR for any Board Committee requires the approval of the Board. As at 31 December 2023, the AC, RC and NC each comprises entirely Independent Non-Executive Directors.

The Board Committees will report to the Board with their decisions and/or recommendations. Notwithstanding the delegation of authority to the Board Committees and Management on specified matters, the ultimate responsibility on all matters lies with the Board.

## Provision 1.5 – Board and Board Committees Meetings and Attendance

The schedule of all Board and Board Committees meetings as well as the annual general meeting of the Company (“AGM”) for the next calendar year is planned well in advance. The Board and Board Committees meet regularly and whenever necessary throughout the year to review and approve the Group’s major strategic plans as well as major investments, disposals and funding matters. When required, the Board also sets aside time at the scheduled meetings to meet without the presence of the Management. Ad-hoc meetings are also held as and when the need arises. Directors who are unable to meet physically, may participate in the meeting through electronic means such as telephone or video conference or other methods of simultaneous communication.

The attendance of the Directors at general meetings, Board and Board Committees meetings, as well as the frequency of such meetings during FP2023 are as follows:

Name	ATTENDANCE AT MEETINGS									
	Board		Audit Committee		Nominating Committee		Remuneration Committee		AGM	EGM
	No. of meetings held	attended	No. of meetings held	attended	No. of meetings held	attended	No. of meetings held	attended	held on 31/07/2023	held on 31/07/2023
Ng Kai Man <sup>1</sup>	2	1	-	-	-	-	-	-	1	1
Chou Kong Seng <sup>2</sup>	2	1	2	1	1	1	1	1	1	1
Kesavan Nair <sup>2</sup>	2	1	2	1	1	1	1	1	-	-
Lee Keng Mun <sup>2</sup>	2	1	2	1	1	1	1	1	-	-
Yeo Kan Yen	2	2	2	1	1	-	1	-	1	1
Yang Ran <sup>3</sup>	2	1	-	-	-	-	-	-	-	-
Yang Li <sup>3</sup>	2	1	-	-	-	-	-	-	-	-
Heng Victor Ja Wei <sup>4</sup>	2	1	2	1	1	-	1	-	1	1
Peng Lei Qing <sup>4</sup>	2	1	2	1	1	-	1	-	1	1

<sup>1</sup> Mr Ng Kai Man resigned as Executive Director with effect from 17 October 2023.

<sup>2</sup> Mr Chou Kong Seng, Mr Kesavan Nair and Mr Lee Keng Mun resigned as Independent Non-Executive Directors with effect from 31 July 2023.

<sup>3</sup> Mr Yang Ran and Mr Yang Li were appointed as Executive Director and Executive and Strategy Director respectively with effect from 17 October 2023.

<sup>4</sup> Mr Heng Victor Ja Wei and Professor Peng Lei Qing were appointed as Independent Non-Executive Directors with effect from 30 June 2023.

<sup>5</sup> Mr Yeo Kan Yen, Mr Heng Victor Ja Wei and Professor Peng Lei Qing were appointed to the Board Committees on 31 July 2023.

# CORPORATE GOVERNANCE

## Provision 1.6 – Access to Information

For the Board to fulfill its responsibilities, Management provides adequate and timely information to the Board on affairs and issues that require the Board's decision as well as ongoing reports relating to operational and financial performance of the Company and the Group. The agenda and materials for Board and Board Committees meetings are circulated at least one week before the meeting date to allow the Directors sufficient time to review and seek clarification or further information. Whenever appropriate, senior managers who can provide additional insight on the matters to be discussed are invited to attend the Board meetings.

The Company Secretary and/or his representative(s) attends all the Board and Board Committees meetings. Minutes of the Board and Board Committees meetings are circulated to all Directors after the respective meetings so that each Director is apprised of the topics discussed and deliberated during each Board and Board Committee meeting.

## Provision 1.7 – Access to Management and Company Secretary

The Board has separate and independent access to the Management and the Company Secretary at all times. The Company Secretary and/or his representative(s) are present at all Board and Board Committees meetings to ensure that proper procedures and applicable rules and regulations are observed and complied with, as well as to provide advice and guidance on corporate governance and regulatory compliance matters. The Company Secretary and/or his representative(s) will administer, attend and prepare minutes of the Board and Board Committees meetings, assist each of the Board and Board Committees Chairman in ensuring that the Board's and the Board Committees' procedures are followed and reviewed so that the Board and Board Committees function effectively and ensures that the Company's Constitution and relevant rules and regulations, including those of the Companies Act and the SGX-ST, are complied with. The appointment and removal of the Company Secretary is decided by the Board as a whole. Where necessary, the Company will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Company's expense, to enable them to discharge their duties.

## **(2) 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 interest of the Company.*

## Provision 2.1 to 2.3 – Board Composition and Independence of Directors

Currently, the Board comprises two Executive Directors and three Independent Non-Executive Directors. The Company endeavours to maintain a strong independent element on the Board. Accordingly, Independent Non- Executive Directors make up a majority of the Board. Key information regarding the Directors can be found under the "Board of Directors" section of the Annual Report.

# CORPORATE GOVERNANCE

The current composition of the Board and Board Committees is set out below:

Board	Designation	Audit Committee	Nominating Committee	Remuneration Committee
Yeo Kan Yen	Independent Non-Executive Chairman	Member	Chairman	Member
Yang Ran	Executive Director	-	-	-
Yang Li	Executive and Strategy Director	-	-	-
Heng Victor Ja Wei	Independent Non-Executive Director	Chairman	Member	Member
Peng Lei Qing	Independent Non-Executive Director	Member	Member	Chairman

The Company does not have any alternate directors.

The Independent Non-Executive Directors are independent in conduct, character and judgement and have confirmed that they do not have any relationship with the Company or its related corporations, substantial shareholders or officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company. The NC reviews annually the independence of each Director, taking into account the existence of relationships or circumstances, including those provided in the Code. Each Independent Non-Executive Director is required to complete a Confirmation of Independence form based on Principle 2 of the Code for the NC's review and recommendation to the Board.

For FP2023, the NC has reviewed and determined that the Independent Non-Executive Directors are independent, in accordance with the guidelines in the Code, PG and Catalist Rules and that there are no Directors who are deemed to be independent notwithstanding the existence of a relation in the Code that would otherwise deem him not to be independent. Each member of the NC has abstained from the deliberations of his own independence.

The Board noted that none of the Independent Non-Executive Directors has served on the Board beyond nine years from the date of his/her first appointment.

## Provision 2.4 – Board to determine its appropriate size and Board Diversity

The NC is of the view that the current Board exhibits a level of independence that sufficiently enables the Board to exercise objective judgment on corporate affairs independently from the management. The NC is also of the view that no individual or small groups of individuals dominate the Board's decision-making processes.

The Board continually reviews its size and composition with a view towards the refreshing of the Board and to strike the appropriate balance and diversity of skills, experience, and knowledge of the Company to support the Group's businesses and strategy.

The current Directors bring with them a wealth of experience and a broad range of expertise relevant to the Group's businesses and strategy, including accounting, finance, business and management, strategic planning, and regional business experience. The key information and profiles of the Directors are set out on pages 34 and 35 of the Annual Report.

# CORPORATE GOVERNANCE

Board membership is refreshed progressively and in an orderly manner, bearing in mind the contributions from long-standing directors who have over time developed an understanding and insight into the Group's businesses.

To meet the changing challenges in the industry and countries which the Group operates in, such reviews, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on an annual basis to ensure that the Board dynamics remain optimal.

The Board is of the view that the size of the board, comprising five Directors is appropriate, with reference to the scope and extent of the Group's operations. The Company's Independent Non-Executive Directors enhance the Board with increased knowledge, business contacts, proven business and commercial experience. This balance is important in ensuring that the strategies proposed by the executive management are fully discussed and examined, taking into account the long term interests of the Group.

The Board acknowledges and embraces the benefits of diversity on the Board and has endeavoured to achieve diversity of skills, knowledge, experience and age as described above, so as to avoid group-think and to foster constructive debate. In this regard, the Company has put in place a Board diversity policy during FY2023 which commits to giving due consideration to the benefits of diversity when seeking to appoint candidates to the Board. The policy defines "diversity" to refer not only to gender but also to skill sets, age, cultural ethnicity, sectoral experience, background and other relevant attributes to ensure decisions are made objectively and in the best interests of the Company taking into account diverse perspectives and insights. The Board believes that the policy will benefit the Group in having access to a wider pool of talents as well as varied perspectives to facilitate problem solving and strategic thinking.

The current Board composition reflects the Company's commitment to Board diversity in terms of gender where current Board comprise of four males, or is 80% male, and as among the Independent Directors, the female representation is 20%. The current Board has also achieved age diversity with its Directors in different age ranges. Currently, the ages of the Board members range from 36 to 60.

The Company remains committed to implementing its Board diversity policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

The NC and the Board believe that currently there being an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, age and gender on the Board, allows for diverse and objective perspectives on the Group's business and direction to support the long-term success of the Group, and are satisfied that the objectives of the Board diversity policy are met and the current Board composition reflects the Company's commitment to Board diversity. The NC will also continue to review the Board diversity policy, as appropriate, to ensure its effectiveness, and will recommend appropriate revisions to the Board for consideration and approval.

## Provision 2.5 – Meeting of Independent Non-Executive Directors without Management

The Independent Non-Executive Directors meet when necessary and as appropriate for discussion without the presence of Management. The Chairman of such meetings will provide feedback to the Board. The Independent Non-Executive Directors met 2 times during FP2023 without the presence of Management.

## (3) 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 & 3.2 – Chairman and Chief Executive Officer should be separate persons

Mr Yeo Kan Yen was redesignated as the Independent Non-Executive Chairman of the Board on 17 October 2023. Mr Yeo bears responsibility for the effective workings of the Board. He ensures that Board meetings are held when necessary and sets the Board meeting agenda. Mr Yeo reviews all Board papers before they are presented to the Board and ensures that procedures are in place to provide Directors with timely and comprehensive analyses necessary for exercising informed judgement and decisions. Management staff who have prepared the papers, or who can provide additional insight in the matters to be discussed, are sometimes invited to attend and present the papers at the Board meeting. Mr Yeo also ensures that the members of the Board work together with the management team, and have the capability and moral authority to engage Management in constructive debate on various matters, including strategic issues and business planning processes. The day-to-day management functions are performed by senior Management, headed by the Executive Directors.

Mr Yang Ran, the Executive Director of the Company, has full executive responsibilities over business directions and operational decisions of the Group. Mr Yang Ran is assisted by Mr Yang Li, the Executive and Strategy Director of the Company. The Board reviews all major decisions made by the Executive Directors. The NC periodically reviews their performance and their appointment to the Board and the RC periodically reviews their remuneration package.

### Provision 3.3 – Appointment of Lead Independent Director

The Board has not appointed any lead independent director taking into consideration the Board size. Nevertheless, the Independent Non-Executive Directors, currently represent 60% of the Board, individually and collectively, are and have been available to shareholders as a channel of communication between shareholders and the Board or Management.

## (4) Board Membership

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

### Provision 4.1 & 4.2 – Composition and Role of the Nominating Committee (“NC”)

The Nominating Committee comprises the following members, all of whom are Independent Non-Executive Directors:

Mr Yeo Kan Yen (Chairman)  
Mr Heng Victor Ja Wei  
Professor Peng Lei Qing

The NC held 1 meeting in FP2023. The NC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

# CORPORATE GOVERNANCE

The key responsibilities of the NC as set out in its TOR are to:

- (i) evaluate and review nominations for appointment and re-appointment to the Board and the various Board Committees;
- (ii) review the size and composition of the Board and Board Committees;
- (iii) ensure that the Board has the appropriate balance of expertise, skills, knowledge, experience, attributes and abilities;
- (iv) review Directors' independence and performance;
- (v) review the training and professional development programmes for Board members;
- (vi) review the process and criteria for evaluation of the performance of the Board, Board Committees and Directors; and
- (vii) review and make recommendations to the Board on relevant matters, relating to the succession plans of the Board and Management Team, in particular the appointment and/or replacement.

The Nominating Committee, upon carrying out such review as set out above, makes recommendation on the above matters for Board consideration and approval.

## Provision 4.3 – Process for Selection, Appointment and Re-appointment of Directors

Board renewal is a continuous process, to ensure good corporate governance and to maintain relevance to the business as well as changing needs of the Company. The Constitution of the Company requires one-third of the Directors to retire and subject themselves to re-election by shareholders at every AGM such that no Director stays in office for more than three years without being re-elected by shareholders. All Directors must also submit themselves for re-nomination and re-election at least once every three years under Rule 720(4) of the Catalist Rules.

The NC has recommended to the Board the re-election of Mr Yeo Kan Yen ("**Mr Yeo**"), Mr Yang Ran and Mr Yang Li (the "**Retiring Directors**") who are retiring pursuant to Regulation 107 and Regulation 117 of the Company's Constitution at the forthcoming AGM. The Board has accepted the NC's recommendation. The Retiring Directors had consented to act and offered themselves for re-election. Each of the Retiring Directors had abstained from the discussion and recused from deliberation and voting in respect of their respective nominations.

Mr Yeo will, upon re-appointment as a Director of the Company, remain as an Independent Non-Executive Chairman. Mr Yang Ran and Mr Yang Li will, upon re-appointment as Directors of the Company, remain as Executive Directors of the Company. The Board considers Mr Yeo to be independent for the purpose of Rule 704(7) of the Catalist Rules. The information required under Rule 720(5) of the Catalist Rules for re-election are set out in pages 65 to 80 of this report.

The NC has put in place a process for selecting, appointing new Directors and re-appointing Directors to the Board. Where there is a need to appoint a new Director, the NC will evaluate the balance and diversity of skills, expertise, knowledge, gender, age and experience of the Board and Board Committees in order to identify the essential and desirable competencies of the candidate. The NC may identify candidates for appointment as new Directors through business network of Board members or engage external independent professional advisors in the search for suitable candidates. The NC will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance and business or management expertise. If the NC decides that a candidate is suitable, the NC would recommend its choice to the Board of Directors. In relation to the re-appointment of Directors, the NC assesses the performance of the Director in accordance with the process and performance criteria approved by the Board. Upon obtaining a satisfactory conclusion of the same, the NC recommends the re-appointment of such Director to the Board for approval. The NC member will recuse from deliberation in respective of their respective re-appointment.

## Provision 4.4 – Determination of Directors' Independence

The NC is also responsible for determining annually, and as and when circumstances arise, the independence of Directors. On an annual basis, each Independent Non-Executive Director is required to complete a confirmation of independence based on the Principle 2 of the Code and the Catalist Rules. The NC has reviewed and ascertained that Mr Yeo, Mr Heng and Professor Peng continue to remain independent.

## Provision 4.5 – Multiple Board Representations

The NC, after reviewing the respective list of directorships held by each Director as well as their attendance and time committed to Company's affairs, is satisfied that all Directors who sit on multiple boards are able to devote adequate time and attention to the affairs of the Company and to fulfill their duties as Directors for FP2023. The Board has set the maximum number of 10 listed company board representations which any Director of the Company may hold at any one time. The Board is of the view that this maximum limit to board representations in listed companies would allow Directors to have increased exposure to different Boards and broaden their experience and knowledge on board matters without affecting their time commitment to the Company, hence ultimately benefitting the Company. All Directors have complied with this requirement.

All Directors are required to declare their board representations. Where a Director has multiple listed board representations, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration of the Director's number of listed company board representations and other principal commitments. Directors with multiple listed board representations ensure that sufficient time and attention are given to the affairs of the Group. The NC is satisfied that for FP2023 sufficient time and attention has been given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple listed Board representations, taking into account the attendance of the Directors at Board or Board Committee meetings, results of the assessment of the effectiveness of the Board as a whole, the Board Committees, and the respective Director's actual conduct on the Board and its Board Committees.



# CORPORATE GOVERNANCE

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

Name of Director	Board Appointment	Date of First Appointment	Date of Last Re-election	Present directorships in other listed companies and other principal commitments
Yeo Kan Yen	Independent Non-Executive Director	27 March 2023	31 July 2023	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. New Track Technology and Marketing Pte Ltd</li> <li>2. MG Foreign Exchange Ltd</li> <li>3. MG Commercial Bank Limited</li> <li>4. MG Technologies Ltd</li> <li>5. Wellmont Strategic Limited</li> <li>6. Primasiana Philippines Inc</li> <li>7. Primasiana Pte. Ltd</li> </ol> <p><u>Other Principal Commitments</u></p> <ol style="list-style-type: none"> <li>1. Head of Legal Compliance and Non-Executive Director of MG Commercial Bank Limited</li> <li>2. Chief Commercial Officer and Non-Executive Director of Sitcom Asia Group, Primasiana Pte Ltd, Primasiana Philippines Inc</li> </ol>

## CORPORATE GOVERNANCE

Name of Director	Board Appointment	Date of First Appointment	Date of Last Re-election	Present directorships in other listed companies and other principal commitments
Yang Ran	Executive Director	17 October 2023	N.A.	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. Yintai Elitist Investment Limited</li> <li>2. Yintai International Management Investment Limited</li> <li>3. Bacui Management Investment Limited</li> <li>4. Xinlong Investment Holding Limited</li> <li>5. Xinlong Development Limited</li> <li>6. Yintai Excellence Service Limited</li> <li>7. Elitist International Investment Holding Limited</li> <li>8. Bacui Elitist Technology Limited</li> <li>9. Foshan Shunde Xinlong Jingyi Enterprise Service Co., LTD</li> <li>10. Foshan Yukang Network Technology Service Partnership</li> <li>11. Foshan Shunde Lunjiao Best Experimental Kindergarten Co Ltd</li> <li>12. Foshan Shunde District Yisheng Education Service Co., LTD</li> <li>13. Guandong Best Education Group</li> <li>14. Foshan Shunde Best Education Management Co Ltd</li> <li>15. Shunde Yangzheng School</li> <li>16. Foshan Shunde Yijun Education Investment Co., LTD</li> <li>17. Foshan Shunde Yirun Education Investment Co., LTD</li> </ol> <p><u>Other Principal Commitments</u> Chairman of Guandong Best Education Group and Foshan Shunde Lunjiao Best Experimental Kindergarten Co Ltd</p>

# CORPORATE GOVERNANCE

Name of Director	Board Appointment	Date of First Appointment	Date of Last Re-election	Present directorships in other listed companies and other principal commitments
Yang Li	Executive and Strategy Director	17 October 2023	N.A.	<p><b>Present Directorships</b></p> <ol style="list-style-type: none"> <li>1. Foshan Shengshuo Logistics Management Service Co., Ltd</li> <li>2. Foshan Shengcui Logistics Management Service Co., Ltd</li> <li>3. Foshan Shunde Yuntai Enterprise Management Service Co., Ltd</li> <li>4. Foshan Yicui Business Service Co., Ltd</li> <li>5. Foshan Shengcui Investment Service Co., Ltd</li> <li>6. Foshan Nafu Logistics Management Co., Ltd</li> <li>7. Foshan Best Jingyi Logistics Management Service Co., Ltd</li> <li>8. Foshan Intellect Jingying Enterprise Service Co., Ltd</li> <li>9. Foshan Shunde Intellect Jingyi Industrial Investment Co., Ltd</li> <li>10. Foshan Xinlong Zhigu Enterprise Service Co., Ltd</li> <li>11. Foshan Xinlong Yukang Management Service Co., Ltd</li> <li>12. Foshan Xinlong Xuegu Enterprise Service Co., Ltd</li> <li>13. Foshan Xinlong Zhuoyue Technology Service Co., Ltd</li> <li>14. Nafu (Shenzhen) Technology Education Co., Ltd</li> <li>15. Foshan Shunde Dingjia Energy Technology Co., Ltd</li> <li>16. Foshan Shunde Kaihong Enterprise Management Service Co., Ltd</li> <li>17. Foshan Shunde Lunjiao Best Experimental Kindergarten Co., Ltd</li> <li>18. Foshan Shunde Best Xuegu Technology Co., Ltd</li> <li>19. Foshan Shunde Best Zhigu Technology Co., Ltd</li> <li>20. Guangdong Best Education Group</li> <li>21. Foshan Intellect Business Service Co., Ltd</li> <li>22. Guangdong Yintai Financial Services Co., LTD</li> <li>23. Guangdong Kangxin Property Management Co., Ltd</li> <li>24. Foshan Shunde Shengshang Education Consulting Service Co Ltd</li> </ol> <p><b>Other Principal Commitments</b> Chief Financial Officer of Foshan Shunde District Bacui Human Resources Co., Ltd. and other related companies</p>

## CORPORATE GOVERNANCE

Name of Director	Board Appointment	Date of First Appointment	Date of Last Re-election	Present directorships in other listed companies and other principal commitments
Heng Victor Ja Wei	Independent Non-Executive Director	30 June 2023	31 July 2023	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. TradeGo FinTech Limited</li> <li>2. Morison Global Asia Pacific Ltd</li> <li>3. Central Consulting Limited</li> <li>4. Constantin Serval and Associates (Hong Kong) Ltd</li> <li>5. MH Tax Limited</li> <li>6. Kivo Media Ltd</li> <li>7. Veson Holdings Limited</li> <li>8. Morison Heng CPA Limited</li> <li>9. Matrix Holdings Limited</li> <li>10. Best Food Holding Company Limited</li> <li>11. Lee &amp; Man Chemical Company Limited</li> <li>12. MH Commercial Services Ltd</li> <li>13. Lido Development Ltd</li> </ol> <p><u>Other Principal Commitments</u>            Managing Partner of Morison Heng CPA            Company Secretary of China Life Insurance Company Ltd            Committee member of Little People of HK Foundation Limited</p>
Peng Lei Qing	Independent Non-Executive Director	30 June 2023	31 July 2023	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. Guangzhou Lingnan Business Travel Investment Group Co., Ltd</li> <li>2. Guangzhou Inspection Testing and Certification Group Co., Ltd</li> </ol> <p><u>Other Principal Commitments</u>            Full time Professor in Guangdong University of Finance and Economics (School of International Business)</p>

# CORPORATE GOVERNANCE

## (5) Board Performance

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

### Provision 5.1 & 5.2 – Assessing the effectiveness of the Board, Board Committees, Individual Director

The NC uses its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge and that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The Board has established a set of criteria for evaluating the effectiveness of the Board and Board Committees, as well as each individual Director. The NC has in place an annual Board Performance Evaluation exercise to evaluate the effectiveness of the Board and facilitate discussion to enable Directors to discharge their duties more effectively. The evaluations are carried out by means of a questionnaire being completed by each Director. The results of the completed questionnaires are collated and the findings are analysed and discussed by the NC, with comparatives from the previous year's results and reported to the Board.

