



# BUILDING YOUR MODERN HOMES WITH YOU

ANNUAL REPORT 2022





## ABOUT THE LOGO

The best memories in life start off with inviting conversations.

It highlights Casa's vision in enabling people to focus on moments at home that truly matter and relish the joys of everyday comforts with your loved ones.

As we revolved our concept around igniting meaningful exchanges and conversations, we took inspiration from the Chinese character '合'. It resembles a roof over one's head and speaks of unity while embodying the quality and experience that Casa promises.

# OUR BRAND STORY



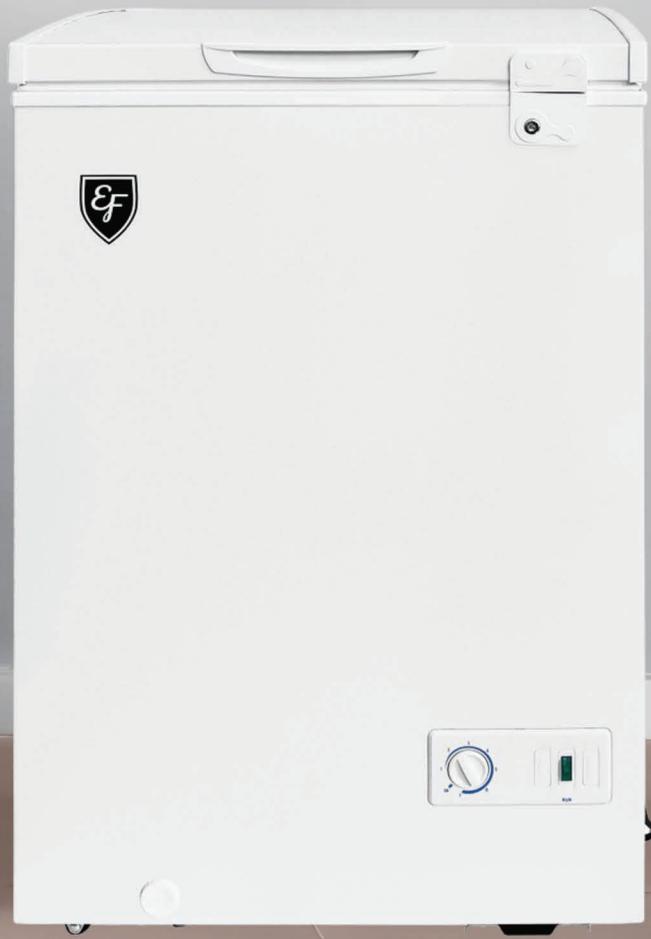
CASA - means "home" in Spanish-Italian.

Since 1976, CASA (S) Pte Ltd relentlessly forged partnerships with exclusive brand names for home appliances, consumer electronics, and bathroom fixtures from Europe and eventually they become synonymous with quality home appliances.

For the past 40 years, CASA has been committing to deliver the greatest value and worry-free service to our distinguished customers. We are constantly developing our product ranges with modern, stylish design at the highest performance and quality.

We believe that Home is an essential and crucial element of human being. Home is no longer a simple shelter for us and it should be bringing more values, in terms of emotional and to own itself a touch of class.

Thus, we are now advocating timeless, minimal, elegant and functional design when developing our product range. It must be high quality, useful, durable, and yet has a beautiful design that is able to stay long in your home.



## PURPOSE

Bringing joy to people's lives

## VISION

To be the most admired company with the most loved lifestyle brands in Asia

## MISSION

We create innovative, beautifully designed lifestyle products, that are premium quality, user-friendly and bring joy to people's lives

## CONTENTS

- 03** CASA Values
- 04** Letter to Shareholders
- 06** Board of Directors
- 07** Key Management
- 08** Financial Highlights
- 09** Group Structure





**ELBA**

**Rubine™**  
Indulge in the Aqua Lifestyle

**beko**

**CHÂTEAU**

**ferroli**

**KITH**  
BY CASA

**Westinghouse**

**uHoo**

**Evel**  
WINDEPENDENCE

## CASA VALUES

A company's core values help to create a moral compass and sense of commitment in the workplace. It shapes and creates a company culture that unifies the team and brand image.