The view on the Board's effectiveness was formed by looking at various criteria including: the composition and size of the Board, Board processes, the effectiveness of the Board Committees, the Board's access to information and how the Board tracks performance and manages risks.

In FP2023, the evaluation of the contribution by the individual Director to the Board is done through self-assessment, and in each case through a confidential questionnaire completed by the Directors individually. The assessment parameters for such individual evaluation include both qualitative and quantitative factors such as attendance records, contributions during Board meetings, as well as individual performance of principal functions and fiduciary duties.

The completed questionnaires are collated by the Company Secretary for the NC's deliberation. The NC then presents the results, conclusions and its recommendations to the Board. The Directors acts on the results of the performance evaluation, and where appropriate and in consultation with the NC, proposes new members to be appointed to the Board, or seeks the resignation of a Director. The NC has assessed the current Board's performance to date and is of the view that performance of the Board as a whole has been satisfactory. All NC members have abstained from the review process of any matters in connection with the assessment of his performance or re-appointment as a Director of the Company.

Following the review, the Board is of the view that the Board and its Board Committees operate effectively and have met its performance objectives and each Director is contributing to the overall effectiveness of the Board in FP2023. The Board has allocated budgets for Directors to attend training and the NC will make recommendations to the Board on the training and professional development programmes for the Board members.

The Board has not engaged any external facilitator in conducting the assessment of Board performance for FP2023. Where relevant, the NC will consider such engagement.

## REMUNERATION MATTERS

- (6) Procedure for developing remuneration policies
- (7) Level and Mix of Remuneration
- (8) Disclosure on Remuneration

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

### Provision 6.1 & 6.2 – Composition and Role of the Remuneration Committee (“RC”)

The RC comprises the following members, all of whom are Independent and Non-Executive Directors:

Professor Peng Lei Qing (Chairman)  
Mr Heng Victor Ja Wei  
Mr Yeo Kan Yen

The RC held 1 meeting in FP2023. The RC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The function of the RC is to review the remuneration of the individual Directors and key management personnel of the Company and to provide a greater degree of objectivity and transparency in the determination of their remuneration.

### Provision 6.3 – Remuneration Framework

The Executive Directors are not paid any remuneration by the Group save for directors' fees. The remuneration packages for key management personnel comprise annual fixed salary and variable salary component. The variable salary component is in the form of a variable bonus that is linked to the performance of the Group and the individual's performance.

The RC, guided by its TOR, reviews and recommends to the Board, in consultation with management, a framework for all aspects of remuneration including reviewing the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service. The RC sets the remuneration guidelines for the Group for the key management personnel for each annual period. The recommendations of the RC are submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, benefits-in-kind and termination terms are covered by the RC to ensure they are fair. The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of his remuneration package.

# CORPORATE GOVERNANCE

## Provision 6.4 – RC access to expert professional advice

The RC has access to expert professional advice on compensation matters whenever there is a need to consult externally. In its deliberations, the RC takes into consideration industry practices and norms in compensation, in addition to the Company's relative performance to the industry and the performance of the individual Directors. The Company did not engage remuneration consultants in FP2023.

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

## Provision 7.1 to 7.3 – Remuneration of Executive Director, Non-Executive Directors and Key Management Personnels (“KMPs”)

The Executive Directors are not paid any remuneration save for directors' fees.

The Independent Non-Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent serving on the Board and Board Committees. The directors' fees are recommended by the RC to the Board and are subject to the approval of shareholders at the AGM. The RC reviewed and assessed that the remuneration of the Executive and Independent Non-Executive Directors for FP2023 is appropriate after considering the aforementioned factors.

No Director will be involved in deciding his own remuneration. In setting remuneration packages, the RC takes into consideration the prevailing market conditions, the pay and employment conditions within the industry and in comparable companies. The RC reviews all aspects of the remuneration packages to ensure that the level and structure of remuneration of the Executive Directors and KMPs are appropriate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group, and are aligned with the long-term interest of the Group. The remuneration packages of the KMPs are linked to the performance of the Group as a whole, as well as the individual performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance to promote the long-term sustainability of the Group. For FP2023, the RC has reviewed the performance of the KMPs and are satisfied that their remuneration commensurate with their performance, contributions and effort.

Annual reviews of the remuneration packages of the Directors and KMPs are carried out by the RC to ensure that the remuneration commensurate with their performance and that of the Company. In designing the remuneration structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer term objectives of the Company so as to be able to attract, retain and motivate talents without being excessive, and thereby maximising value for shareholders.

Directors' fees for Independent Non-Executive Directors and Executive Directors are subject to approval of shareholders at the AGM.

*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, CEO and Top Five KMP

The remuneration of the Directors for FP2023 is set out below.

Name	Salary	Bonus	Allowances & Others	Directors' Fee	Total Remuneration
<u>Below S\$250,000</u>					
Yeo Kan Yen	-	-	-	100%	100%
Yang Ran*	-	-	-	100%	100%
Yang Li*	-	-	-	100%	100%
Heng Victor Ja Wei	-	-	-	100%	100%
Peng Lei Qing	-	-	-	100%	100%

\* Mr Yang Ran and Mr Yang Li were appointed as Executive Directors with effect from 17 October 2023.

The Group only has four KMPs (who are not Directors or the CEO). Details of the remuneration paid to these four KMPs for FP2023 are set out as follows:

Name	Salary	Bonus	Total
Liang Jian Feng	98.67%	1.33%	100%
Fan Xin	93.70%	6.30%	100%
Ma Xiu Lian	79.03%	20.97%	100%
Chen Ting	87.77%	12.23%	100%

The profiles of the KMPs are located on page 38 of the Annual Report.

All the Directors receive directors' fees for attending to Board matters. For chairing committees, a Director receives a small additional fee. A Director who serves for part of the financial year will receive pro-rated director's fee. Total directors' fee for FP2023 amounted to S\$61,666 (FY2023: S\$118,034). The total remuneration paid to or accrued for the top four KMPs (who are not Directors or the CEO) for FP2023 was S\$0.13 million (FY2023: S\$0.25 million (top two KMPs)).

In view of the commercial sensitivity and confidential nature of remuneration matters, the Board opined that it is in the best interest of the Group not to disclose the exact remuneration of KMP, and disclosure in bands of S\$250,000 provides a good overview and is informative of the remuneration of the KMP.

Taking into account the disclosure of the exact remuneration of the Directors and the aggregate remuneration paid to KMP, the Board has determined that there is sufficient transparency and information on the remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8 of the Code.

No termination, retirement or post-employment benefits are granted to Directors or KMPs.



# CORPORATE GOVERNANCE

## Provision 8.2 – Employees who are Substantial Shareholders, Immediate Family Members of a Director or the CEO or a Substantial Shareholder

The Company does not have any employee who is a substantial shareholder of the Company or an immediate family member of a Director (including the Executive Director) or a substantial shareholder of the Company and whose remuneration exceeds S\$100,000 for FP2023.

## Provision 8.3 – Employee Share Scheme Share Incentive Scheme

### *Bacui Technologies International Ltd. (formerly known as “Arion Entertainment Singapore Limited”) Employees’ Share Option Scheme (the “BTIL ESOS”)*

On 30 July 2014, members of the Company approved and adopted the Arion Entertainment Singapore Limited Employees’ Share Option Scheme (“**AES ESOS**”) at an extraordinary general meeting (“**EGM**”). The AES ESOS was administered by the former RC.

During the period, upon the change of the Company name from Arion Entertainment Singapore Limited to Bacui Technologies International Ltd., the Employees’ Share Option Scheme is renamed as Bacui Technologies International Ltd. Employees’ Share Option Scheme (“**BTIL ESOS**”). The BTIL ESOS is administered by the RC comprising Peng Lei Qing, Chairman of the RC, Heng Victor Ja Wei and Yeo Kan Yen.

In exercising its discretion in administering the BTIL ESOS, the RC must act in accordance with any guidelines that may be provided by the Board. The RC shall refer any matter not falling within the scope of its TOR to the Board. The RC shall have the power, from time to time, to make and vary such terms for the implementation of the BTIL ESOS as it thinks fit.

The BTIL ESOS is intended to provide participants an opportunity to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

#### **(a) Eligible participants**

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the RC from time to time; and
- Directors of the Company.

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the BTIL ESOS shall be determined at the absolute discretion of the RC, which shall take into account criteria such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period. The controlling shareholders or their associates and associated company employees are not eligible for selection to participate in the BTIL ESOS.

#### **(b) Size and duration**

The aggregate number of shares which may be issued or transferred pursuant to options granted under the BTIL ESOS on any date, when added to the aggregate number of shares issued and issuable and/or transferred and transferable in respect of (a) all options granted under the BTIL ESOS and (b) all awards, shares and/or options granted under any other share scheme implemented by the Company and for the time being in force, shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of grant.

The BTIL ESOS shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing from 30 July 2014, provided always that the BTIL ESOS may continue beyond the 10-year period with the approval of the shareholders in a general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the BTIL ESOS, any options granted to employees prior to such expiry or termination will continue to remain valid.

Details of the share options granted can be found on pages 82 to 84 of the Annual Report.

## ACCOUNTABILITY AND AUDIT

### (9) 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 & 9.2 – Design, Implementation and Monitoring of Risk Management and Internal Control Systems

The Company does not have a separate risk committee. The Board with the assistance of the AC is responsible for the overall internal control framework. 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 AC and the Board regularly review the adequacy and effectiveness of all internal controls to address the financial, operational, compliance and information technology risks and risk management controls of the Group. The AC and the Board ensures that any improvements to the internal control system that are to be implemented are completed by the management within a specific timeframe.

The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the AC which conducts the reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems. The identification and management of risks are delegated to Management, who assumes ownership and day-to-day management of these risks. Management reports to the AC on the Group's risks profile on a regular basis, evaluates results and counter measures to mitigate identified potential risks.

Relying on the reports from the IA, EA and management representation letters, the AC carried out assessments of the adequacy and effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the IA and EA to further improve the internal controls are reported to the AC. The AC in turn reports such discussions to the Board. The AC will also follow up on the actions taken by Management in response to recommendations made by the IA and EA to ensure that they are implemented in a timely and appropriate manner. The Group's financial risk management objectives and policies are discussed under Note 25 to the Financial Statements.

In FP2023, the Board has received assurances from the Executive Directors of the Company that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and the Group's risk management and internal control system were adequate and effective.

The Company also has in place a whistle-blowing policy and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The details of the whistle-blowing policy are set out in page 63 of the Annual Report.

Based on the various management controls put in place and the reports from the IA and EA, reviews by management and the management representation letters, the Board with the concurrence of the AC, is of the opinion that the system of internal controls addressing financial, operational, compliance and information technology risks and risk management systems maintained by the Group in FP2023 were adequate and effective.

# CORPORATE GOVERNANCE

While the Board acknowledges that the system of internal controls and risk management established by Management provide reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it endeavours to achieve its business objectives, it is also mindful that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, fraud or other irregularities.

## (10) Audit Committee

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

### Provision 10.1 & 10.2 – Composition and Role of the AC

The AC comprises the following members, all of whom are Independent Non-Executive Directors:

Mr Heng Victor Ja Wei (Chairman)  
Professor Peng Lei Qing  
Mr Yeo Kan Yen

The AC held 2 meetings in FP2023. The AC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. At least two members, including the AC Chairman, possess relevant accounting experience and/or related financial management expertise.

The AC has full access to and full co-operation of the Management. The AC also has the power to conduct or authorise investigations into any matters within its TOR. The EA have unrestricted access to the AC.

The AC holds periodic meetings and primarily carries out the following functions:

- (a) Reviews the scope and the results of internal audit procedures with the IA;
- (b) Reviews the audit plans set forth by the EA, evaluates the report issued by the EA from their examination of the Company's internal and accounting controls system;
- (c) Reviews the operating results of the Group and Company, accounting policies and assistance given by the management to EA;
- (d) Reviews the financial statements of the Group and Company before submission to the Board;
- (e) Reviews all interested person transactions;
- (f) Makes recommendations to the Board on the appointment, re-appointment or removal of the EA, and makes recommendations to the Board on the remuneration and terms of engagement of the EA;
- (g) Reviews the adequacy and effectiveness of the Company's internal controls and risk management systems annually;
- (h) Reviews the assurance from the Executive Directors on the financial records and financial statements;
- (i) Reviews the adequacy, effectiveness, independence, scope and results of the EA and the IA; and
- (j) Reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

### Provision 10.3 – Former Partner or Director of the Company's Existing Auditing Firm

None of the Audit Committee members were previous partners or directors of the Company's independent audit firm within the last two years and none of the AC members hold any financial interest in the independent audit firm.

## Provision 10.4 – Internal Audit

During the financial period, the Company has appointed APEC Risk Management Limited as the IA for the two operating subsidiaries in China. The internal audit function covers the audits of subsidiary corporations and its primary line of reporting is to the Chairman of the AC.

The IA has unfettered access to all the Group's documents, records, properties and personnel including direct access to the AC and has appropriate standing within the Group. The AC will follow up with Management to ensure that all recommendations made by the IA are implemented within the timeline as committed by Management.

The AC is responsible for the appointment, termination and fix the remuneration of the IA. The AC reviews the adequacy and effectiveness of the internal audit function on an on-going basis. The IA adopts the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The AC is satisfied that the IA is independent, effective and has adequate resources and appropriate standing in the Company to discharge its activities independently and effectively. The AC will annually assess and ensure the independence, effectiveness and adequacy of the internal audit function.

## Provision 10.5 – Meetings with EA and IA

The EA of the Company is Moore Stephens LLP ("**Moore Stephens**"). The auditor of the Company's foreign subsidiary corporation, Bacui Elitist Technology Limited is audited by Moore CPA Limited, Hong Kong.

For the purpose of the consolidated financial statements, these financial statements are reviewed by Moore Stephens. Accordingly, the Company has complied with Rules 712, 715 and 716 of the Catalist Rules of SGX-ST.

For FP2023, the AC met with the EA and IA without the presence of Management 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 Group's operating results or financial position and Management's response thereof. Both the EA and IA 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.

A breakdown of the audit fees paid to the Company's EA is disclosed in page 93 of the Annual Report. No other non-audit services were rendered by the Company's EA during FP2023.

The AC recognises the need to maintain a balance between the independence and objectivity of the independent auditor and the work carried out by the independent auditors based on value for money consideration. The AC is satisfied with the independence and objectivity of the EA and has recommended that Moore Stephens be re-appointed as the Company's EA in respect of the financial year ending 31 December 2024.

To keep abreast of the changes in accounting standards and issues which have an impact on the financial statements, discussions are held with the independent auditor when they attend the AC meetings every half yearly.

# CORPORATE GOVERNANCE

## SHAREHOLDER RIGHTS AND ENGAGEMENT

### (11) Shareholder Rights and Conduct of General Meetings

### (12) Engagement with Shareholders

### (13) Managing Stakeholders Relationships

*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.*

*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.*

*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.*

We believe in regular and timely communication with shareholders as part of our organisation's development to build systems and procedures that will enable us to operate globally.

It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full year financial results announcements, other price-sensitive public reports and reports to regulators (if applicable).

In line with continuous obligations of the Company pursuant to the Catalist Rules and the Companies Act 1967, it is the Board's policy that all shareholders be equally and timely informed of all major developments that will or is expected to impact the Company or the Group.

Information is disseminated to shareholders on a timely basis through:

- (a) SGXNET announcements and/or news release;
- (b) Annual Report prepared and issued to all shareholders;
- (c) Press releases on major developments of the Group;
- (d) Notices of and explanatory memoranda for AGM and EGM; and
- (e) Company's website at [yyb.bcyj.cn](http://yyb.bcyj.cn) where shareholders can access information on the Group.

The Company does not have a formal investor relations policy. 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 was of the view that the current communication channels are sufficient and cost-effective. Notwithstanding, the Company maintains a corporate website to constantly communicate with stakeholders, which is being overseen by Bacui's Group IT department in the PRC. The Company welcomes any comment, feedback and query from the stakeholders through the Company's corporate website and strives to engage and manage relationships with the stakeholders. Stakeholders may find such information on the investors relation section of the Company's corporate website.

The Company's AGMs and EGMs are the principal forum for dialogue with the shareholders. The Chairman of the AC, RC and NCs are normally available at the meetings to answer any questions relating to the scope of work of these Board Committees. The EA shall also be present to assist the Directors in addressing any relevant queries by the shareholders about the conduct of the audit and the preparation and contents of the independent auditor's report.

Shareholders are encouraged to attend all general meetings to ensure a high level of interaction and to stay informed of the Company's strategy and goals. Notice of the general meetings is circulated to all shareholders of the Company, together with explanatory notes or a circular on items of special business (if necessary), at least 14 working days (for ordinary resolutions) or 21 working days (for special resolutions) before the general meeting. The Board welcomes questions from shareholders either informally or formally before or at the general meetings.

The Company has introduced the system of voting by poll and the results of each resolution put to vote at general meetings of the Company are displayed during the meetings with details of the percentage voting in favour and against. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions either before or at the general meetings before the resolutions are voted on. The results are also announced via SGXNET after the conclusion of the meeting.

All registered shareholders are invited to participate in and are given the right to vote on resolutions at general meetings. Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. A proxy form will be sent with the notice of general meeting to all shareholders. For investors who hold Shares under the Central Provident Fund Scheme and Supplementary Retirement Scheme ("**CPF/SRS Investors**"), the proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS Investors who wish to appoint the Chairman of the AGM/EGM to act as their proxy should approach their respective CPF Agent Banks/SRS Operators to submit their votes. Separate resolutions are proposed for substantially separate issues at the meeting, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

The Constitution of the Company allows members of the Company to appoint not more than two proxies to attend and vote on their behalf. The Constitution allows for absentia voting subject to Directors' approval and implementation. However, due to security issues including but not limited to the authentication of shareholder identity information, the Directors have not approved the implementation of absentia voting. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the internet is not compromised. An exception is made for the forthcoming AGM to be held in respect for FP2023, at which shareholders shall be allowed to submit their proxy forms via electronic means.

The forthcoming AGM to be held in respect of FP2023 will be convened and held in a wholly-physical format. Shareholders will not be able to participate by way of electronic means at the forthcoming AGM.

Further information regarding the arrangements for the forthcoming AGM are set out in the Notice of AGM on pages 159 to 166 of this Annual Report.

# CORPORATE GOVERNANCE

All Directors and the respective Chairman of the AC, NC and RC, the Management, and the independent auditors attend general meetings to address any queries of the shareholders. For FY2023, all the Directors except Mr Kesavan Nair (“**Mr Nair**”) and Mr Lee Keng Mun (“**Mr Lee**”), were present at the AGM held on 31 July 2023. As part of the board renewal process, Mr Nair and Mr Lee ceased to be Independent Non-Executive Directors following the conclusion of the AGM held on 31 July 2023.

Substantial and relevant comments or queries raised by shareholders in relation to the meeting agenda and the responses from the Board and/or Management will be made available to shareholders via SGXNET and the Company’s corporate website in advance before the general meeting. The minutes of the AGM, recording proceedings of the AGM, including substantial and relevant comments or queries from shareholders, and responses from the Board and Management, will be published on the SGXNET within one month from the date of the AGM.

The Group’s stakeholders play a crucial role in our business. The Group’s vision and the success of its business is closely aligned with the interests and needs of its key stakeholders. Effective stakeholder engagement can help the Group to better understand the needs of its key stakeholders and incorporate these into its corporate strategy. The Group has identified three key stakeholder groups based on their relevance and influence to Group’s business. They include shareholders, customers and suppliers. The Group engages with these stakeholders through various informal and formal channels of communication to learn and understand their concerns. For example, the Group maintains a corporate website to leverage on internet platforms, which enables it to communicate with key stakeholders and the public.

The other sections of the annual report set out the Group’s strategy and key areas of focus in managing stakeholder relationships (for more information, please refer to the Company’s Sustainability Report for FP2023).

## Dividends

The Company does not have a formal dividend policy. The declaration and payment of dividends will be determined at the sole discretion of the Board and in the case of final dividends, subject to the approval of shareholders. In making their recommendation, the Board will consider the Group’s cash, gearing, return on equity and retained earnings, actual and projected financial performance and working capital needs, projected level of capital expenditure and other investment plans, restriction on payment of dividends imposed by the Company’s financing arrangements (if any) and the general economic and business condition in countries which the Group operates. Any proposal for the declaration of final dividends will be clearly communicated to the shareholders via SGXNET. No dividends were declared or recommended for FP2023 as the Group was not profitable.

## MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiary corporations involving the interest of the Directors or controlling shareholders, which are either subsisting at the end of the financial period, or if not than subsisting, entered into since the end of the previous financial year.

## DEALINGS IN SECURITIES

The Company has in place a policy which prohibits dealings in the securities of the Company by the Directors and employees while in possession of price-sensitive information. The Company, its Directors and all officers of the Group who have access to unpublished price sensitive and confidential information are prohibited to deal in the securities of the Company, at least one month before the release of the half-year and full year financial results to SGX-ST and ending on the date of announcement of the relevant results, or when they are in possession of any unpublished material price-sensitive information. All Directors and officers of the Group are discouraged from dealing in the shares of the Company on short-term considerations.

Directors and officers are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

The Board confirms that the Company has complied with Rule 1204(19) of the Catalist Rules.

## WHISTLE-BLOWING POLICY

The Group has in place a whistle-blowing policy to ensure independent investigations of complaints relating to fraud, corruption, possible improprieties in financial reporting, breach of law, non-compliance with the Group's code of conduct and business practices, and any wrongful acts by any employees of the Group, and for appropriate follow-up action.

The policy is aimed at encouraging the reporting of such matters in good faith and that staff of the Group and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal and detrimental or unfair treatment. The Group is also committed in ensuring that the identity of the whistleblower is kept confidential. Anonymous complaints may be considered, taking into account factors such as the merits of the issues raised. Any suspected non-compliance case and/or concern may be reported in writing and forwarded to AC Chairman by (i) post to 138 Robinson Road #26-03 Oxley Tower Singapore 0638898 and/or (ii) email to [whistleblow@bcjy.cn](mailto:whistleblow@bcjy.cn). The policy has a well-defined process which ensues independent investigation of issues/concerns raised and appropriate follow-up action.

All reported whistle-blowing incidents or concerns will be independently investigated and remedial actions will be taken to address the whistle-blowing incidents. The AC has oversight and monitoring of the policy.

Details of the whistle-blowing policy have been disseminated and made available to all employees of the Company, as well as uploaded onto the Company's corporate website.

No whistle-blowing reports were reported for FP2023.

## INTERESTED PERSONS TRANSACTIONS

The Company has established a procedure for recording and reporting interested person transactions ("IPT"). There were no IPTs of S\$100,000 and above for FP2023.



# CORPORATE GOVERNANCE

## USE OF PROCEEDS

Purpose	Net proceeds allocated (S\$'000)	Reallocation of proceeds (S\$'000)	Net proceeds utilised as at the date of Annual Report (S\$'000)	Balance unutilised (S\$'000)
General working capital	1,290	122	1,412	-
- Wages and staff related costs			784	
- Creditors			510	
- Directors' fees			118	
Future corporate developments and new business opportunities (if any)	322	(122)	200	-
- Wages and staff related costs			65	
- Creditors			27	
- Loans disbursed			108	
<b>Total</b>	<b>1,612</b>	<b>-</b>	<b>1,612</b>	<b>-</b>

In the announcement dated 5 August 2020, the intended use of the net proceeds were allocated 80% to general working capital and 20% to future corporate developments and new business opportunities. As disclosed in the Company's Annual Report for the financial year ended 31 March 2023, the actual use of proceeds differs from that as stated in the announcement due mainly to a change in the Group's strategy for the business activities in Hong Kong. The reallocation of net proceeds is set out in the table above.

## SPONSORSHIP

No non-sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FP2023.

Pursuant to Rule 720(5) of the Catalyst Rules, the information as set out in Appendix 7F to the Catalyst Rules relating to the Retiring Directors, who are retiring and nominated for re-election in accordance with the Company's Constitution at the forthcoming AGM is set out below.

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
Date of first appointment	17 October 2023	17 October 2023	27 March 2023
Date of last re-appointment (if applicable)	N.A.	N.A.	31 July 2023
Age	46	35	59
Country Of Principal Residence	China	China	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Yang Ran's contribution as Executive Director of the Company, and has recommended that Mr Yang Ran be re-elected as Director of the Company.	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Yang Li's contribution as Executive Director of the Company, and has recommended that Mr Yang Li be re-elected as Director of the Company.	The Board of the Company has accepted the Nominating Committee's recommendation, which has reviewed and considered Mr Yeo Kan Yen's contribution as Independent Non-Executive Chairman of the Company and has recommended that Mr Yeo Kan Yen be re-elected as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Yang Ran is responsible for setting the strategic directions of the Group and involved in overall Group management.	Executive. Mr Yang Li is responsible for: <ul style="list-style-type: none"> <li>- Assisting the Executive Director, Mr Yang Li, in implementing Group's strategies;</li> <li>- Developing Group's strategic plans;</li> <li>- Collaborating with cross-functional teams;</li> <li>- Defining key performance indicators;</li> <li>- Co-ordinating budgeting processes;</li> <li>- Identifying risk and opportunities; and</li> <li>- Customer and government relationship management.</li> </ul>	Non-Executive

# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Executive and Strategy Director	Non-Executive Independent Director
Professional Qualifications	<p>Doctor of Business Administration, European University, Switzerland</p> <p>Master of Business Administration, Shanghai Jiao Tong University, China</p>	<p>Master of Business Administration, Sun Yat Sen University, China</p> <p>Bachelor of Business Administration, majoring in Marketing, Guangdong University of Finance and Economics, China</p>	<p>Master of Science in Information Systems, majoring Information Systems Management, Hawaii Pacific University, Honolulu, Hawaii</p> <p>Bachelor of Business Administration, Majoring in Accounting, University of Hawaii at Manoa, Honolulu, Hawaii</p>
Working experience and occupation(s) during the past 10 years	<p>Sep 2022 – Present Legal Representative, Executive Director and Manager Foshan Shunde Xinlong Jingyi Enterprise Service Co., LTD</p> <p>Jun 2021 – Present Executive Partner Foshan Yukang Network Technology Service Partnership</p> <p>May 2019 – Present Chairman Foshan Shunde Lunjiao Best Experimental Kindergarten Co Ltd</p> <p>Feb 2017 – Present Legal Representative, Executive Director and General Manager Foshan Shunde District Yisheng Education Service Co., LTD</p>	<p>Mar 2023 – Present Legal Representative, Executive Director and Manager Foshan Yicui Business Service Co Ltd</p> <p>Mar 2023 – Present Legal Representative, Executive Director and Manager Foshan Shengcui Investment Service Co Ltd</p> <p>Mar 2023 – Present Legal Representative, Executive Director and Manager Foshan Nafu Logistics Management Co Ltd</p> <p>Mar 2023 – Present Legal Representative, Executive Director and Manager Foshan Shunde Yuntai Enterprise Management Service Co Ltd</p>	<p>Mr Yeo Kan Yen is presently a Non-Executive director and Head of Legal and Compliance of MG Commercial Bank.</p> <p>Mr Yeo Kan Yen is also Non-Executive Director and Chief Commercial Officer of SitcomAsia Group, Primasiana Pte Ltd, Primasiana Philippines Inc.</p>

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
	<p>Feb 2015 – Present Chairman Guangdong Best Education Group</p> <p>Jan 2011 – Present Legal Representative, Executive Director and Manager Guangdong Best Education Group</p> <p>Mar 2005 – Present Director Shunde Yangzheng School</p> <p>Feb 2005 – Present Managing Director Foshan Shunde Yijun Education Investment Co., LTD</p> <p>Feb 2016 – Sep 2016 Responsible Person (Principal) Foshan Yinghuang Education Service Co Ltd Lecong Branch</p> <p>Nov 2013 – May 2018 Supervisor Foshan Yukang Logistics Management Co Ltd</p> <p>Jan 2012 – Mar 2017 Executive Director and Manager Foshan Shunde Shunda Best Education Training Co Ltd</p> <p>Jul 2011 – Apr 2020 Legal Representative Foshan Shunde Best Education Management Co Ltd</p>	<p>Mar 2023 – Present Legal Representative, Executive Director and Manager Foshan Shengshuo Logistics Management Service Co Ltd</p> <p>Mar 2023 – Present Legal Representative, Executive Director and Manager Foshan Shengcui Logistics Management Service Co Ltd</p> <p>Jan 2023 – Present Legal Representative, Executive Director and Manager Foshan Best Jingyi Logistics Management Service Co Ltd</p> <p>Jan 2023 – Present Legal Representative, Executive Director and Manager Foshan Intellect Jingying Enterprise Service Co Ltd</p> <p>Jan 2023 – Present Legal Representative, Executive Director and Manager Foshan Shunde Intellect Jingyi Industrial Investment Co Ltd</p> <p>Jan 2023 – Present Legal Representative, Executive Director and Manager Foshan Xinlong Zhigu Enterprise Service Co Ltd</p>	

# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
	<p>Jul 2011 – May 2020 Executive Director and Manager Foshan Shunde Best Education Management Co Ltd</p> <p>Nov 2010 – Dec 2018 Supervisor Foshan Shunde Zhuoyue Education Consulting Service Co Ltd</p> <p>Nov 2010 – July 2017 Legal Representative Foshan Shunde Huajiao Best Education Investment Co Ltd</p> <p>Nov 2010 – Mar 2017 Executive Director and Manager Foshan Shunde Huajiao Best Education Investment Co Ltd</p> <p>Jul 2010 – Oct 2018 Legal Representative Foshan Shunde Best Education Service Co Ltd</p> <p>Oct 2006 – Mar 2016 Legal Representative Foshan Yinghuang Education Service Co Ltd</p> <p>Jul 2005 – May 2018 Legal Representative Foshan Shunde Yijun Education Investment Co., LTD</p>	<p>Jan 2023 – Present Legal Representative, Executive Director and Manager Foshan Xinlong Yukang Management Service Co Ltd</p> <p>Nov 2022 – Present Legal Representative, Executive Director and Manager Foshan Xinlong Xuegu Enterprise Service Co Ltd</p> <p>Sep 2022 – Present Legal Representative, Executive Director and Manager Foshan Xinlong Zhuoyue Technology Service Co Ltd</p> <p>Jul 2021 – Present Legal Representative, Executive Director and General Manager Nafu (Shenzhen) Technology Education Co Ltd</p> <p>Jul 2020 – Present Legal Representative, Executive Director and Manager Foshan Shunde Dingjia Energy Technology Co Ltd</p> <p>Jul 2020 – Present Legal Representative, Executive Director and Manager Foshan Shunde Kaihong Enterprise Management Service Co Ltd</p>	

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
		<p>Apr 2018 – Present Legal Representative, Executive Director and Manager Foshan Shunde Best Xuegu Technology Co Ltd</p> <p>Apr 2018 – Present Legal Representative, Executive Director and Manager Foshan Shunde Best Zhigu Technology Co Ltd</p> <p>Oct 2017 – Present Chief Financial Officer Foshan Shunde District Bacui Human Resources Co., Ltd. and other related companies</p> <p>Aug 2014 – Present Legal Representative, Executive Director and Manager Foshan Shunde Shengshang Education Consulting Service Co Ltd</p> <p>Feb 2015 – Sep 2017 Chief Financial Officer Guangdong Best Education Group</p> <p>Nov 2013 – Aug 2014 Legal Representative, Executive Director and Manager Foshan Yukang Logistics Management Co Ltd</p> <p>July 2013 – Jan 2015 Deputy General Manager Guangdong Yintai Financial Services Co., LTD</p>	

# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
Shareholding interest in the listed issuer and its subsidiaries	Deemed to be interested in 155,555,555 Shares held by Xinlong Investment Holding Limited	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Brother of Mr. Yang Li, Executive and Strategy Director, of the Company.	Brother of Mr. Yang Ran, Executive Director, of the Company.	Nil
Conflict of interest (including any competing business)	Nil. For disclosure, Mr. Yang Ran holds shares in other entities which are in businesses similar to that of the Company's subsidiaries. These businesses are located and operating in different districts to that of the Company's subsidiaries. Due to the localised nature of the new core businesses, the geographical locations form a natural boundary which deters conflicts of interest.	Nil. For disclosure, Mr. Yang Ran (brother of Mr. Yang Li) holds shares in other entities which are in similar businesses to that of the Company's subsidiaries. These businesses are located and operating in different districts to that of the Company's subsidiaries. Due to the localised nature of the new core businesses, the geographical locations form a natural boundary which deters conflicts of interest. Mr. Yang Li holds 0.01% interest in these entities.	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
<p>Other Principal Commitments* including Directorships#</p> <p>* "Principal Commitments" has the same meaning as defined in the Code.</p> <p># These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)</p> <p>Past (for the last 5 years)</p> <p>Present</p>	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. Yintai Elitist Investment Limited</li> <li>2. Yintai International Management Investment Limited</li> <li>3. Bacui Management Investment Limited</li> <li>4. Xinlong Investment Holding Limited</li> <li>5. Xinlong Development Limited</li> <li>6. Yintai Excellence Service Limited</li> <li>7. Elitist International Investment Holding Limited</li> <li>8. Bacui Elitist Technology Limited</li> <li>9. Foshan Shunde Xinlong Jingyi Enterprise Service Co., LTD</li> <li>10. Foshan Yukang Network Technology Service Partnership</li> <li>11. Foshan Shunde Lunjiao Best Experimental Kindergarten Co Ltd</li> <li>12. Foshan Shunde District Yisheng Education Service Co., LTD</li> <li>13. Guangdong Best Education Group</li> <li>14. Foshan Shunde Best Education Management Co Ltd</li> <li>15. Shunde Yangzheng School</li> <li>16. Foshan Shunde Yijun Education Investment Co., LTD</li> <li>17. Foshan Shunde Yirun Education Investment Co., LTD</li> </ol> <p><u>Past 5 years Directorships</u> N.A.</p>	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. Foshan Shengshuo Logistics Management Service Co Ltd</li> <li>2. Foshan Shengcui Logistics Management Service Co Ltd</li> <li>3. Foshan Shunde Yuntai Enterprise Management Service Co Ltd</li> <li>4. Foshan Yicui Business Service Co Ltd</li> <li>5. Foshan Shengcui Investment Service Co Ltd</li> <li>6. Foshan Nafu Logistics Management Co Ltd</li> <li>7. Foshan Best Jingyi Logistics Management Service Co Ltd</li> <li>8. Foshan Intellect Jingying Enterprise Service Co Ltd</li> <li>9. Foshan Shunde Intellect Jingyi Industrial Investment Co Ltd</li> <li>10. Foshan Xinlong Zhigu Enterprise Service Co Ltd</li> <li>11. Foshan Xinlong Yukang Management Service Co Ltd</li> <li>12. Foshan Xinlong Xuegu Enterprise Service Co Ltd</li> <li>13. Foshan Xinlong Zhuoyue Technology Service Co Ltd</li> <li>14. Nafu (Shenzhen) Technology Education Co Ltd</li> <li>15. Foshan Shunde Dingjia Energy Technology Co Ltd</li> <li>16. Foshan Shunde Kaihong Enterprise Management Service Co Ltd</li> <li>17. Foshan Shunde Lunjiao Best Experimental Kindergarten Co Ltd</li> <li>18. Foshan Shunde Best Xuegu Technology Co Ltd</li> <li>19. Foshan Shunde Best Zhigu Technology Co Ltd</li> </ol>	<p><u>Present Directorships</u></p> <ol style="list-style-type: none"> <li>1. New Track Technology and Marketing Pte Ltd</li> <li>2. MG Foreign Exchange Ltd</li> <li>3. MG Commercial Bank Limited</li> <li>4. MG Technologies Ltd</li> <li>5. Wellmont Strategic Limited</li> <li>6. Primasiana Philippines Inc</li> <li>7. Primasiana Pte Ltd</li> </ol> <p><u>Past 5 years Directorships</u></p> <ol style="list-style-type: none"> <li>1. Carriernet Corporation (Singapore) Pte Ltd</li> <li>2. Cacola Furniture International Limited</li> <li>3. Oceanus Group Limited</li> </ol>



# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>		<p>20. Guangdong Best Education Group 21. Foshan Intellect Business Service Co Ltd 22. Guangdong Yintai Financial Services Co., LTD 23. Guangdong Kangxin Property Management Co Ltd 24. Foshan Shunde Shengshang Education Consulting Service Co Ltd</p> <p><u>Past 5 years Directorships</u> N.A.</p>	
<p>(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?</p>	No	No	No

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
<p>(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?</p>	No	No	No
<p>(c) Whether there is any unsatisfied judgment against him?</p>	No	No	No

# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
<p>(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?</p>	No	No	No
<p>(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?</p>	No	No	No

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
<p>(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?</p>	No	No	No
<p>(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?</p>	No	No	No

# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange?	N.A. as this relates to the re-appointment of Director.	N.A. as this relates to the re-appointment of Director.	N.A. as this relates to the re-appointment of Director.
If Yes, please provide details of prior experience.			