### CARE

To place oneself in the shoes of customers to relate to the problems they faced

### ACCOUNTABILITY

To be accountable for solving customer issues, which in turn, nurtures trusting relationship

### SUPPORT

To commit to bringing the best experience to customers

### AMBITION

To continually drive industry innovation so as to transform and lead the wider market

# LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors (the "Board"), we present you the annual report of Casa Holdings Limited ("Casa" or the "Group") for the financial year ended 30 September 2022 ("FY 2022").

## REVIEW OF OPERATIONS

We saw sales have returned to pre-pandemic levels. Revenue was recorded at \$21.7 million, up by 14.0% from the last financial year ("FY 2021").

Despite the improved sales, the Group's profit after tax decreased by 24.8% to \$1.4 million from \$1.9 million in FY 2021. The decrease was mainly due to the net currency translation loss suffered by the Group as a result of the weakening of the Malaysian Ringgit against the Singapore Dollar.

Other income decreased to \$1.8 million (FY 2021: \$2.0 million) due to the ending of wage support under the Job Support Scheme.

Selling and distribution expenses increased to \$2.9 million (FY 2021: \$2.6 million) due to an increase in commission as a result of higher sales to \$0.7 million (FY 2021: \$0.5 million), as well as the increase in installation and delivery charges to \$1.1 million (FY 2021: \$1.0 million).

Administrative expenses increased to \$7.3 million (FY 2021: 7.1 million) due to an increase in depreciation expense to \$0.8 million (FY 2021: \$0.7 million) arising from the newly renovated showroom at our head office and an increase in slow-moving inventories written off to \$0.2 million (FY 2021: \$0.1 million).

The Group reported cash and cash equivalent of \$3.6 million (FY 2021: \$5.7 million).

Our earnings per share for FY 2022 was 0.84 cents (FY 2021: 1.13 cents). Our net asset value per share for FY 2022 was 28.27 cents (FY 2021: 28.16 cents).

## DIVIDENDS

The Board is delighted to propose and recommend a dividend of 0.3 cents per share for FY 2022 (FY 2021: 0.5 cents per share), subjected to shareholders' approval in the forthcoming AGM.

## AWARDS

During the financial year, Elba won a Trusted Brand Gold Award by the Reader's Digest. This consumer choice award is a symbol of recognition and trust in the Elba brand in Singapore.

Our newly renovated showroom inventively translates ordinary and salvaged common building materials, such as cement bricks, plywood and cut-off stones, into a new retail experience that won the Design of the Year 2022 Award by Singapore Institute of Architects.

## BOARD CHANGES

This year, the Company renewed its Board with the appointment of two independent directors, Mr Lai Hock Meng ("Mr Lai") and Dr Wee Chow Hou ("Dr Wee"). Mr Lai will chair the Board and the Nominating Committee and serves as member of the Audit and Remuneration Committee. Dr Wee will chair the Audit and the Remuneration Committee and serves as member of the Nominating Committee.

We would like to express our appreciation to our previous directors, Dr Low Seow Chay and Mr Lim Yian Poh, for their dedication and invaluable contribution during their tenure of service.

## OUTLOOK

The market in which the Group operates remains competitive and demanding in the coming year. In addition, challenges remain in terms of rising prices of material costs and wages, volatility in foreign exchange, and hikes in interest rate. Nevertheless, the Group will continue to invest to build brand awareness and improve customer service.

The development on our property in Johor will remain on-hold until there is an improvement in the property market in Malaysia.

## APPRECIATION

On behalf of the Board, we would like to extend our appreciation to all our valued shareholders, dealers, suppliers, service providers, bankers, and business associates for their continued support as well as to the management team and staff for their dedication and contribution to the Group.

### MR LAI HOCK MENG

*Chairman and Independent Director*

### LIM SOO KONG @ LIM SOO CHONG

*Founder, CEO and Executive Director*

## BOARD OF DIRECTORS

### Mr Lai Hock Meng

*Chairman and Independent Non-Executive Director*

Mr Lai Hock Meng, age 66, was appointed as an Independent Non-Executive Director of Casa Holdings Limited (the "Company") on 28 March 2022. He was appointed as Chairman of the Board of Directors and Nominating Committee on the same date. Mr. Lai started his career as an officer with the Monetary Authority of Singapore. He has more than 40 years of experience in regulatory agency, treasury management, education, investment banking, asset management, corporate governance and real estate investment trust. Mr. Lai has held various senior management positions in banking institutions and has been independent director of listed companies in UK, Singapore, Hong Kong and Malaysia. His general management, capital markets and financial management experience combined with significant board level experience provides him with the skillsets required to chair the board of the company. Mr. Lai holds a B. A. (Honours) and MA degree from Cambridge University, UK majoring in Economics, and is a CFA charter holder.