# CORPORATE GOVERNANCE

Name of Director	Yang Ran	Yang Li	Yeo Kan Yen
<p>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.</p>			
<p>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).</p>			

**Note:**

N.A. - Not Applicable

# DIRECTORS' STATEMENT

The directors of the Company present their statement to the members together with the consolidated financial statements of Bacui Technologies International Ltd. (formerly known as Arion Entertainment Singapore Limited) (the "Company") and its subsidiaries (collectively the "Group") for the period from 1 April 2023 to 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position 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 2023 and of the financial performance, changes in equity and cash flows of the Group for the financial period covered then ended; 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.

## 1 Directors

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

Yeo Kan Yen	Independent Non-Executive Director	
Heng Victor Ja Wei	Independent Non-Executive Director	(Appointed on 30 June 2023)
Peng Lei Qing	Independent Non-Executive Director	(Appointed on 30 June 2023)
Yang Ran	Executive Director	(Appointed on 17 October 2023)
Yang Li	Executive Director	(Appointed on 17 October 2023)

## 2 Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object 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.

## 3 Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial period had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of director	Holdings registered in the name of the director or nominee	
	At 1.4.2023/ date of appointment	At the 31.12.2023
<b>The Company</b>		
<i>No. of Ordinary shares</i>		
Yang Ran (Appointed on 17 October 2023)	<b>155,555,555</b>	155,555,555

There was no change in any of the above-mentioned interests between the end of the financial period and 21 January 2024.

# DIRECTORS' STATEMENT

## 4 Share Options

On 30 July 2014, members of the Company approved and adopted the Arion Entertainment Singapore Limited Employees' Share Option Scheme ("**AES ESOS**") at an Extraordinary General Meeting. The AES ESOS was administered by the former Remuneration Committee.

During the period, upon the change of the Company name from Arion Entertainment Singapore Limited to Bacui Technologies International Ltd., the Employees' Share Option Scheme is renamed as Bacui Technologies International Ltd. Employees' Share Option Scheme ("**BTIL ESOS**"). The BTIL ESOS is administered by the Remuneration Committee (the "**Committee**") comprising Peng Lei Qing, Chairman of the Committee, Heng Victor Ja Wei and Yeo Kan Yen.

In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board. The Committee shall have the power, from time to time, to make and vary such terms for the implementation of the BTIL ESOS as it thinks fit.

The BTIL ESOS is intended to provide participants an opportunity to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

## 4 Share Options (cont'd)

### (a) Eligible participants of the BTIL ESOS

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Directors (both executive and non-executive) of the Company.

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the BTIL ESOS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period. The controlling shareholders or their associates are not eligible to participate in the BTIL ESOS.

### (b) Size and duration

The aggregate number of shares which may be issued or transferred pursuant to options granted under the BTIL ESOS on any date, when added to the aggregate number of shares issued and issuable and/or transferred and transferable in respect of (a) all options granted under the BTIL ESOS and (b) all awards, shares and/or options granted under any other share scheme implemented by the Company and for the time being in force, shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of grant.

The BTIL ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing from 30 July 2014, provided always that the BTIL ESOS may continue beyond the 10-year period with the approval of the shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the BTIL ESOS, any options granted to employees prior to such expiry or termination will continue to remain valid.

On 13 July 2015, the Company granted options to subscribe for 86,000,000 ordinary shares of the Company at an exercise price of \$0.0028 per share ("**2015 Options**"). The 2015 Options are exercisable from 13 July 2017 and shall expire on 13 July 2025. The total fair value of the 2015 Options granted was estimated to be \$318,000 using the Binomial Option Pricing Model.

Details of the options to subscribe for ordinary shares of the Company granted to directors and employees of the Company pursuant to the BTIL ESOS were as follows:

Date of grant	Balance as at 1.4.2023 '000	Options granted '000	Options cancelled or lapsed '000	Balance as at 31.3.2023 '000	Exercise price per share	Exercisable period
13.07.2015	7,846	–	(1,569)	6,277	\$0.03 *	13.07.2017– 13.07.2025

\* The exercise price was adjusted pursuant to the shares consolidation exercise on 10 August 2018 and the rights issue on 26 December 2018.

# DIRECTORS' STATEMENT

## 4 Share Options (cont'd)

### (b) Size and duration (cont'd)

No option has been granted to controlling shareholders of the Company or their associates (as defined in the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual).

All Directors, including Directors who have ceased office, and certain key management personnel under the BTIL ESOS have received 5% or more of the total number of shares under options available under the BTIL ESOS. All options under the BTIL ESOS were granted to Directors and employees of the Company and its subsidiaries.

Details of the options to subscribe for ordinary shares of the Company granted to participants of the BTIL ESOS who have received 5% or more of the total number of shares available under the BTIL ESOS were as follows:

Name of director	No. of unissued ordinary shares of the Company under option				
	Options granted during the year '000	Aggregate options granted since commencement of BTIL ESOS to 31.12.2023 '000	Aggregate options exercised since commencement of BTIL ESOS to 31.12.2023 '000	Aggregate options cancelled or lapsed since commencement of BTIL ESOS to 31.12.2023 '000	Aggregate options outstanding as at 31.12.2023 '000
<b>Directors (ceased office)</b>					
Ang Gee Hing	-	2,690.0	-	-	2,690.0
Tan Chong Chai	-	897.0	-	-	897.0
Chou Kong Seng	-	672.5	-	-	672.5
Kesavan Nair	-	672.5	-	-	672.5
Ling Chung Yee Roy	-	672.5	-	-	672.5
Ang Ghee Ann	-	672.5	-	-	672.5
	-	6,277.0	-	-	6,277.0

No options have been granted during the financial period ended 31 December 2023.

## 5 Audit Committee

The Audit Committee (“**AC**”) comprises all Independent Non-Executive directors at the date of this statement:

Heng Victor Ja Wei (Chairman)  
Peng Lei Qing  
Yeo Kan Yen

The AC carried out its functions in accordance with Section 201(B)(5) of the Act, the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual and the Code of Corporate Governance and assists the Board of Directors (the “**Board**”) in the execution of its corporate government responsibilities within its established terms of reference.

The duties of the AC, amongst other things, include:

- (a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;
- (b) review the half yearly announcement of financial statements and annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board;
- (c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;
- (d) meet with the external and internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- (e) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- (f) review the cost effectiveness and the independence and objectivity of the external auditors;
- (g) review the nature and extent of non-audit services provided by the external auditors;
- (h) recommend to the Board the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;
- (i) report actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate;
- (j) review interested person transactions in accordance with the requirements of the SGX-ST Listing Manual; and
- (k) undertake such other functions and duties as may be agreed to by the AC and the Board.

# DIRECTORS' STATEMENT

## 5 Audit Committee (cont'd)

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

Further details regarding the AC are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

## 6 Independent Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors

.....  
**Yang Ran**

.....  
**Yang Li**

**26 March 2024**

# INDEPENDENT AUDITOR'S REPORT

To the Members of Bacui Technologies International Ltd.  
(Formerly known as Arion Entertainment Singapore Limited)

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Bacui Technologies International Ltd. (formerly known as Arion Entertainment Singapore Limited) (the "**Company**") and its subsidiaries (collectively the "**Group**"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the period then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "**Act**") and Singapore Financial Reporting Standards (International) ("**SFRS(I)s**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the period ended on that date.

### *Basis for Opinion*

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

### *Key Audit Matters*

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



# INDEPENDENT AUDITOR'S REPORT

To the Members of Bacui Technologies International Ltd.  
(Formerly known as Arion Entertainment Singapore Limited)

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

### Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
<p><b>Acquisition of Bacui Elitist Technology Limited and its subsidiaries</b></p> <p>We refer to Note 13 and Note 27 to the financial statements.</p> <p>During the previous financial year, the Company completed the acquisition of the entire issued share capital of Bacui Elitist Technology Limited and its subsidiaries (collectively "<b>Bacui Group</b>") and recognised a provisional gain on bargain purchase of S\$1,848,000 from the acquisition.</p> <p>The Group engaged an external professional expert this year to finalise the purchase price allocation ("<b>PPA</b>") exercise for the acquisition and concluded that no adjustment was required to adjust the provisional gain on bargain purchase of S\$1,848,000.</p> <p>The determination of fair value of identifiable assets acquired and liabilities assumed required significant management judgements in estimating the underlying key assumptions to be applied. Accordingly, we determined this as a key audit matter.</p>	<p>We have performed the necessary audit procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the terms and conditions for the acquisition of Bacui Group to independently assess the accounting applied;</li> <li>• Assessed the competence, capabilities and independence of the professional valuer engaged by the Group for the PPA exercise;</li> <li>• Evaluated the valuation methodologies used and the underlying key assumptions applied by the professional valuer in the PPA exercise performed; and</li> <li>• Reviewed the appropriateness of the presentation and disclosures in relation to the acquisition of Bacui Group in Note 27 to the financial statements.</li> </ul> <p>We found the valuation methodologies used were in line with generally accepted market practices and the underlying key assumptions applied were within a reasonable range.</p>

# INDEPENDENT AUDITOR'S REPORT

To the Members of Bacui Technologies International Ltd.  
(Formerly known as Arion Entertainment Singapore Limited)

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

### Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
<p><b>Revenue recognition</b></p> <p>We refer to Note 3(b) and Note 5 to the financial statements.</p> <p>For the financial period ended 31 December 2023, the Group recognised revenue from continuing operations amounting to S\$39.94 million.</p> <p>Given the financial significance of revenue recognised to the overall consolidated financial statements of the Group and management judgement involved in assessing that the contract milestones represent an appropriate basis for the recognition of revenue, we have determined revenue recognition as a key audit matter.</p>	<p>We have performed the necessary audit procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Understood the Group's control environment and key controls on the revenue cycle;</li> <li>• Performed sample testing on revenue and receipts;</li> <li>• Performed analytical review procedures and enquired with management on unusual and significant fluctuations noted on revenue;</li> <li>• Performed cut-off tests to ascertain whether the Group had complied with proper cut-off procedures and revenue was recognised in the appropriate accounting period based on terms of trade;</li> <li>• Tested journal entries made to revenue account(s); and</li> <li>• Reviewed credit notes issued during and subsequent to the financial period end.</li> </ul> <p>Based on our audit procedures, we found that management's recognition of revenue to be reasonable and the disclosures to be appropriate.</p>

# INDEPENDENT AUDITOR'S REPORT

To the Members of Bacui Technologies International Ltd.  
(Formerly known as Arion Entertainment Singapore Limited)

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

### Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
<p><b>Impairment of trade and other receivables</b></p> <p>We refer to Note 4(b), Note 15 and Note 25(b) to the financial statements.</p> <p>As at 31 December 2023, the carrying amount of the Group's trade and other receivables, net of allowance for expected credit loss ("ECL") of S\$0.41 million, amounted to S\$3.14 million.</p> <p>The collectability of trade and other receivables is a key element of the Group's working capital management, and is managed on an ongoing basis by management. The Group determines the ECL of trade and other receivables by making debtor-specific assessments of expected impairment loss for overdue receivables and using a provision matrix for remaining receivables that is based on the Group's historical observed default rates, customers' ability to pay and adjusted with forward-looking information.</p> <p>The assessment of correlation between historical observed default rates, forecast economic conditions and expected credit losses require the management to exercise significant judgement. Accordingly, we determined impairment of trade and other receivables as a key audit matter.</p>	<p>We have performed the necessary audit procedures which included the following:</p> <ul style="list-style-type: none"> <li>Reviewed the classification of the financial assets based on the Group's business model for managing the financial assets and the contractual terms of the cash flows;</li> <li>Understood the Group's processes and key controls relating to the monitoring of trade receivables and considering their aging to identify collection risks;</li> <li>Evaluated management's impairment assessment of the Group's trade and other receivables and contract assets based on requirements of SFRS(I) 9 and checked on subsequent receipts;</li> <li>Checked the supportable information that is available and relevant to management's estimation of expected credit loss that includes both qualitative and quantitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment, including forward-looking information;</li> <li>Tested the accuracy of the debtor's aging reports, circularised trade confirmations independently and performed alternative verification in the event of non-replies; and</li> <li>Reviewed the appropriateness of the disclosures relating to trade and other receivables and contract assets including their expected credit loss.</li> </ul> <p>Based on our audit procedures, we found management's assessment of the recoverability of trade and other receivables to be reasonable and the disclosures to be appropriate.</p>

### Other Matters

The financial statements of the Group for the financial year ended 31 March 2023 were audited by another firm of auditors who expressed an unmodified opinion on these financial statements on 30 June 2023.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Bacui Technologies International Ltd.  
(Formerly known as Arion Entertainment Singapore Limited)

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

### *Other Information*

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

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

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

### *Responsibilities of Management and Directors for the Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Bacui Technologies International Ltd.  
(Formerly known as Arion Entertainment Singapore Limited)

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

### *Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lao Mei Leng.

**Moore Stephens LLP**  
**Public Accountants and Chartered Accountants**

**Singapore**

**26 March 2024**

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 April 2023 to 31 December 2023

	Note	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
<b>Continuing operations</b>			
Revenue	5	39,942	-
Other income	6	387	1,848
Expenses			
- Materials and consumables		(1,847)	-
- Audit fees paid:			
Auditors of the Company and other firms affiliated with Moore Global Network Limited		(200)	-
Other auditors		-	(45)
- Non-audit fees paid:			
Auditors of the Company and other firms affiliated with Moore Global Network Limited		-	-
Other auditors		-	(8)
- Employee compensation	7	(36,818)	(577)
- Depreciation of property, plant and equipment		(26)	-*
- Depreciation of right-of-use asset		(2)	-
- Rental expense – short-term leases		(238)	(32)
- Professional fees		(253)	(207)
- Other		(961)	(228)
Total expenses		(40,345)	(1,097)
<b>(Loss)/Profit before income tax</b>		<b>(16)</b>	<b>751</b>
Income tax expense	8	(361)	(6)
<b>(Loss)/Profit for the period/year from continuing operations</b>		<b>(377)</b>	<b>745</b>
<b>Discontinued operations</b>			
Loss for the period/year from discontinued operations	9	(83)	(310)
<b>Total (loss)/profit for the period/year</b>		<b>(460)</b>	<b>435</b>
<b>Other comprehensive (loss)/income, net of tax</b>			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations			
- (Loss)/Gain on translation on foreign operations		(163)	34
- Gain reclassified to profit or loss on disposal of foreign operations	13	57	-
		(106)	34
<b>Total comprehensive (loss)/income for the period/year</b>		<b>(566)</b>	<b>469</b>

\* Amount less than S\$1,000

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 April 2023 to 31 December 2023

(cont'd)

	Note	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
<b>(Loss)/Profit for the period/year attributable to:</b>			
Equity holders of the Company		(464)	435
Non-controlling interest		4	-
		<u>(460)</u>	<u>435</u>
<b>(Loss)/Profit for the period/year attributable to equity holders of the Company relates to:</b>			
(Loss)/Profit from continuing operations		(381)	745
Loss from discontinued operations		(83)	(310)
		<u>(464)</u>	<u>435</u>
<b>Total comprehensive (loss)/income for the period/year attributable to:</b>			
Equity holders of the Company		(570)	469
Non-controlling interest		4	-
		<u>(566)</u>	<u>469</u>
<b>(Loss)/Earnings per share from continuing and discontinued operations attributable to equity holders of the Company:</b>			
Basic and diluted (loss)/earnings per share (cent per share)	10	<u>(0.04)</u>	<u>0.05</u>
<b>(Loss)/Earnings per share from continuing operations attributable to equity holders of the Company:</b>			
Basic and diluted (loss)/earnings per share (cent per share)	10	<u>(0.04)</u>	<u>0.08</u>
<b>(Loss)/Earnings per share from discontinued operations attributable to equity holders of the Company:</b>			
Basic and diluted (loss)/earnings per share (cent per share)	10	<u>-</u>	<u>(0.03)</u>

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group		Company	
		31.12.2023	31.3.2023	31.12.2023	31.3.2023
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	63	176	-	-*
Investment in a joint venture	12	-	-	-	-
Investments in subsidiaries	13	-	-	980	980
Intangible assets	14	-	92	-	-
Other receivables	15	-	42	-	-
		<b>63</b>	<b>310</b>	<b>980</b>	<b>980</b>
<b>Current assets</b>					
Cash and cash equivalents	16	9,932	10,784	189	275
Trade and other receivables	15	3,139	4,511	-	-
Other current assets	17	13	69	10	56
		<b>13,084</b>	<b>15,364</b>	<b>199</b>	<b>331</b>
<b>TOTAL ASSETS</b>		<b>13,147</b>	<b>15,674</b>	<b>1,179</b>	<b>1,311</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	18	147,289	146,309	147,289	146,309
Accumulated losses	19	(144,743)	(144,179)	(146,847)	(146,605)
Other reserves	20	254	260	259	259
		<b>2,800</b>	<b>2,390</b>	<b>701</b>	<b>(37)</b>
Non-controlling interests		105	2	-	-
<b>Total equity</b>		<b>2,905</b>	<b>2,392</b>	<b>701</b>	<b>(37)</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	23	4	6	-	-
<b>Current liabilities</b>					
Trade and other payables	21	9,168	11,554	475	1,342
Borrowings	22	-	727	-	-
Lease liabilities	23	2	2	-	-
Current income tax liabilities		1,068	993	3	6
		<b>10,238</b>	<b>13,276</b>	<b>478</b>	<b>1,348</b>
<b>Total liabilities</b>		<b>10,242</b>	<b>13,282</b>	<b>478</b>	<b>1,348</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,147</b>	<b>15,674</b>	<b>1,179</b>	<b>1,311</b>

\* Amount less than S\$1,000

The accompanying notes form an integral part of the financial statements



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2023 to 31 December 2023

Group	Note	Share Capital S\$'000	Currency Translation Reserve S\$'000	Share Options Reserve S\$'000	Statutory Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total Equity S\$'000
Balance at 1 April 2023		146,309	1	259	-	(144,179)	2,390	2	2,392
Loss for the period		-	-	-	-	(464)	(464)	4	(460)
Other comprehensive loss of the period		-	(106)	-	-	-	(106)	-	(106)
Total comprehensive (loss)/income for the financial period		-	(106)	-	-	(464)	(570)	4	(566)
Issue of ordinary shares	18	980	-	-	-	-	980	-	980
Appropriation to statutory reserve	20(b)(iii)	-	-	-	100	(100)	-	-	-
Capital subscribed by non-controlling shareholder		-	-	-	-	-	-	99	99
Balance at 31 December 2023		147,289	(105)	259	100	(144,743)	2,800	105	2,905

Group	Note	Share Capital S\$'000	Currency Translation Reserve S\$'000	Share Options Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total Equity S\$'000
Balance at 1 April 2022		146,309	(33)	259	(144,614)	1,921	-	1,921
Profit for the year		-	-	-	435	435	-	435
Other comprehensive income of the year		-	34	-	-	34	-	34
Total comprehensive income for the financial year		-	34	-	435	469	-	469
Acquisition of subsidiaries	27	-	-	-	-	-	2	2
Balance at 31 March 2023		146,309	1	259	(144,179)	2,390	2	2,392

The accompanying notes form an integral part of the financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2023 to 31 December 2023

	Note	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
<b>Cash Flows from Operating Activities</b>			
Net (loss)/profit for the period/year		(460)	435
Adjustments for:			
Income tax expense		362	7
Property, plant and equipment written off		1	-
Gain on disposal of property, plant and equipment		(6)	-
Depreciation of property, plant and equipment	11	51	50
Depreciation of right of use asset		2	-
Loss on disposal of subsidiaries	13(ii)	35	-
Reversal of estimated credit loss on trade and other receivables – net		(110)	-
Interest income		(138)	-*
Adjustment to translation reserves		(37)	-
Gain on bargain purchase	6	-	(1,848)
		(300)	(1,356)
Change in working capital:			
Trade and other receivables		1,383	(193)
Trade and other payables		880	(34)
Cash generated from/(used in) operations		1,963	(1,583)
Income tax paid		(45)	(3)
Interest received		138	-*
<b>Net cash generated from/(used in) operating activities</b>		<b>2,056</b>	<b>(1,586)</b>
<b>Cash Flows from Investing Activities</b>			
Additions to property, plant and equipment	11	(15)	(3)
Proceeds from disposal of property, plant and equipment		7	-
Acquisition of subsidiaries, net of cash acquired	27(iii)	-	9,525
Disposal of subsidiaries, net of cash disposed of	13(iii)	276	-
<b>Net cash generated from investing activities</b>		<b>268</b>	<b>9,522</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of lease liabilities		(2)	-
(Repayment of)/amounts due to shareholder/director		(3,033)	727
<b>Net cash (used in)/generated from financing activities</b>		<b>(3,035)</b>	<b>727</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(711)</b>	<b>8,663</b>
<b>Cash and cash equivalents at beginning of the period/year</b>		<b>10,784</b>	<b>2,083</b>
<b>Effects of currency translation on cash and cash equivalents</b>		<b>(141)</b>	<b>38</b>
<b>Cash and cash equivalents at end of the period/year</b>	16	<b>9,932</b>	<b>10,784</b>

\* Amount less than S\$1,000

The accompanying notes form an integral part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

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

## 1 General

Bacui Technologies International Ltd. (formerly known as Arion Entertainment Singapore Limited) (the "**Company**") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 138 Robinson Road, #26-03, Oxley Tower, Singapore 068906. The address of its principal place of business is Bacui Technology Building, No. 5 Zhicheng Road, Daliang, Shunde District, Foshan City, Guangdong Province, People's Republic of China.

With effect from 31 July 2023, the name of the Company was changed from Arion Entertainment Singapore Limited to Bacui Technologies International Ltd.

The financial year end of the Company has been changed from March to December. Accordingly, the current financial statements cover the financial period from 1 April 2023 to 31 December 2023.

The principal activities of the Company are those of provision of management services and investment holding. The principal activities of its subsidiaries are set out in Note 13 to the financial statements.

## 2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s")

### (a) Adoption of New and Revised SFRS(I) and SFRS(I) INTs

On 1 April 2023, the Group has adopted the new or amended SFRS(I) and SFRS(I) Interpretations ("**SFRS(I) INTs**") that are mandatory for application for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transition provisions in the respective SFRS(I) and SFRS(I) INTs.

The adoption of these new or amended SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial period or prior financial years except as disclose below:

#### Amendments to SFRS(I) 1-1: Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements

The amendments require entities to disclose their material accounting policies information rather than their significant accounting policies. It clarifies that accounting policy information may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, such information must not obscure material accounting policy information. The amended SFRS(I) Practice Statement 2 explains and demonstrates the application of the materiality process to accounting policy disclosures. The Group has applied materiality guidance in SFRS(I) Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term 'Significant Accounting Policies' used throughout the financial statements has been replaced with 'Material Accounting Policies'.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 2 Application of Singapore Financial Reporting Standards (International) (“SFRS(I)s”) (cont’d)

### (b) *New and Revised Standards issued but not yet effective*

At the date of authorisation of these financial statements, the following standards have been issued and are relevant to the Group and Company but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1: <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to SFRS(I) 1-1: <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to SFRS(I) 16: <i>Lease: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to SFRS(I) 1-7: <i>Statement of Cash Flows</i> and SFRS(I) 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024
Amendments to SFRS(I) 1-21: <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred indefinitely, early application is still permitted

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

## 3 Material Accounting Policies

### (a) *Basis of Preparation*

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

The consolidated financial statements are presented in Singapore Dollars (“S\$”) and all values are rounded to the nearest thousand (“S\$’000”) except otherwise indicated.

### (b) *Revenue Recognition*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (b) Revenue Recognition (cont'd)

#### Revenue from contract with customers

Revenue from the provision of human resources, labour outsourcing, administrative, recruitment and property management services, is recognised over time when the services are performed as the customer simultaneously receives and consumes the services the Group provides.

#### Revenue from provision of catering outsourcing

Revenue from catering outsourcing income is recognised over time as it is a series of services, which entails the Group's tendering service for sourcing food and beverage according to customer's request and delivering to customers' designated locations, where the customer simultaneously receives and consumes the benefit provided by the Group.

#### Revenue from provision of environment greening services

Revenue is recognised when the control of the end products is transferred to the customers. The Group's performance does not create an asset with an alternative use to the Group and the Group does not have an enforceable right to payment for performance completed to date.

### (c) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

### (d) Group Accounting

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (d) Group Accounting (cont'd)

#### Subsidiaries (cont'd)

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the subsidiary sold.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously-held interest measured is less than the fair value of the net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (d) Group Accounting (cont'd)

#### Subsidiaries (cont'd)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of interests in subsidiaries to non-controlling interests without loss of control are also recorded in equity.

When the Group loses control of a subsidiary, it:

- Derecognised the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognised the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- Recognises the fair value of the consideration received;
- Recognised the fair value of any investment retained in the former subsidiary at its fair value;
- Re-classified the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- Recognises any resulting difference in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (d) Group Accounting (cont'd)

#### Joint Venture

Joint venture is entity over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Goodwill on acquisition of joint venture represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on joint venture is included in the carrying amount of the investment. Gains or losses on disposal of joint venture include the carrying amount of goodwill related to the entity sold.

Investment in joint venture is accounting for using the equity method of accounting less impairment losses, if any. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

When the Group reduces its ownership interest in joint venture, but the Group continues to equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (e) Property, Plant and Equipment

#### Measurement

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

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

#### Depreciation

Depreciation is recognised so as to write off the depreciable amounts of the assets over their estimated useful lives, using the straight-line method.

The following useful lives are used in the calculation of depreciation:

	<b>Useful lives</b>
Leasehold property	5 years
Furniture and fittings	5 – 10 years
Office equipment	5 – 10 years
Computers	3 years
Renovation	5 – 10 years
Motor vehicles	4 years

Depreciation of the property, plant and equipment commences when the assets are ready for their intended use.

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

The residual value, useful life and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

#### Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised 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 Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (e) *Property, Plant and Equipment (cont'd)*

#### Disposal

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

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly. No transfer is made from the revaluation reserve to retained earnings except when the asset is derecognised.

### (f) *Investments in Subsidiaries and Joint Ventures*

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### (g) *Disposal Group Classified as Discontinued Operations*

A discontinued operation is a component of an entity that has been disposed of and;

- (i) represents a separate major line of business or geographical area of operations; or
- (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (iii) is a subsidiary acquired exclusively with a view to resale.

When a component of an entity qualifies as a discontinued operation, the comparative statement of comprehensive income is retrospectively restated to segregate the results of all operations that have been discontinued by the end of the latest reporting period.

### (h) *Impairment of Non-Financial Assets*

#### Property, plant and equipment and investments in subsidiaries and joint ventures

Property, plant and equipment, and investments in subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and investment in subsidiaries and joint ventures to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (h) Impairment of Non-Financial Assets (cont'd)

#### Property, plant and equipment and investments in subsidiaries and joint ventures (cont'd)

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 ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units of which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to disposal and 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 risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

The Group also takes into account the climate-related risks (if applicable), in the cash-flow forecasts when determining value-in-use ("VIU") amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (i) Financial Assets

#### Classification

#### i. Debt instruments

Financial assets that are debt instruments are classified into categories based on the Group's business model for managing them and their contractual cash flow characteristics.

- Financial Assets measured at Amortised Cost ("**AC**") comprise of assets that are held within a business model whose objective is to hold those assets for collection of contractual cash flows, and those contractual cash flows represent solely payments of principal and interest.
- Financial Assets measured at Fair Value through Other Comprehensive Income ("**FVOCI**") comprise of assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling those assets, and those contractual cash flows represent solely payments of principal and interest.
- Financial Assets measured at Fair Value through Profit and Loss ("**FVPL**") comprise of assets that do not qualify for AC and FVOCI. Assets that would otherwise qualify for AC or FVOCI may also be designated as FVPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that arises from measuring assets and liabilities on an inconsistent basis.

#### ii. Equity instruments

Financial assets that are equity instruments comprise mainly of investments in equity securities. The Group classifies these assets as FVPL, except for those that the Group has designated as FVOCI. The FVOCI designation is irrevocable, and is not permitted for held-for-trading financial assets and financial assets that represent contingent consideration in a business combination.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (i) Financial Assets (cont'd)

#### Initial measurement

Trade receivables that do not contain a significant financing component are initially recognised at their transaction price. Other financial assets are initially recognised at fair value, plus, for financial assets that are not at FVPL, transaction costs that are directly attributable to their acquisition. Transaction costs of financial assets at FVPL are expensed in profit and loss.

#### Subsequent measurement

##### i. Debt instruments

###### AC

These assets are subsequently measured at amortised cost using the effective interest method unless they are part of a designated hedging relationship. Impairment losses and reversals, interest income, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Interest income is based on the effective interest method which allocates interest income over the life of the financial asset based on an effective interest rate that discounts estimated future cash receipts to its gross carrying amount.

###### FVOCI

These assets are subsequently measured at fair value. Impairment losses and reversals, interest income based on the effective interest method, and foreign exchange gains and losses (except where designated as a hedging instrument) on such assets are recognised in profit and loss. Any remaining fair value movements are recorded in other comprehensive income.

###### FVPL

These assets are subsequently measured at fair value. All fair value movements are recorded in profit and loss.

##### ii. Equity instruments

Subsequent to initial recognition, all equity investments are measured at fair value. Changes in the fair value of FVPL equity investments are recognised in profit and loss, while changes in the fair value of FVOCI equity investments are recognised in other comprehensive income. All dividend income is recognised in profit and loss, except for dividends from FVOCI equity investments that clearly represent a recovery of the cost of investment.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (i) Financial Assets (cont'd)

#### Impairment

At each reporting date, the Group assesses expected credit losses ("ECL") on the following financial instruments:

- Financial assets that are debt instruments measured at AC and FVOCI; and
- Contract assets

ECL is a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all shortfalls between the cash flows due to the Group in accordance with contractual terms, and the cash flows that the Group actually expects to receive. ECL is discounted at the effective interest rate of the financial asset. The Group records allowances on financial assets based on either the:

- 12-month ECL – representing the ECL that results from default events that are possible within the 12 months after the reporting date (or the expected life of the instrument if shorter); or
- Lifetime ECL – representing the ECL that results from all possible default events over the expected life of the contract.

#### Simplified approach – Trade receivables and contract assets

For all trade receivables and contract assets, the Group adopts a simplified approach whereby an allowance for lifetime ECL is assessed upon initial recognition. The Group estimates lifetime ECL using a provision matrix based on historical credit loss experience, adjusted for various factors including debtor-specific factors, forward-looking information such as industry and economic forecasts, and others as appropriate.

#### General approach – All other financial instruments on which ECL assessment is required

For all other financial instruments on which ECL is assessed, an allowance for 12-month ECL is recorded upon initial recognition. The allowance is increased to lifetime ECL if the credit risk at each reporting date has increased significantly as compared to the credit risk at initial recognition. In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group considers all reasonable and supportable information that is relevant and available without undue cost or effort including both historical credit experience and forward-looking information.

The Group regards the following as events of default:

- Events that make it unlikely for the borrower to repay in full unless the Group undertakes actions to recover the asset (e.g. by exercising rights over collaterals or other credit enhancements); or
- The financial instrument has become more than 1 year and 9 months past due.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (i) Financial Assets (cont'd)

#### Credit-impaired financial instruments

At each reporting date, the Group assesses whether a financial instrument on which ECL assessment is required has become credit-impaired. This is the case when one or more events have occurred that are considered to be detrimental to the estimated future cash flows of the instrument. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the borrower;
- A breach of contract such as a default or past due event;
- Other lenders granting concessions (such as loan restructurings) to the borrower due to economic or contractual reasons, that would not have been considered in the absence of the borrower's financial difficulty;
- Increasing likelihood that the borrower will enter bankruptcy or other financial re-organisation; or
- The disappearance of an active market for the borrower's securities due to financial difficulties.

For credit-impaired financial assets, interest income is determined by applying the effective interest rate to the net carrying amount of the financial asset (after deduction of the ECL allowance).

#### Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, such as when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit and loss.

#### Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes a party to its contractual provisions. All regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the financial asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership 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 received.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (i) Financial Assets (cont'd)

#### Recognition and derecognition (cont'd)

On derecognition of a financial asset that is a debt instrument, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. In addition, for a financial asset that is a debt instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is reclassified to profit and loss.

On derecognition of an equity investment at FVPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit and loss. For equity investments at FVOCI, this difference is instead recognised directly in equity as part of retained earnings. Cumulative gains and losses previously accumulated in equity are also transferred directly to retained earnings upon derecognition of FVOCI equity investments.

### (j) Offsetting of Financial Assets and Financial Liabilities

Financial assets and liabilities are offset and the net amount reported in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amount and there is an intention to settle on a net basis, or to realise the asset and settle the liabilities simultaneously.

### (k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### (l) Leases

When the Group is the lessee:

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



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (1) Leases (cont'd)

When the Group is the lessee: (cont'd)

#### Right-of-use assets

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

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

#### Lease liabilities

The initial measurement of lease liabilities are measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the followings:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (l) Leases (cont'd)

When the Group is the lessee: (cont'd)

#### Short term and low value leases

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

### (m) Income Taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither goodwill or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the timing of 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.

- i. At the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- ii. Based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

### (o) Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

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

### (p) Foreign Currencies

#### Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates ("**functional currency**").

For the purposes of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in Singapore Dollars ("**S\$**"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (p) Foreign Currencies (cont'd)

#### Transactions and balances

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other gains", if any.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

#### Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

### (q) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker ("**CODM**") whose members are responsible for allocating resources and assessing performance of the operating segments.

### (r) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 3 Material Accounting Policies (cont'd)

### (s) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

### (t) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the "reporting entity").

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - i. has control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - i. the entity and the reporting entity 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - 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); or
  - 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3 above, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### (a) Critical judgement in applying accounting policies

Management is of the opinion that in the preparation of the financial statements there are no critical judgements made in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

#### Expected credit losses ("ECL") on trade receivables and contract assets

As at 31 December 2023, the Group recognised a net reversal of expected credit loss of S\$0.11 million in respect of trade receivables and contract assets (31.3.2023: S\$ Nil).

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Companies' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

Allowances for ECLs on trade receivables are based on the management's estimate of the lifetime ECLs to be incurred, which are estimated by taking into account the credit losses experience, ageing of the trade receivables, customers' settlement records, customers' financial status and ongoing business relationships with customers. Management also considered forward-looking information that may impact the customers' abilities to repay the outstanding balances in order to estimate the allowances for ECLs on trade receivables.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. The Group's and the Company's credit risk exposure for trade receivables and contract assets are set out in Note 25(b) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 5 Revenue

### (a) Disaggregation of revenue from contracts with customers

Revenue represents services income from provision of human resources, labour outsourcing related services and property management service during the period/year. Revenue recognised is as follows:

	Group	
	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
<u>People's Republic of China ("PRC")</u>		
Labour outsourcing	36,575	-
Catering outsourcing	2,634	-
Environment greening service	270	-
Administrative service	93	-
Recruitment service	34	-
Property management service	336	-
	<hr/>	<hr/>
Revenue from continuing operations	39,942	-
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
Over time	39,942	-
	<hr/>	<hr/>

### (b) Contract balances

	Group		
	31.12.2023 S\$'000	31.3.2023 S\$'000	1.4.2022 S\$'000
Contract assets (Note 15)			
– Service contracts	2,573	4,020	-
	<hr/>	<hr/>	<hr/>
Contract liabilities (Note 21)			
– Service contracts	621	210	-
	<hr/>	<hr/>	<hr/>

Contract assets relate to unbilled service fee at the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when invoices are billed to the customer.

Contract liabilities represent the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 5 Revenue (cont'd)

### (b) Contract balances (cont'd)

Significant changes in the contract assets and contract liabilities balances during the financial period/year are disclosed as follows:

	Group	
	31.12.2023	31.3.2023
	S\$'000	S\$'000
<u>Contract assets</u>		
Contract asset reclassified to trade receivables	4,020	-
Performance obligations have been satisfied but not yet billed	2,573	4,020
<u>Contract liabilities</u>		
Contract liabilities recognised as revenue	210	-
Performance obligations have not been satisfied but billed	621	210

Management estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts due from customers at the end of the reporting period is past due. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

The Group's credit risk exposure in relation to contract asset under SFRS(I) 9 as at 31 December 2023 and 31 March 2023 are set out in the provision matrix as presented below. The Group's provision for loss allowance is based on past due as the Group's historical credit loss experiences does not show significantly different loss patterns for different customer segments.

	Group	
	31.12.2023	31.3.2023
	S\$'000	S\$'000
Expected credit loss rate	11%	10%
Gross carrying amount at default – not past due	2,901	4,535
Loss allowance – lifetime ECL	(328)	(515)
Net carrying amount	2,573	4,020



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 5 Revenue (cont'd)

### (b) Contract balances (cont'd)

The movement in lifetime ECL that has been recognised for the Group's contract assets in accordance with the simplified approach set out in SFRS(I) 9 is presented as below:

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Balance at beginning of the period/year	515	515
Net decrease in loss allowance	(170)	-
Effect of foreign currency exchange differences	(17)	-
Balance at end of the period/year	<u>328</u>	<u>515</u>

### (c) Transaction price allocated to remaining performance obligations

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied at end of the period/year	<u>621</u>	<u>210</u>

Management expects that the transaction price allocated to unsatisfied performance obligations as at 31 December 2023 and 31 March 2023 may be recognised as revenue in the next reporting periods as follows:

	2023 S\$'000	2024 S\$'000	Total S\$'000
<b>Group</b>			
Partially and fully unsatisfied performance obligations as at			
31 December 2023	-	621	621
31 March 2023	<u>210</u>	<u>-</u>	<u>210</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 6 Other Income

	Group	
	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
Interest income	132	-
Gain on disposal of property, plant and equipment	6	-
Government subsidies	36	-
Reversal of expected credit loss on trade and other receivables – net	110	-
Gain on bargain purchase (Note 27)	-	1,848
Others	103	-
	<b>387</b>	<b>1,848</b>

## 7 Employee Compensation

	Group	
	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
Wages, salaries and bonuses	32,148	559
Employer's contribution to defined contribution plans, including Central Provident Fund	3,667	14
Gratuity payment (Note 21)	121	-
Other short-term benefits	882	4
	<b>36,818</b>	<b>577</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 8 Income Taxes

	Group	
	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
Tax expense attributable to (loss)/profit is made up of:		
(Loss)/Profit for the financial period/year:		
– Current income tax	361	3
Under provision in prior financial period/year:		
– Current income tax	-	3
	361	6

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
(Loss)/Profit before tax	(16)	751
Tax calculated at a tax rate of 17%	(3)	128
Effects of:		
– Effect on different tax rates of foreign operations	115	-
– Expenses not deductible for tax purposes	265	186
– Income not subject to tax	(5)	(314)
– Others	(11)	3
– Under provision in prior financial period/year	-	3
Tax charge for continuing operations	361	6

The corporate tax rate applicable to the Company incorporated in Singapore is 17% (31.03.2023: 17%).

For those entities of the Group operating in China, China income tax is calculated at the applicable tax rate in accordance with the Corporate Income Tax Law. The income tax rate for both domestic and foreign-investment enterprises is at 25%.

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of S\$53,000 (31.03.2023: S\$40,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses have no expiry date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 9 Discontinued Operations

### *Hong Kong publishing, exhibition and events and money lending business*

During the financial period, the Company entered into a Sale & Purchase Agreement and sold its entire issued and paid-up share capital in Fame Harvest Limited (“FHL”) for an aggregate consideration of HK\$1,800,000 (approximately S\$311,000). The disposal was completed in September 2023, and consequently, the Hong Kong publishing, exhibition and events and money lending business entities ceased to be subsidiaries of the Group. Further details on the completion of the disposal are disclosed in Note 13.

### *Malaysia publishing, exhibition and events business*

During the financial period, the Company entered into a Sale & Purchase Agreement to sell its entire issued and paid-up share capital in Inovatif Media Asia Sdn Bhd (“IMA”) for an aggregate consideration of RM30,000 (approximately S\$8,700). The disposal was completed in September 2023, and consequently, the Malaysia publishing, exhibition and events business entities ceased to be subsidiaries of the Group. Further details on the completion of the disposal are disclosed in Note 13.