### Dr Wee Chow Hou

*Independent Non-Executive Director*

Dr Wee Chow Hou, age 71, was appointed as an Independent Non-Executive Director of Casa Holdings Limited on 28 March 2022. He was appointed as Chairman of the Audit Committee and Remuneration Committee on the same date. Dr. Wee Chow Hou is an adjunct professor at the Nanyang Technological University (NTU) and Singapore University of Social Sciences (SUSS). He has held various senior positions in the universities, including being Dean of NUS Business School, and as Head of various departments and divisions at both NUS and NTU. Over the years, he has consulted/conducted executive training for over 350 major organizations in over 30 countries/economies, including Fortune 500 companies. He has been an independent director and chairman of audit and remuneration committees of listed companies in Singapore, including Neptune Orient Lines Limited, SembCorp Logistics Limited, HTL International

Holdings Limited, Furama Ltd, China Precision Technology Limited, and several others. He was also a board member of the Civil Aviation Authority of Singapore (CAAS). Currently, he is also the President/Chairman of the Board of Singapore Christian Home (a nursing home with IPC status). His domain expertise is in strategy and marketing. Dr. Wee was a former Merit, Colombo Plan and Commonwealth Scholar. He holds a B.B.A. (Honours) from the University of Singapore, an M.B.A. and Ph.D. from Western University, Canada, and is an Honorary Fellow of the Marketing Institute of Singapore.

### Mr Lim Soo Kong @ Lim Soo Chong

*Founder, CEO and Executive Director*

Mr Lim Soo Kong, age 76, is the CEO of Casa Holdings Limited. He is a founder member of the Company and was appointed to the Board on 2 September 1994. He was last re-elected as a Director on 25 January 2021. He is a director in all the various subsidiaries in the Group. He graduated with a Diploma in Mechanical Engineering from the Singapore Polytechnic.

### Mr Hu Zhong Huai

*Non-Executive and Non-Independent Director*

Mr Hu Zhong Huai, age 45, is a Non-Executive and Non-Independent Director since 30 October 2007 and a major shareholder of Casa Holdings Limited. He was last re-elected as a Director on 25 January 2021. Mr Hu is a businessman and an entrepreneur in home appliances business. He is currently a director of Arda (Zhejiang) Electric Co., Ltd, China. He holds a Bachelor of International Business degree from the University of Victoria, Canada.

## BOARD OF DIRECTORS

### **Mr Stefan Matthieu Lim Shing Yuan**

*Deputy CEO and Executive Director*

Mr Stefan Matthieu Lim Shing Yuan, age 43, was appointed as Deputy Chief Executive Officer and Executive Director of Casa Holdings Limited on 15 January 2020. Prior to that, he was a Non-Executive Director of Casa Holdings Limited since 17 September 2009. He was last re-elected as a Director on 31 December 2021. He is the son of Mr Lim Soo Kong @ Lim Soo Chong. He is also an executive director of Polybuilding (S) Pte Ltd. He was appointed as a non-independent and non-executive director of Fiamma Holdings Berhad, an associated company of Casa Holdings Limited listed on the Mainboard of the Bursa Malaysia Securities Berhad on 8 October 2021. He holds a Master of Business Systems and Bachelor of Commerce (Accounting & Finance) degree from Monash University, Australia.