### *Analysis of loss for the period/year from discontinued operations*

The combined results of the discontinued operations included in the consolidated statement of comprehensive income for the financial period/year ended 31 December 2023 and 31 March 2023 are set out below.

	<b>Group</b>	
	<b>Period from 1.4.2023 to 31.12.2023 S\$'000</b>	<b>Period from 1.4.2022 to 31.3.2023 S\$'000</b>
<b><u>Discontinued operations</u></b>		
Revenue	<b>225</b>	859
Other income	<b>25</b>	9
Expenses	<b>(297)</b>	(1,177)
<b>Loss before income tax</b>	<b>(47)</b>	(309)
Loss on disposal of foreign operations (Note 13)	<b>(35)</b>	-
Income tax	<b>(1)</b>	(1)
<b>Loss for the period/year from discontinued operations</b>	<b>(83)</b>	(310)
<b>Attributable to:</b>		
Equity holders of the Company	<b>(83)</b>	(310)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 9 Discontinued Operations (cont'd)

*Analysis of loss for the period/year from discontinued operations (cont'd)*

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
<b>Cash flows from discontinued operations</b>		
Cash flow generated from/(used in) operating activities	31	(442)
Cash flow used in investing activities	(5)	-
Cash flow used in financing activities	(727)	-
Net cash inflow from discontinued operations	<b>(701)</b>	<b>(442)</b>

## 10 (Loss)/Earnings per Share

(a) *Basic (loss)/earnings per share from continuing and discontinued operations attributable to equity holders of the Company*

Basic (loss)/earnings per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
(Loss)/Profit for the period/year attributable to equity holders of the Company	<b>(464)</b>	435
(Loss)/Profit used in the calculation of basic (loss)/ earnings per share:		
- from continuing operations	<b>(381)</b>	745
- from discontinued operations	<b>(83)</b>	(310)
(Loss)/Profit used in the calculation of basic (loss)/earnings per share	<b>(464)</b>	435
Weighted average number of ordinary shares used in calculation of basic (loss)/earnings per share ('000)	<b>1,080,457</b>	933,952

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 10 (Loss)/Earnings per Share (cont'd)

### (b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, (loss)/profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options.

The Group has no dilution in its (loss)/earnings per share as at 31 December 2023 and 31 March 2023. The dilutive potential ordinary shares arising from share options have not been included in the calculation of diluted loss per share because they are anti-dilutive.

## 11 Property, Plant and Equipment

	Leasehold property S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Computers S\$'000	Renovation S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>Group</b>							
<b>31.12.2023</b>							
<i>Cost</i>							
Balance at 1.4.2023	10	14	119	204	57	155	559
Additions	-	-	10	-	5	-	15
Written-off	-	(4)	(43)	(50)	(34)	-	(131)
Disposed	-	-	-	-	-	(30)	(30)
Derecognised on disposal of subsidiaries (Note 13)	-	(10)	(4)	(154)	(28)	-	(196)
Effect of foreign currency exchange differences	-	-	(4)	-	-	(5)	(9)
Balance at 31.12.2023	10	-	78	-	-	120	208
<i>Accumulated depreciation</i>							
Balance at 1.4.2023	3	10	103	128	45	94	383
Depreciation charge	2	1	4	21	4	21	53
Written off	-	(4)	(43)	(49)	(34)	-	(130)
Disposed	-	-	-	-	-	(29)	(29)
Derecognised on disposal of subsidiaries (Note 13)	-	(7)	(3)	(98)	(15)	-	(123)
Effect of foreign currency exchange differences	-	-	(3)	(2)	-	(4)	(9)
Balance at 31.12.2023	5	-	58	-	-	82	145
<i>Net book value</i>							
Balance at 31.12.2023	5	-	20	-	-	38	63

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 11 Property, Plant and Equipment (cont'd)

	Leasehold property S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Computers S\$'000	Renovation S\$'000	Motor vehicles S\$'000	Total S\$'000
<b>Group</b>							
<b>31.3.2023</b>							
<u>Cost</u>							
Balance at 1.4.2022	-	15	51	209	60	-	335
Additions	-	-	-*	3	-	-	3
Acquisition of subsidiaries (Note 27)	10	-	71	-	-	155	236
Effect of foreign currency exchange differences	-	(1)	(3)	(8)	(3)	-	(15)
Balance at 31.3.2023	10	14	119	204	57	155	559
<u>Accumulated depreciation</u>							
Balance at 1.4.2022	-	9	51	92	41	-	193
Depreciation charge	-	2	-*	42	6	-	50
Acquisition of subsidiaries (Note 27)	3	-	55	-	-	94	152
Effect of foreign currency exchange differences	-	(1)	(3)	(6)	(2)	-	(12)
Balance at 31.3.2023	3	10	103	128	45	94	383
<u>Net book value</u>							
Balance at 31.3.2023	7	4	16	76	12	61	176

\* Amount less than S\$1,000

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 23 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 11 Property, Plant and Equipment (cont'd)

	Computers	
	31.12.2023 S\$'000	31.3.2023 S\$'000
<b>Company</b>		
<i>Cost</i>		
Balance at beginning of the period/year	1	1
Additions	-	-*
Written off	(1)	-
Balance at end of the period/year	-	1
<i>Accumulated depreciation</i>		
Balance at beginning of the period/year	1	1
Depreciation charge	-	-*
Written off	(1)	-
Balance at end of the period/year	-	1
<i>Net book value</i>		
Balance at end of the period/year	-	-*

\* Amount less than S\$1,000

## 12 Investment in a Joint Venture

	Group/Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Equity investments at cost	1,500	1,500
Less: Allowance for impairment	(1,500)	(1,500)
	-	-



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 12 Investment in a Joint Venture (cont'd)

Set out below is the joint venture of the Group as at 31 December 2023 and 31 March 2023. The joint venture has share capital consist solely of ordinary shares which are held directly by the Company.

Name of Entity Country of incorporation and Place of business	Effective equity held by the Group	
	31.12.2023 %	31.3.2023 %
<u>Held by the Company</u>		
Tom N Toms International Pte. Ltd. <sup>(1)</sup> Singapore	50	50

<sup>(1)</sup> On 20 May 2023, the Court has ordered that the entity be liquidated and a liquidator was appointed. The entity is in the process of liquidation as at 31 December 2023.

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Company, is as follows:

	Tom N Toms International Pte. Ltd.	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Assets	-	-
Liabilities	(395)	(395)
Net loss	-	(7)

The Group has not recognised its share of loss of the joint venture (31.3.2023: S\$3,370) as the Group's cumulative share of losses has exceeded its interest in the entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses of this entity are S\$206,136 (31.3.2023: S\$206,136) at the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 13 Investments in Subsidiaries

	Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000
<i>Equity investment at cost</i>		
Balance at beginning of the period/year	2,117	1,137
Additions <sup>(a)</sup> <sup>(b)</sup> (Note 27)	-	980
Disposal <sup>(c)</sup> <sup>(d)</sup>	(1,137)	-
Balance at end of the period/year	980	2,117
<i>Accumulated impairment</i>		
Balance at beginning of the period/year	1,137	1,137
Disposal <sup>(c)</sup> <sup>(d)</sup>	(1,137)	-
Balance at end of the period/year	-	1,137
<i>Carrying amount</i>		
Balance at end of the period/year	980	980

- (a) On 29 March 2023, the Company acquired 100% of the issued and paid-up capital of Bacui Elitist Technology Limited for a consideration of S\$980,000 payable in new ordinary shares of the Company (Note 27).
- (b) On 29 April 2022, one of the Company's subsidiaries, Fame Harvest Limited, acquired 100% of the issued and paid-up share capital of Bless Concept Limited for a cash consideration of approximately S\$440 (equivalent to HK\$2,600).
- (c) On 27 September 2023, the Company completed the disposal of Fame Harvest Limited for an aggregate consideration of HK\$1,800,000 (approximately S\$311,000).
- (d) On 12 October 2023, the Company completed the disposal of Inovatif Media Asia Sdn Bhd for an aggregate consideration of RM30,000 (approximately S\$8,700).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 13 Investments in Subsidiaries (cont'd)

The subsidiaries of the Group as at the statement of financial position date are set out below:

Name of Company Country of incorporation and Place of business	Principal activities	Proportion of ordinary shares held by the Group	
		31.12.2023 %	31.3.2023 %
<i>Held by the Company</i>			
Inovatif Media Asia Sdn. Bhd. <sup>(1)</sup> Malaysia	Media Publishing	-	100
Fame Harvest Limited <sup>(1)</sup> Hong Kong	Investment holding	-	100
Bacui Elitist Technology Limited <sup>(2)</sup> British Virgin Island	Investment holding	100	100
<i>Held by Fame Harvest Limited</i>			
Win Win Finance Limited <sup>(1)</sup> Hong Kong	Money lending business	-	100
Bless Concept Limited <sup>(1)</sup> Hong Kong	Dormant	-	100
<i>Held by Bacui Elitist Technology Limited</i>			
Bacui Management Investment Limited <sup>(2)</sup> Hong Kong	Investment holding	100	100
Foshan Shengcui Investment Service Co., Ltd. <sup>(2)</sup> People's Republic of China	Investment holding	100	100
Foshan Shengcui Logistics Management Service Co., Ltd. <sup>(2)</sup> People's Republic of China	Investment holding	99	99
Foshan Bacui Jingyi Logistics Management Service Co., Ltd. <sup>(2)</sup> People's Republic of China	Investment holding	98.01	98.01
Foshan Shunde District Bacui Human Resources Co., Ltd. <sup>(2)</sup> People's Republic of China	Provision of human resources and labour outsourcing related services	98.01	98.01
Bacui (Guangdong) Human Resources Services Co., Ltd. <sup>(2)</sup> People's Republic of China	Provision of human resources and labour outsourcing related services	98.01	98.01

<sup>(1)</sup> Disposed during the period

<sup>(2)</sup> Audited by Moore CPA Limited, Hong Kong

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 13 Investments in Subsidiaries (cont'd)

### Disposal of subsidiaries

#### Fame Harvest Limited ("FHL")

During the financial period as disclosed in Note 9, the Group disposed its entire equity interest in its subsidiary, FHL for an aggregate consideration of HK\$1,800,000 (approximately S\$311,000).

#### Inovatif Media Asia Sdn Bhd ("IMA")

During the financial period as disclosed in Note 9, the Group disposed of its entire equity interest in its subsidiary, IMA for an aggregate consideration of RM30,000 (approximately S\$8,700).

#### i. Analysis of assets and liabilities over which control was lost

Group	IMA S\$'000	FHL S\$'000	Total S\$'000
<b>31.12.2023</b>			
Property, plant and equipment (Note 11)	8	65	73
Intangible assets (Note 14)	-	95	95
Trade and other receivables	92	105	197
Cash and cash equivalents	27	17	44
Trade and other payables	(33)	(78)	(111)
Net assets disposed of	<b>94</b>	<b>204</b>	<b>298</b>

#### ii. (Loss)/Gain on disposal of subsidiaries

Group	IMA S\$'000	FHL S\$'000	Total S\$'000
<b>31.12.2023</b>			
Total consideration received	9	311	320
Net assets disposed of	(94)	(204)	(298)
Cumulative exchange differences reclassified from equity on loss of control of subsidiaries	(52)	(5)	(57)
(Loss)/Gain on disposal of subsidiaries	<b>(137)</b>	<b>102</b>	<b>(35)</b>

The (loss)/gain on disposal is included in the loss for the period from discontinued operations in the consolidated statement of comprehensive income. (see Note 9 Discontinued operations)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 13 Investments in Subsidiaries (cont'd)

### Disposal of subsidiaries (cont'd)

iii. The aggregate cash inflow/(outflow) arising from disposal of subsidiaries

Group	IMA S\$'000	FHL S\$'000	Total S\$'000
<b>31.12.2023</b>			
Consideration received in cash and cash equivalents	9	311	320
Less: cash and cash equivalents balances disposed of	(27)	(17)	(44)
	<b>(18)</b>	<b>294</b>	<b>276</b>

## 14 Intangible Assets

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
<u>Composition</u>		
Goodwill on consolidation	-	90
Licence - Moneylending	-	2
	-	92

### (a) Goodwill arising on consolidation

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
<u>Cost</u>		
Balance at beginning of the period/year	134	136
Derecognised on disposal of subsidiaries (Note 13)	(137)	-
Adjustment based on purchase price allocation	-	(2)
Effect of foreign currency exchange differences	3	-
Balance at end of the period/year	-	134
<u>Accumulated amortisation and impairment</u>		
Balance at beginning of the period/year	44	44
Derecognised on disposal of subsidiaries (Note 13)	(44)	-
Balance at end of the period/year	-	44
<u>Net book value</u>		
Balance at end of the period/year	-	90

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 14 Intangible Assets (cont'd)

### (b) Licence – Moneylending

	Group	
	31.12.2023	31.3.2023
	S\$'000	S\$'000
<u>Cost</u>		
Balance at beginning of the period/year	2	-
Acquisition of subsidiaries		
– Adjustment based on purchase price allocation	-	2
Derecognised on disposal of subsidiaries (Note 13)	(2)	-
Balance at end of the financial period/year	-	2
<u>Accumulated amortisation and impairment</u>		
Balance at beginning and end of the period/year	-	-
<u>Net book value</u>		
Balance at end of the period/year	-	2

### Impairment test for goodwill

Goodwill was allocated to the Group's CGUs identified according to countries of operation and business segments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 15 Trade and Other Receivables

	Group		Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000	31.12.2023 S\$'000	31.3.2023 S\$'000
<u>Current</u>				
Trade receivables				
- Non-related parties	495	298	-	-
- Loss allowance	(65)	(1)	-	-
	430	297	-	-
Contract assets (Note 5(b))	2,573	4,020	-	-
Other receivables				
- Non-related parties	153	217	-	-
- Subsidiaries	-	-	-	1,443
- Loss allowance	(17)	(23)	-	(1,443)
	136	194	-	-
	3,139	4,511	-	-
<u>Non-current</u>				
Other receivables	-	42	-	-
Total trade and other receivables	3,139	4,553	-	-

Trade receivables are non-interest bearing and are generally on 30 days' terms.

The other receivables are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 15 Trade and Other Receivables (cont'd)

Group	Trade receivables past due (days)				Total S\$'000
	0 to 30 days S\$'000	31 to 90 days S\$'000	91 to 365 days S\$'000	More than 1 year S\$'000	
<b>31.12.2023</b>					
Expected credit loss rate	11%	16%	21%	100%	
Trade receivables					
– gross carrying amount at default	421	68	–	6	495
Loss allowance – lifetime ECL	(48)	(11)	–	(6)	(65)
					<b>430</b>
<b>31.3.2023</b>					
Expected credit loss rate	10%	15%	20%	100%	
Trade receivables					
– gross carrying amount at default	297	1	–	–	298
Loss allowance – lifetime ECL	(1)	–	–	–	(1)
					<b>297</b>

The movement in credit loss allowance for trade receivables is set out as follows:

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Balance at beginning of the period/year	1	1
Loss allowance recognised during the period/year	65	–
Effect of foreign currency exchange differences	(1)	–
Balance at end of the period/year	<b>65</b>	<b>1</b>

The movement in credit loss allowance for other receivables is set out as follows:

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Balance at beginning of the period/year	23	23
Reversal of loss allowance recognised during the period/year	(5)	–
Effect of foreign currency exchange differences	(1)	–
Balance at end of the period/year	<b>17</b>	<b>23</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 16 Cash and Cash Equivalents

	Group		Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000	31.12.2023 S\$'000	31.3.2023 S\$'000
Cash at bank and on hand	<b>9,932</b>	10,784	<b>189</b>	275

As at 31 December 2023, cash and cash equivalents denominated in Chinese Renminbi amounted to approximately S\$9.7 million (31.03.2023: S\$9.5 million). The Chinese Renminbi is not freely convertible into other currencies. However, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Chinese Renminbi for other currencies through banks authorised to conduct foreign exchange business.

## 17 Other Current Assets

	Group		Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000	31.12.2023 S\$'000	31.3.2023 S\$'000
Prepayments	<b>9</b>	43	<b>6</b>	36
Deposits	<b>4</b>	26	<b>4</b>	20
	<b>13</b>	69	<b>10</b>	56

## 18 Share Capital

	Group and Company			
	31.12.2023		31.3.2023	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Group and Company</b>				
Issued and fully paid:				
At beginning of the period/year	<b>933,951,593</b>	<b>146,309</b>	933,951,593	146,309
Issue of shares pursuant to the acquisition of subsidiaries	<b>155,555,555</b>	<b>980</b>	-	-
At end of the period/year	<b>1,089,507,148</b>	<b>147,289</b>	933,951,593	146,309

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

On 17 April 2023, the Company issued 155,555,555 new ordinary shares as Consideration Shares in relation to the acquisition of Bacui Elitist Technology Limited as disclosed in Note 27 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 18 Share Capital (cont'd)

### *Share options*

On 30 July 2014, members of the Company approved and adopted the Arion Entertainment Singapore Limited Employees' Share Option Scheme ("**AES ESOS**") at an Extraordinary General Meeting.

During the period, upon the change of the Company name from Arion Entertainment Singapore Limited to Bacui Technologies International Ltd., the Employees' Share Option Scheme is renamed as Bacui Technologies International Ltd. Employees' Share Option Scheme ("**BTIL ESOS**"). The BTIL ESOS is administered by the Remuneration Committee (the "**Committee**") comprising Peng Lei Qing, Chairman of the Committee, Heng Victor Ja Wei and Yeo Kan Yen.

In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board. The Committee shall have the power, from time to time, to make and vary such terms for the implementation of the BTIL ESOS as it thinks fit.

The BTIL ESOS is intended to provide participants an opportunity to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed significantly to the growth and performance of the Company and/or the Group.

#### (a) Eligible participants of the BTIL ESOS

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Directors (both executive and non-executive) of the Company.

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the BTIL ESOS shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period. The controlling shareholders or their associates are not eligible to participate in the BTIL ESOS.

#### (b) Size and duration

The aggregate number of shares which may be issued or transferred pursuant to options granted under the BTIL ESOS on any date, when added to the aggregate number of shares issued and issuable and/or transferred and transferable in respect of (a) all options granted under the BTIL ESOS and (b) all awards, shares and/or options granted under any other share scheme implemented by the Company and for the time being in force, shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of grant.

The BTIL ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing from 30 July 2014, provided always that the BTIL ESOS may continue beyond the 10-year period with the approval of the shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the BTIL ESOS, any options granted to employees prior to such expiry or termination will continue to remain valid.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 18 Share Capital (cont'd)

### Share options (cont'd)

#### (b) Size and duration (cont'd)

On 13 July 2015, the Company granted options to subscribe for 86,000,000 ordinary shares of the Company at exercise price of S\$0.0028 per share ("**2015 Options**"). The 2015 options are exercisable from 13 July 2017 and expire on 13 July 2025. The total fair value of the 2015 options granted was estimated to be S\$318,000 using the Binomial Option Pricing Model.

Details of the options to subscribe for ordinary shares of the Company granted to directors and employees of the Company pursuant to the BTIL ESOS were as follows:

Date of grant	Balance as at beginning of period/year '000	Options granted '000	Options cancelled or lapsed '000	Balance as at end of period/year '000	Exercise price per share	Exercisable period
31.12.2023 13.07.2015	7,846	-	(1,569)	6,277	S\$0.03	13.07-2017- 13.07.2025
31.3.2023 13.07.2015	7,846	-	-	7,846	S\$0.03	13.07-2017- 13.07.2025
		Options granted during the year '000	Aggregate options granted since commencement of BTIL ESOS '000	Aggregate options exercised since commencement of BTIL ESOS '000	Aggregate options cancelled or lapsed since commencement of BTIL ESOS '000	Aggregate options outstanding '000
31.12.2023						
Directors (ceased office)		-	6,277	-	-	6,277
Employees		-	1,569	-	(1,569)	-
			7,846	-	(1,569)	6,277
31.3.2023						
Non-executive directors		-	1,345	-	-	1,345
Directors (ceased office)		-	4,932	-	-	4,932
Employees		-	1,569	-	-	1,569
		-	7,846	-	-	7,846

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 18 Share Capital (cont'd)

### Share options (cont'd)

#### (b) Size and duration (cont'd)

No option has been granted to controlling shareholders of the Company or their associates. Under the terms and conditions of the BTIL ESOS, in the case of a director on the offering date who ceases to be a Director subsequently, all options granted under the BTIL ESOS to such Director will, notwithstanding such cessation, continue to be exercisable within the relevant exercisable period after such Director ceases to be a Director of the Company.

All directors under the BTIL ESOS have received 5% or more of the total number of shares under option available under the BTIL ESOS.

The fair values of the share options granted were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

	2015 Options
Grant date	13.07.2015
Share price at valuation date	0.4 cents
Exercise price	0.28 cents
Expected volatility	200%
Vesting period (years)	2 years
Maturity date	13.07.2025
Risk free rate	2.64%
Expected dividend yield	0%
Fair value of share options (cents)	0.37

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model is based on historical data and is not necessary indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

## 19 Accumulated Losses

Movement in accumulated losses of the Group and the Company are as follows:

	Group		Company	
	31.12.2023	31.3.2023	31.12.2023	31.3.2023
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at beginning of the period/year	(144,179)	(144,614)	(146,605)	(145,460)
(Loss)/Profit for the period/year	(464)	435	(242)	(1,145)
Appropriation from current period/year profits [Note 20(b)(iii)]	(100)	-	-	-
Balance at end of the period/year	(144,743)	(144,179)	(146,847)	(146,605)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 20 Other Reserves

### (a) Composition:

	Group		Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000	31.12.2023 S\$'000	31.3.2023 S\$'000
Currency translation reserve	(105)	1	-	-
Share options reserve	259	259	259	259
Statutory reserve	100	-	-	-
	<b>254</b>	260	<b>259</b>	259

### (b) Movements:

#### (i) Currency translation reserve

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Balance at beginning of the period/year	1	(33)
Exchange differences arising on translating the net assets of foreign operations	(163)	34
Gain reclassified to profit or loss on disposal of foreign operations (Note 13)	57	-
Balance at end of the period/year	<b>(105)</b>	1

Exchange differences relating to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised directly in other comprehensive income and accumulated in the currency translation reserve.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 20 Other Reserves (cont'd)

### (b) Movements: (cont'd)

#### (ii) Share options reserve

	Group		Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000	31.12.2023 S\$'000	31.3.2023 S\$'000
Balance at beginning and end of the period/year	<u>259</u>	<u>259</u>	<u>259</u>	<u>259</u>

The share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

#### (iii) Statutory reserve

In accordance with the relevant laws and regulations of China, the subsidiaries of the Group in China should set aside a statutory reserve fund by way of appropriation of 10% of their profit after tax as reported in China statutory financial statements each year.

The statutory reserve fund may be used to offset any accumulated losses or increase the registered capital of the subsidiaries, subject to approval from the relevant China authorities. The appropriation of the cumulative total of the statutory reserve fund is capped at 50% of the subsidiary's registered capital. The statutory reserve is not available for dividend distribution to shareholders.

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Balance at beginning of the period/year	-	-
Appropriation from current period/year profits	<u>100</u>	-
Balance at end of the operations	<u>100</u>	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 21 Trade and Other Payables

	Group		Company	
	31.12.2023 S\$'000	31.3.2023 S\$'000	31.12.2023 S\$'000	31.3.2023 S\$'000
Trade payables				
- Non-related parties	820	274	-	-
Non-trade payables				
- Non-related parties <sup>(a) (b)</sup>	962	1,201	64	1,058
	<b>1,782</b>	1,475	<b>64</b>	1,058
Contract liabilities (Note 5(b))	621	210	-	-
Accrual for operating expenses	4,002	4,901	301	284
Amounts due to shareholder <sup>(c)</sup>	2,763	4,968	110	-
	<b>9,168</b>	11,554	<b>475</b>	1,342

(a) As at 31 March 2023, included in non-trade payables to non-related parties was the consideration payable of S\$980,000 relating to the acquisition of Bacui Elitist Technology Limited. The amount was settled via the issuance of 155,555,555 ordinary shares during the period as disclosed in Note 18 to the financial statements.

(b) During the period, included in non-trade payable was an amount of S\$121,000 payable to a former director as a gratuity payment.

(c) Amounts due to shareholder are interest-free, unsecured and repayable on demand.

## 22 Borrowings

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Loan from a director	-	727

The loan from a director was repaid during the period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 23 Leases – The Group as A Lessee

*Nature of the Group's leasing activities*

### Leasehold property

The Group leases office premises for the purpose of back-office operations.

The Group made an upfront payment to secure the right-of-use (“ROU”) of a 5-year leasehold property, which is used by the head office of the Group. The leasehold property is classified within property, plant and equipment (Note 11).

There are no externally imposed covenants on these lease arrangements.

### (a) Carrying amount of lease liabilities

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Lease liabilities		
– Current	2	2
– Non-current	4	6
	<u>6</u>	<u>8</u>

### (b) ROU assets classified within property, plant and equipment

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Leasehold property	<u>5</u>	<u>7</u>

There were no additions to right-of-use assets during the year/period.

### (c) Depreciation charged during the period/year

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Leasehold property	<u>2</u>	<u>3</u>

(d) During the financial period ended 31 December 2023, the interest expense on lease liabilities recognised is below S\$1,000 (31.3.2023: S\$Nil).



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 23 Leases – The Group as A Lessee (cont'd)

*Nature of the Group's leasing activities (cont'd)*

### (e) Lease expenses not capitalised in lease liabilities

	Group	
	31.12.2023 S\$'000	31.3.2023 S\$'000
Lease expenses – short-term leases	<u>19</u>	<u>122</u>

(f) Total cash outflow for all the leases in 31 December 2023 was S\$19,000 (31.3.2023: S\$122,000).

## 24 Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and other related parties at terms agreed between the parties:

*Key management personnel compensation*

Key management personnel compensation is as follows:

	Group		Company	
	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000	Period from 1.4.2023 to 31.12.2023 S\$'000	Period from 1.4.2022 to 31.3.2023 S\$'000
Directors' fees	62	118	62	118
Wages and salaries	118	613	-	559
Employer's contribution to defined contribution plans, including Central Provident Fund	8	21	-	14
	<u>188</u>	<u>752</u>	<u>62</u>	<u>691</u>

Included in the above is total compensation to directors of the Company amounting to S\$62,000 (31.3.2023: S\$390,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 25 Financial Risk Management

### *Financial risk factors*

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. Though the Group does not have a formal risk management policies and guidelines, the Board of Directors (the "Board") reviews and agrees policies for managing each of these risks and they are summarised below:

#### (a) Market Risk

##### (i) Currency risk

The Group operates in People's Republic of China. Entities in the Group regularly transact in their respective functional currencies. Currency risk arises within entities in the Group when transactions are denominated in foreign currencies. The Group and the Company has insignificant exposure of currency risk during the financial period/year ended 31 December 2023 and 31 March 2023.

##### (ii) Price risk

The Group and the Company is not exposed to significant equity securities price risk.

##### (iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

#### (b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group generally do not require collateral. The Group reviews the recoverable amount of each trade receivable and debt investment on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

At the reporting date, the Group does not have significant credit risk exposure to any individual customer's balance of trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings. The Group's maximum exposure to credit risk arises from the carrying amount of the respective recognised financial assets as present on the consolidated statement of financial position.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 25 Financial Risk Management (cont'd)

### *Financial risk factors (cont'd)*

#### (b) Credit Risk (cont'd)

##### Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The contract assets have substantially the same risk characteristics as the trade receivables from the same type of customers. Therefore, the Group has concluded that the expected credit loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Further details on the loss allowance of the Group's and the Company's credit risk exposure in relation to contract assets and trade receivables are disclosed in Notes 5(b) and Note 15, respectively.

##### Cash and bank balances and other financial assets

The cash and bank balances are entered into with banks and financial institutions that have high credit-ratings. Impairment on cash and bank balances and other financial assets has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances and other financial assets have low credit risk based on the external credit ratings of the counterparties. The amount of the allowances on cash and bank balances and other financial assets were immaterial.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 25 Financial Risk Management (cont'd)

### Financial risk factors (cont'd)

#### (b) Credit Risk (cont'd)

##### Credit risk grading guideline

Management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which is used to report the Group's credit risk exposure to key management for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss (ECL)
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired.	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

##### Credit risk exposure

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades is presented as follows:

	Internal credit rating	ECL	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
<b>Group</b>					
<u>31.12.2023</u>					
Trade receivables	Performing	Lifetime ECL (simplified)	495	(65)	430
Contract assets	Performing	Lifetime ECL (simplified)	2,901	(328)	2,573
Other receivables	Note 1	12-month ECL	153	(17)	136
<u>31.03.2023</u>					
Trade receivables	Performing	Lifetime ECL (simplified)	298	(1)	297
Contract assets	Performing	Lifetime ECL (simplified)	4,535	(515)	4,020
Other receivables	Note 1	12-month ECL	217	(23)	194
<b>Company</b>					
<u>31.03.2023</u>					
Other receivables	Note 1	12-month ECL	1,443	(1,443)	-

Note 1

The Group and the Company have applied the general approach in SFRS(I) 9 to measure the loss allowance at 12-month ECL. The details of the loss allowance for these financial assets are disclosed in Note 15.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 25 Financial Risk Management (cont'd)

### Financial risk factors (cont'd)

#### (c) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group and the Company manage liquidity risk by maintaining sufficient cash and having an adequate amount of committed credit facilities to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount S\$'000	Less than 1 year S\$'000	Between 1 to 2 years S\$'000	Between 2 and 5 years S\$'000	Total S\$'000
<b>Group</b>					
<u>31.12.2023</u>					
Trade and other payables	9,168	9,168	-	-	9,168
Lease liabilities	6	2	4	-	6
	<b>9,174</b>	<b>9,170</b>	<b>4</b>	<b>-</b>	<b>9,174</b>
<u>31.3.2023</u>					
Trade and other payables	11,554	11,554	-	-	11,554
Borrowings	727	727	-	-	727
Lease liabilities	8	2	4	2	8
	<b>12,289</b>	<b>12,283</b>	<b>4</b>	<b>2</b>	<b>12,289</b>
<b>Company</b>					
<u>31.12.2023</u>					
Trade and other payables	475	475	-	-	475
<u>31.3.2023</u>					
Trade and other payables	1,342	1,342	-	-	1,342

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 25 Financial Risk Management (cont'd)

### Financial risk factors (cont'd)

#### (d) Capital Risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

As disclosed in Note 20(b)(iii), the Group's subsidiaries in China are required to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant China authorities. This externally imposed capital requirement has been complied with by the relevant subsidiaries for the financial period/year ended 31 December 2023 and 31 March 2023.

Management monitors capital based on the financial position of the Group and the Company. The Group has positive net assets and maintain low bank borrowings. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure. The liabilities-equity ratio is calculated as total liabilities divided by total equity.

Management reviews the capital structure of the Group and makes adjustment to it, in light of changes in economic conditions. Management considers the cost of capital and the risks associated with each class of capital. The Group monitors capital using the net debt-to-equity ratio. The Group's debt includes all liabilities (excluding current income tax) less cash and bank balances. Equity includes all capital and reserves of the Group that are managed as capital.

	Group	
	31.12.2023	31.3.2023
	S\$'000	S\$'000
Total debt	(758)	1,505
Total equity	2,905	2,392
Debt-equity ratio	N.M.	63%

N.M.: Not meaningful

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 25 Financial Risk Management (cont'd)

### *Financial risk factors (cont'd)*

#### (e) Fair Value Measurements

##### Fair Value Hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used 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.

## 26 Segment Information

The Group's chief operating decision maker ("**CODM**") comprise the Executive Directors. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The CODM considers the Group's businesses from both geographical and business segment perspectives. Geographically, management manages and monitors the businesses in the four primary geographic areas: Singapore, Malaysia, Hong Kong and People's Republic of China ("**PRC**").

### *Continuing operations*

PRC is engaged in the provision of human resources and labour outsourcing related services. Singapore is engaged in investment holdings.

### *Discontinued operations*

Malaysia is engaged in publishing, exhibition and events and Hong Kong is engaged in publishing, exhibition and events and moneylending. These business operations were classified as discontinued operations upon the disposal of subsidiaries in September 2023 as disclosed in Note 9 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 26 Segment Information (cont'd)

The segment information provided to the CODM for the reportable segments for the financial period/year ended 31 December 2023 and 31 March 2023 are as follows:

	PRC Human resources and labour outsourcing S\$'000	Singapore HQ costs and investments S\$'000	Malaysia Continuing operations S\$'000	Hong Kong Advertisements and publishing S\$'000	Publishing S\$'000	Money lending S\$'000	Discontinued operations S\$'000	Total S\$'000
<u>31.12.2023</u>								
Sales to external parties	39,942	-	39,942	216	-	9	225	40,167
Segment results	374	(777)	(403)	(101)	(21)	16	(106)	(509)
Other income	350	37	387	3	21	-	24	411
Profit/(Loss) before income tax	724	(740)	(16)	(98)	-	16	(82)	(98)
Income tax	(361)	-	(361)	(1)	-	-	(1)	(362)
Net profit/(loss)	363	(740)	(377)	(99)	-	16	(83)	(460)
Net profit/(loss) includes								
Amortisation, depreciation and impairment	28	-*	28	1	8	16	25	53
Segment assets	12,948	199	13,147	-	-	-	-	13,147
Segment assets includes:								
Additions to property, plant and equipment	10	-	10	5	-	-	5	15
Segment liabilities	9,763	479	10,242	-	-	-	-	10,242

\* Amount less than S\$1,000



# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 26 Segment Information (cont'd)

The segment information provided to the CODM for the reportable segments for the financial period/year ended 31 December 2023 and 31 March 2023 are as follows: (cont'd)

	PRC Human resources and labour outsourcing S\$'000	Singapore HQ costs and investments S\$'000	Malaysia Continuing operations S\$'000	Hong Kong Advertisements and publishing S\$'000	Publishing S\$'000	Money lending S\$'000	Discontinued operations S\$'000	Total S\$'000
<u>31.03.2023</u>								
<b>Sales to external parties</b>	-	-	-	827	-	32	859	859
<b>Segment results</b>	-	(1,097)	(1,097)	(7)	(60)	(251)	(318)	(1,415)
Other income	-	1,848	1,848	5	4	-	9	1,857
Profit/(loss) before income tax	-	751	751	(2)	(56)	(251)	(309)	442
Income tax	-	(6)	(6)	(1)	-	-	(1)	(7)
<b>Net profit/(loss)</b>	-	745	745	(3)	(56)	(251)	(310)	435
<b>Net profit/(loss) includes</b>								
Amortisation, depreciation and impairment	-	-*	-*	3	16	31	50	50
<b>Segment assets</b>	13,852	331	14,183	329	732	430	1,491	15,674
<u>Segment assets includes:</u>								
Additions to property, plant and equipment	-	1	1	2	-	-	2	3
Intangible assets	-	-	-	-	-	2	2	2
<b>Segment liabilities</b>	11,028	1,342	12,370	47	762	103	912	13,282

\* Amount less than S\$1,000

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 26 Segment Information (cont'd)

### (a) Revenue from Major Products and Services

The Group's revenue from its major products and services were as follows:

	Group	
	31.12.2023	31.3.2023
	S\$'000	S\$'000
<i>Continuing operations</i>		
Human resources and labour outsourcing related services	39,942	-
<i>Discontinued operations</i>		
Publishing, exhibition and events	216	827
Moneylending	9	32
	<u>40,167</u>	<u>859</u>

### (b) Geographical Information

The Group's three business segments operate in four main geographical areas:

#### Continuing operations

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally investments holdings.
- PRC – the operations in this area are principally the provision of human resources and labour outsourcing related services.

#### Discontinued operations

- Malaysia – the operations in this area are principally the publishing of magazines, exhibition and events.
- Hong Kong – the operations in this area are principally media publishing and money lending business.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 26 Segment Information (cont'd)

### (b) Geographical Information (cont'd)

The Group's revenue from external customers and information about its non-current assets\* by geographical location are detailed below:

	Revenue		Non-current assets	
	31.12.2023 S\$'000	31.3.2023 S\$'000	31.12.2023 S\$'000	31.3.2023 S\$'000
<i>Continuing operations</i>				
PRC	39,942	-	63	85
<i>Discontinued operations</i>				
Malaysia	216	827	-	5
Hong Kong	9	32	-	221
	225	859	-	226
Total	40,167	859	63	311

\* Non-current assets consist of property, plant and equipment, intangible assets and other receivables.

## 27 Business Combinations

### Acquisition of Bacui Elitist Technology Limited

On 29 March 2023, the Company entered into a sale and purchase agreement ("SPA") with a non-related party to acquire 100% equity interests in Bacui Elitist Technology Limited ("Bacui") and its subsidiaries (collectively "Bacui Group") for a consideration of S\$980,000. The consideration is payable in new shares of the Company, upon fulfilling the financial conditions as set out in the SPA. Bacui's subsidiaries' principal activities are that of human resources and labour outsourcing related services, infrastructure management services and food distribution service.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 27 Business Combinations (cont'd)

### Acquisition of Bacui Elitist Technology Limited (cont'd)

Details of the consideration paid, the assets acquired and liabilities assumed, and the non-controlling interests recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	At fair value S\$'000
(i) <b>Purchase consideration</b>	
Fair value consideration of shares (Note 21)	980
(ii) <b>Effects on the cash flow of the Group</b>	
Cash and cash equivalents in subsidiaries acquired	9,525
Cash inflow on acquisition	9,525
(iii) <b>Identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	9,525
Property, plant and equipment (Note 11)	84
Trade and other receivables	4,237
Other current assets	6
Total assets	13,852
Trade and other payables	5,059
Amounts due to shareholder (Note 21)	4,968
Current income tax liabilities	987
Lease liabilities (Note 23)	8
	11,022
<b>Total identifiable net assets</b>	2,830
Gain on bargain purchase (Note 6)	(1,848)
Less: Non-controlling interests at fair value	(2)
Consideration transferred for the business	980

# NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

## 27 Business Combinations (cont'd)

### *Acquisition of Bacui Elitist Technology Limited (cont'd)*

#### (iv) Provisional accounting of the acquisition of Bacui

The acquisition of Bacui Group was completed during the financial year ended 31 March 2023. The fair value of the acquired net assets of Bacui Group amounting to S\$2,830,000 was determined on a provisional basis as the purchase price allocation (“PPA”) exercise for the acquisition of Bacui Group was not finalised by the date the financial statements for the financial year ended 31 March 2023 were authorised for issue.

The PPA exercise must be completed within one year from the acquisition date in accordance with SFRS(I) 3 *Business Combination*. The Group has since engaged an independent valuer to finalise the fair value of the net assets of Bacui Group acquired during the current financial period. The PPA exercise was completed and the fair value of the acquired net assets of Bacui Group on acquisition date was approximately S\$2,830,000 and no adjustments were required to adjust the gain on bargain purchase of S\$1,848,000.

## 28 Subsequent Event

On 29 February 2024, Foshan Shunde District Human Resources Co., Ltd. (“FSHR”), of which the Company has an effective 98.01% shareholding, entered into a joint venture agreement with Foshan Talent Development Co., Ltd. (“Foshan Talent”). The proposed joint-venture company (“JVC”) is to be incorporated in PRC for the purpose of undertaking the business of human resources outsourcing. Foshan Talent and FSHR will hold 51% and 49% of the issued share capital in the JVC respectively. The JVC will have a registered capital of RMB6 million (approximately S\$1.12 million) and FSHR and Foshan Talent will contribute RMB2.94 million (approximately S\$0.55 million) and RMB3.06 million (approximately S\$0.57 million) respectively.

## 29 Authorisation of Financial Statements for Issue

The financial statements for the financial period ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on the date of the Directors' Statements.