## KEY MANAGEMENT

### **Ms Ng Wee Pin**

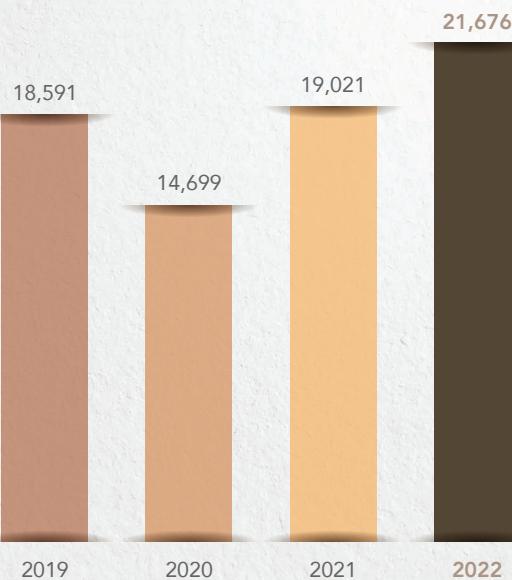
*Acting Group Financial Controller*

Ms Ng Wee Pin, age 45, was appointed as the Acting Group Financial Controller on 10 October 2022. She is responsible for all financial and accounting related functions of the Group. She joined the Group in 2018 and has 20 years of experience in financial management and accounting. She holds a Bachelor of Accountancy degree from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

## FINANCIAL HIGHLIGHTS

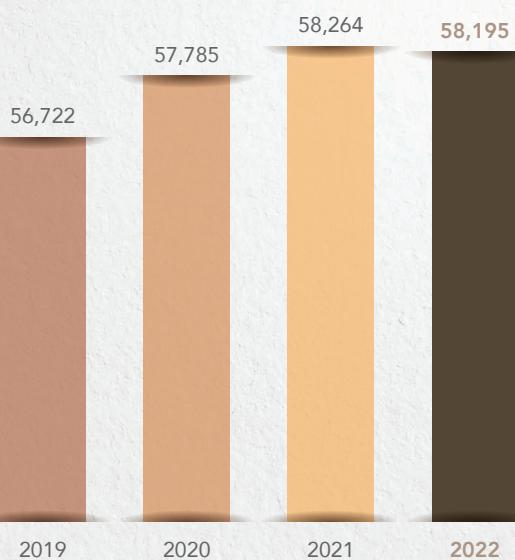
### Turnover

\$'000



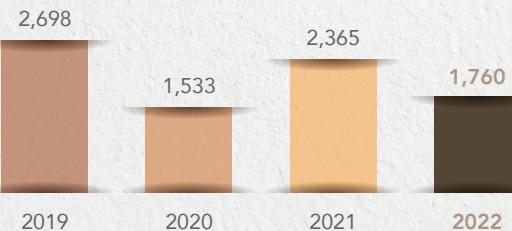
### Net Assets

\$'000



### Profit attributable to shareholders

\$'000



### NAV per Share

\$'000



## GROUP STRUCTURE



## CORPORATE GOVERNANCE REPORT AND FINANCIAL CONTENTS

- 11** Corporate Governance Report
- 28** Directors' Statement
- 31** Independent Auditor's Report
- 35** Consolidated Statement of Comprehensive Income
- 36** Statements of Financial Position
- 37** Consolidated Statement of Changes in Equity
- 38** Consolidated Statement of Cash Flows
- 40** Notes to the Financial Statements
- 94** Shareholdings Statistics
- 96** Notice of Annual General Meeting
- 99** Disclosure of Information on Director Seeking Re-election
- 109** Proxy Form

# CORPORATE GOVERNANCE REPORT

Casa Holdings Limited (the "Company") and its subsidiaries (the "Group") are committed to maintaining a high standard of corporate governance to ensure greater transparency, to protect shareholders' interests and enhance shareholders' value.

The Group adopts practices based on the Code of Corporate Governance 2018 (the "Code") issued on 6 August 2018. This report describes the Group's corporate governance practices that were in place throughout the financial year ended 30 September 2022 ("FY2022"), with specific reference made to the principles and provisions as set out in the Code and Mainboard listing manual of Singapore Exchange Securities Trading Limited (the "Listing Manual"), where applicable.

While it is always the objective of the Group to ensure all the provisions in the Code are followed strictly, however, there are situations and reasons where full compliance with the provisions may not be feasible or may not be meaningful for the Group at this stage in time. In this regard, where there are areas of the current practices which deviate from the Code, appropriate explanations are provided accordingly.

## (A) BOARD MATTERS

### The 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.*

The primary function the Board of Directors (the "Board") is to provide effective leadership and direction and work with Management to enhance the long-term value of the Group for its shareholders and other stakeholders.

The Board sets the tone for the Group in respect of ethics, values and desired organisational culture, and ensures proper accountability within the Group.