# SHAREHOLDINGS STATISTICS

## TWENTY LARGEST SHAREHOLDERS AS AT 15 MARCH 2024

S/N	Names of shareholder	No. of shares	% of shares
1.	Citibank Nominees Singapore Pte Ltd	220,585,535	20.25
2.	KGI Securities (Singapore) Pte. Ltd	193,799,150	17.79
3.	Insights Law LLC	155,555,555	14.28
4.	DBS Nominees Pte Ltd	36,295,425	3.33
5.	Ntegrator International Ltd	35,384,500	3.25
6.	Century Greenland (Hong Kong) Limited	30,000,000	2.75
7.	Interlims (HK) Co., Limited	30,000,000	2.75
8.	L127 Co., Ltd.	30,000,000	2.75
9.	Phuah Kin Huat	14,852,200	1.36
10.	Phillip Securities Pte Ltd	10,639,546	0.98
11.	Tan Chun Meng Vincent	10,040,800	0.92
12.	Chung Yuen Yee Kathy	9,970,600	0.92
13.	Lim Chye Huat @ Bobby Lim Chye Huat	9,498,300	0.87
14.	Toh Mui	9,411,200	0.86
15.	Teeu Hui (Zhang Hui)	8,000,000	0.73
16.	Tan Lye Seng	6,977,900	0.64
17.	OCBC Nominees Singapore Pte Ltd	6,712,839	0.62
18.	Khoo Kay Phong	6,538,100	0.60
19.	Chen HongGeng	5,511,000	0.51
20.	Ong Kheng Guan	5,400,000	0.50
<b>Total</b>		<b>835,172,650</b>	<b>76.66</b>

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 15 MARCH 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	2,121	32.80	57,542	0.01
100 - 1,000	2,596	40.14	989,941	0.09
1,001 - 10,000	982	15.18	3,988,651	0.37
10,001 - 1,000,000	684	10.58	103,207,577	9.47
1,000,001 and above	84	1.30	981,263,437	90.06
<b>Total</b>	<b>6,467</b>	<b>100.00</b>	<b>1,089,507,148</b>	<b>100.00</b>

# SHAREHOLDINGS STATISTICS

## SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2024

S/N	Name of Substantial Shareholder	Direct Interest		Deemed Interest	
		Number of Shares	%	Number of Shares	%
1.	Dong Ling Electrical Group Co., Ltd.,	193,799,000	17.79	-	-
2.	Ever Sino Industrial Ltd <sup>(i)</sup>	-	-	193,799,000	17.79
3.	Guangdong Donlim Kitchen Group Co., Ltd., <sup>(i)</sup>	-	-	193,799,000	17.79
4.	Guo Jiangang <sup>(i)</sup>	-	-	193,799,000	17.79
5.	Guo Jianqiang <sup>(i)</sup>	-	-	193,799,000	17.79
6.	Xinlong Investment Holding Limited	155,555,555	14.28	-	-
7.	Xinlong Development Limited <sup>(ii)</sup>	-	-	155,555,555	14.28
8.	Yang Ran <sup>(ii)</sup>	-	-	155,555,555	14.28
9.	Landford Holding Pte. Ltd. <sup>(iii)</sup>	220,400,000	20.23	-	-
10.	Chen Jiantao <sup>(iii)</sup>	-	-	220,400,000	20.23

(i) The following entities/individuals are deemed interested in 193,799,000 shares held by Dong Ling Electrical Group Co., Ltd., by virtue of Section 7 of the Companies Act:

- (a) Ever Sino Industrial Ltd;
- (b) Guangdong Donlim Kitchen Group Co., Ltd.;
- (c) Mr Guo Jiangang;
- (d) Mr Guo Jianqiang.

(ii) The following entities/individuals are deemed interested in 155,555,555 shares held by Xinlong Investment Holding Limited, by virtue of Section 7 of the Companies Act:

- (a) Xinlong Development Limited; and
- (b) Mr Yang Ran.

(iii) Mr Chen Jiantao is deemed interested in the 220,400,000 shares held by Landford Holding Pte. Ltd. by virtue of Section 7 of the Companies Act.

## RULE 723 OF SECTION B: CATALIST OF THE LISTING MANUAL OF THE SGX-ST

As at 15 March 2024, there were 519,752,593 shares in the hands of the public as defined in the Rules of Catalist representing approximately 47.71% of the issued share capital of the Company. The Company confirms that Rule 723 of the Catalist Rules is complied with.

## SHARE CAPITAL

Issued and fully paid-up capital	:	S\$147,289,501.56
Number of shares issued and fully paid (excluding treasury shares and subsidiary holdings)	:	1,089,507,148 ordinary shares
Class of shares	:	Ordinary
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil
Voting rights	:	One vote per ordinary share (excluding treasury shares)

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM” or the “Meeting”) of the Company will be convened and held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, Tower 5, #02-401/402, Suntec City Mall, Singapore 038983 on Tuesday, 30 April 2024 at 2.00 p.m. for the purposes of transacting the following business:-

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and of the Group for the financial period ended 31 December 2023 (“FP2023”), together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Mr. Yeo Kan Yen, who will be retiring by rotation pursuant to Regulation 114 of the Constitution of the Company (the “Constitution”) and who, being eligible, offers himself for re-election as a Director of the Company.  
*[See Explanatory Note (i)]* **(Resolution 2)**
3. To re-elect the following Directors, who are retiring pursuant to Regulation 125 of the Constitution and who, being eligible, offer themselves for re-election, as Directors:-
  - (a) Mr. Yang Li **(Resolution 3)**  
*[See Explanatory Note (ii)]*
  - (b) Mr. Yang Ran **(Resolution 4)**  
*[See Explanatory Note (iii)]*
4. To approve the payment of Directors’ fees of S\$61,666 for FP2023 (FY2023: S\$118,431). **(Resolution 5)**
5. To approve the payment of Directors’ fees of S\$130,000 for financial year ending 31 December 2024, to be paid quarterly in arrears (FP2023: S\$61,666). **(Resolution 6)**
6. To re-appoint Messrs Moore Stephens LLP as the Independent Auditors of the Company to hold office until the next AGM and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
7. To transact any other ordinary business which may properly be transacted at an AGM.



# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

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

8. Authority to allot and issue shares in the capital of the Company **(Resolution 8)**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), the Company's Constitution and Rule 806 of the Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:-

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

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

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is 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 the 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, if any) (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 (the "**Shareholders**") (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution), shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (ii) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:-
  - (i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities which are outstanding or subsisting at the time this Resolution is passed;

# NOTICE OF ANNUAL GENERAL MEETING

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

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

adjustments in accordance with sub-paragraph (2)(i) or sub-paragraph (2)(ii) above are only to be made in respect of new Shares arising from the Instruments, convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

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

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

*[See Explanatory Note (iv)]*

9. **Authority to offer and grant options, and to allot and issue Shares under the Bacui Technologies International Limited Employees' Share Option Scheme 2014 (the "BTIL ESOS")**

**(Resolution 9)**

"That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to offer and grant options in accordance with the provisions of the BTIL ESOS, and to allot, issue or transfer from time to time such number of Shares as may be required to be allotted, issued or transferred pursuant to the exercise of the options under the BTIL ESOS, provided always that the aggregate number of Shares to be allotted and issued pursuant to the BTIL ESOS (including options granted under the BTIL ESOS and all outstanding options and such other share-based incentive schemes of the Company) shall not at any time exceed twenty per cent. (20%) of the total number of issued Shares (including treasury shares and subsidiary holdings, if any) on the date preceding the grant of the option. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

*[See Explanatory Note (v)]*

BY ORDER OF THE BOARD

**Chua Kern**  
Company Secretary

Singapore,  
15 April 2024

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:

- (i) Mr. Yeo Kan Yen (“**Mr. Yeo**”) will, upon re-election as a Director of the Company, remain as the Independent Non-Executive Chairman of the Company, the Chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration Committee. There are no relationships (including family relationship) between Mr. Yeo and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board of Directors (the “**Board**”) considers Mr. Yeo to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr. Yeo can be found under the sections entitled “**Board of Directors**”, “**Corporate Governance Report**” in the Company’s Annual Report 2023.
- (ii) Mr. Yang Li will, upon re-election as a Director of the Company, remain as the Executive and Strategy Director of the Company. Detailed information on Mr. Yang Li can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” in the Company’s Annual Report 2023.
- (iii) Mr. Yang Ran will, upon re-election as a Director of the Company, remain as the Executive Director of the Company. Detailed information on Mr. Yang Ran can be found under the sections entitled “Board of Directors”, “Corporate Governance Report” in the Company’s Annual Report 2023.
- (iv) **Ordinary Resolution 8** proposed in item 8 above, if passed, is to empower the Directors to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares to be issued pursuant to Resolution 8 (including shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any), with a sub-limit of fifty per cent. (50%) for share issued other than on a pro-rata basis (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to shareholders with registered addresses in Singapore.

For the purpose of determining the aggregate number of shares that may be issued, the percentage of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of Resolution 8, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities outstanding or subsisting at the time of the passing of Resolution 8; (b) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 8, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (c) any subsequent bonus issue, consolidation or subdivision of shares.

- (v) **Ordinary Resolution 9** proposed in item 9 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to offer and grant options and to allot and issue Shares pursuant to the exercise of options granted under the BTIL ESOS. The maximum number of new Shares to be issued under the BTIL ESOS (including options granted under the BTIL ESOS and all outstanding options or awards granted under such other share-based incentive schemes of the Company) shall not exceed twenty per cent. (20%) of the issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time.

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

The AGM will be held in a wholly physical format at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, Tower 5, #02-401/402, Suntec City Mall, Singapore 038983 on Tuesday, 30 April 2024 at 2.00 p.m. for considering and, if thought fit, passing the resolutions set out in the Notice of AGM. There will be no option for members to participate virtually.

Printed copies of the Notice of AGM and the accompanying Proxy Form will be sent by post to members and published on the Company's corporate website at the URL: <http://yyb.bcyj.cn/news.php> and the SGXNet at the URL: <https://www.sgx.com/securities/company-announcements>.

The Annual Report for FP2023 ("**Annual Report FP2023**") has been published on the SGXNet at <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at [yyb.bcyj.cn/news.php](http://yyb.bcyj.cn/news.php). Printed copies of the Annual Report FP2023 will not be sent to members unless requested for by a member submitting a request by email to Complete Corporate Services Pte Ltd at [bacui-agm@complete-corp.com](mailto:bacui-agm@complete-corp.com) by 24 April 2024. The following information must be provided:-

- (i) the member's full name;
- (ii) the member's address; and
- (iii) the manner in which the shares are held.

A printed copy of the Annual Report FP2023 will then be sent to the address specified by the member.

Members should take note of the following arrangements for the AGM:-

## 1. Physical Participation in the AGM

- a. Members of the Company, including Central Provident Fund Investment Scheme investors ("**CPF Investors**") and Supplementary Retirement Scheme investors ("**SRS Investors**"), may participate in the AGM by:-
  - (i) attending the AGM in person;
  - (ii) submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or
  - (iii) voting at the AGM by (1) themselves personally; or (2) through duly appointed proxy(ies).
- b. CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. on Thursday, 18 April 2024, being at least seven (7) working days before the AGM. Please refer to Proxy Voting under item (c) below for details.
- c. Members, including CPF Investors and SRS Investors, or, where applicable, their appointed proxy(ies) who are attending the AGM in person should bring along their NRIC/passport to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appoint/appoint a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

## 2. Submission of Questions

- a. Members may raise questions at the AGM or submit questions in advance of the AGM by **2.00 p.m. on Monday, 22 April 2024**, in the following manner:-
  - (i) by email, to Complete Corporate Services Pte Ltd at bacui-agm@complete-corp.com; or
  - (ii) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

For verification purpose, when submitting any questions by post or via email, members MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the Company shall be entitled to regard the submission as invalid.

- b. Members are strongly encouraged to submit their questions by email in advance of the AGM. The Company will publish its responses to the substantial and relevant questions submitted by members prior to the abovementioned deadline by **Thursday, 25 April 2024**, which is at least 48 hours before the proxy form deadline.
- c. For questions received after 22 April 2024, the Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. For questions addressed during the AGM, the Company will publish the responses to such questions together with the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of the AGM.

## 3. Proxy Voting

- a. Members will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.
- b. Duly completed Proxy Forms must be submitted in the following manner:-
  - (i) by email, to Complete Corporate Services Pte Ltd at bacui-agm@complete-corp.com; or
  - (ii) by post, to be deposited with Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903.

in either case, by **2.00 p.m. on Saturday, 27 April 2024** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

- c. A member who wishes to submit an instrument appointing proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the SGXNet and the Company's corporate website and subsequently, to complete and sign the Proxy Form before submitting it by (i) post to the address provided above, or (ii) scanning and sending it to the email address provided above.

# NOTICE OF ANNUAL GENERAL MEETING

- d. If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
- e. Where a member appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/its discretion, as he/she/it may on any other matter arising at the AGM.
- f. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the AGM.

Please refer to the detailed instructions set out in the Proxy Form.

- g. Persons who hold Shares through relevant intermediaries, other than CPF Investors and SRS Investors, and who wish to participate in the AGM should contact the relevant intermediary through which they hold such Shares as soon as possible. Persons who hold Shares through relevant intermediaries, other than CPF Investors and SRS Investors, may (i) vote at the AGM if they are appointed as proxies by their respective relevant intermediaries; or (ii) specify their voting instructions to/arrange for their votes to be submitted with their respective relevant intermediaries, and should contact their respective relevant intermediaries as soon as possible in order for the necessary arrangements to be made.
- h. In addition, CPF Investors and SRS Investors may (a) vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators, and should contact their respective CPF Agent Banks and SRS Operators if they have any queries regarding their appointment as proxies; or (b) specify their voting instructions to/arrange for their votes to be submitted with their respective CPF Agent Banks and SRS Operators, and should approach their respective CPF Agent Banks and SRS Operators by **2.00 p.m. on Thursday, 18 April 2024**, being at least seven (7) working days before the date of the AGM, to ensure their votes are submitted.
- i. A member who is not a relevant intermediary (as defined below) and entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- j. A member who is a relevant intermediary and entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the member, 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 one proxy, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, 1967:

- (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

# NOTICE OF ANNUAL GENERAL MEETING

- (ii) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity;
- (iii) or the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

## Personal Data Privacy

“Personal data” in this notice of AGM has the same meaning as “personal data” in the Personal Data Protection Act 2012 of Singapore, which includes his/her name, address and NRIC/Passport number.

By attending the AGM and/or any adjournment thereof or submitting 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, 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; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty; and
- (iv) agrees and consents to such photographic, sound and/or video recordings of the AGM as may be made by the Company (or its respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member (such as his/her/its name, his/her/its presence at the AGM and any questions he/she/it may raise or motions he/she/it may propose and/or second) may be recorded by the Company (or its respective agents or service providers) for such purpose.

## BACUI TECHNOLOGIES INTERNATIONAL LTD.

Company Registration No. 199407135Z  
(Incorporated in the Republic of Singapore)

### PROXY FORM – ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this form)

#### IMPORTANT

1. The Annual General Meeting ("AGM" or the "Meeting") will be held in a wholly physical format at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, Tower 5, #02-401/402, Suntec City Mall, Singapore 038983 on Tuesday, 30 April 2024 at 2.00 p.m.. There will be no option to participate virtually. The Notice of AGM dated 15 April 2024 and printed copies of this Proxy Form will be sent by post to members.
2. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore) may appoint more than two (2) proxies to attend, speak and vote at the AGM.
3. Investors who hold Company's shares through relevant intermediaries (including CPF/SRS investors) who wish to vote should approach their relevant intermediaries (including their respective CPF Agent Banks or SRS Operators) to submit their voting instructions at least seven (7) working days before the date of the AGM.
4. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. Please read the notes to this Proxy Form.

#### PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 April 2024.

\*I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number/Company Registration No.\*)  
of \_\_\_\_\_ (Address)  
being a Member/Members\* of BACUI TECHNOLOGIES INTERNATIONAL LTD. (the "Company", and together with its subsidiaries, the "Group"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or\*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them\*, the Chairman of the AGM as my/our\* proxy/proxies\* to attend and vote on my/our\* behalf, at the AGM of the Company, to be held at The National University of Singapore Society (NUSS), Suntec City Guild House, 3 Temasek Boulevard, Tower 5, #02-401/402, Suntec City Mall, Singapore 038983 on Tuesday, 30 April 2024 at 2.00 p.m. and at any adjournment thereof.

I/We\* direct my/our\* proxy/proxies\* to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies\* will vote or abstain from voting at his/her/their\* discretion. Where the Chairman of the AGM is appointed as proxy and the absence of specific directions as to voting, the appointment of Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

The Resolutions proposed at the AGM as indicated hereunder will be put to vote at the AGM by way of poll.

**If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" for each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy, not to vote on that Resolution.**

No.	Resolutions relating to:	By way of poll		
		For	Against	Abstain
<b>AS ORDINARY BUSINESS</b>				
1.	Adoption of the Directors' Statement and the Audited Financial Statements of the Company and of the Group for the financial period ended 31 December 2023 ("FP2023"), together with the Independent Auditor's Report thereon			
2.	Re-election of Mr. Yeo Kan Yen as a Director of the Company ("Director") retiring under Regulation 114 of the Constitution of the Company			
3.	Re-election of Mr. Yang Li as a Director retiring under Regulation 125 of the Constitution of the Company			
4.	Re-election of Mr. Yang Ran as a Director retiring under Regulation 125 of the Constitution of the Company			
5.	Approval of the payment of Directors' fees of S\$61,666 for FP2023 (FY2023: S\$118,431)			
6.	Approval of the payment of Directors' fees of S\$130,000 for FY2024, to be paid quarterly in arrears (FP2023: S\$61,666)			
7.	Re-appointment of Messrs Moore Stephens LLP as the Independent Auditors of the Company to hold office until the next AGM and to authorise the Directors to fix their remuneration			
<b>AS SPECIAL BUSINESS</b>				
8.	Authority for Directors to allot and issue shares in the capital of the Company			
9.	Authority to offer and grant options, and to allot and issue shares under the Bacui Technologies International Ltd. Employees' Share Option Scheme 2014 (the "BTIL ESOS")			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

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

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

\* delete if not applicable

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM**



## NOTES:

1. Please insert the total number of ordinary shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument appointing a proxy shall be deemed to relate to all the Shares held by you.
2. The Proxy Form appointing the Chairman of the Meeting (or any person other than the Chairman of the Meeting) as proxy to vote on the Member's behalf at the AGM, duly executed, must be submitted through any of the following means to the Company in the following manner:-
  - (a) by email, to the Company's Polling Agent, Complete Corporate Services Pte Ltd at bacui-agm@complete-corp.com or
  - (b) by post, to be deposited with the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road International Plaza #29-07 Singapore 079903,in either case, by **2.00 p.m. on Saturday, 27 April 2024** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument appointing proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post or download a copy of the Proxy Form from the SGXNet or the Company's corporate website, and subsequently complete and sign the Proxy Form before submitting it by post to the address provided above, or scanning and sending it to the email address provided above.
3. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the AGM.
4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
  - (a) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
  - (b) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. A member of the Company entitled to attend and vote at the AGM of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a member of the Company.
6. A member who is a relevant intermediary entitled to attend and vote at the AGM of the Company is entitled to appoint more than one (1) proxy to attend and vote instead of the member, 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 one (1) proxy, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed. "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
7. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it was an individual.
8. CPF Investors and SRS Investors may attend and vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks and SRS Operators and should contact their respective CPF Agent banks and SRS Operators if they have any queries regarding their appointment as proxies. For CPF Investors and SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their respective CPF Agent banks and SRS Operators to submit their votes no later than **2.00 p.m. on Thursday, 18 April 2024** (being not less than seven (7) working days before the AGM).

## General

The Company shall be entitled to reject this proxy form 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 this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

## Personal Data Privacy

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 15 April 2024.



**BACUI TECHNOLOGIES**  
INTERNATIONAL LTD.

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