The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and performance reviews, key operational initiatives, major funding and investment proposals and corporate governance practices.

In general, the principal duties of the Board include:

- setting and reviewing the Group's strategic objectives, and ensuring that the necessary financial and human resources are in place for the Group to meet these objectives;
- establishing and maintaining a framework for the oversight of adequacy and effectiveness of internal control, risk management, financial reporting, and compliance;
- reviewing the performance of senior management;
- reviewing the Group's values and standards (including ethical standards) and ensuring that obligations to shareholders and other stakeholders are understood and met; and
- considering sustainability issues, e.g., environmental and social factors, as part of the strategic formulation.

## CORPORATE GOVERNANCE REPORT

Directors are required to promptly disclose any conflict or potential conflict of interest, whether directly or indirectly, in relation to any matters, transactions or proposed transactions with the Group as soon as practicable after the relevant facts have come to their knowledge. Any Director who has a conflict of interest which is likely to impact his independence or conflict with a subject under discussion by the Board is required to immediately declare his interest to the Board and recuse himself from participating in any discussion and voting on the subject matter.

Directors are constantly kept abreast of developments in the business including changes to laws and regulations, corporate governance, financial reporting standards and industry-related matters that are of relevance to the Group through participation in the relevant training courses, seminars, and workshops conducted by Management and professional advisors. The Company is responsible for arranging and funding the training of directors, where required.

The Chairman of the Board, CEO and senior management executives provide new directors briefings to familiarise them with the Group's business and governance practices to enable them to assimilate into their new roles in the Board. Through the briefing sessions, new directors can get acquainted with the senior management executives, thereby facilitating board interaction and independent access to senior management executives. Mr Lai Hock Meng and Dr Wee Chow Hou were appointed to the Board during FY2022.

In addition to the above, the external and internal auditors of the Group regularly brief the audit committee members at their meetings on developments in accounting and governance standards, cybersecurity matters and changes in code of corporate governance and listing rules. The CEO and senior management executives also update the Board at board meetings on business and strategic developments and the current environment of the industry, whenever necessary.

Matters specifically reserved for the Board's approval are key matters such as appointment of directors, appointment of key management personnel, group policies, annual budgets, major acquisitions and disposal of assets not in the ordinary course of business, corporate or financial restructuring exercise, share issuance, declaration or recommendation of dividends, and interested person transactions. Clear directions have been imposed on Management that such matters must be approved by the Board. Apart from the reserved matters as stated above, the Board also approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management to optimise operational efficiency.

The Board has delegated certain functions to various board committees, namely the audit committee ("AC"), nominating committee ("NC"), and remuneration committee ("RC") (collectively, the "Board Committees"). The Board Committees are constituted with clear written terms of reference setting out their compositions, authorities and duties. While the Board Committees have the authority to examine and may approve certain matters, the Board Committees generally report to the Board with their recommendations for the Board's decisions.

Besides the scheduled Board meetings, the Directors and/or Independent Directors also meet on an ad-hoc basis as necessary and as and when warranted by circumstances. Participation by telephone conference at Board and Board Committees meetings are allowed under the Constitution of the Company. The Board and Board Committees also make decisions by way of written circularised resolutions.

# CORPORATE GOVERNANCE REPORT

The Directors' attendance at the Board's, the Board Committees' and general meetings of the Company held in FY2022 is as below:

	Board Meetings	Audit Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings	Annual General Meeting
<b>No. of meetings held</b>	3	2	1	1	1
<b>Name of Directors/Executive Officers</b>					
Lim Soo Kong @ Lim Soo Chong	3	N.A.	1	N.A.	1
Stefan Matthieu Lim Shing Yuan	3	N.A.	N.A.	N.A.	1
Hu Zhong Huai	3	2	N.A.	1	1
Low Seow Chay <sup>(1)</sup>	2	1	1	1	1
Lim Yian Poh <sup>(1)</sup>	2	1	1	1	1
Lai Hock Meng <sup>(2)</sup>	1	1	-	-	-
Wee Chow Hou <sup>(2)</sup>	1	1	-	-	-

Note 1: Ceased as Non-Independent Non-Executive Director on 10 March 2022.

Note 2: Appointed as Independent Non-Executive Director on 28 March 2022.

All directors in office attended the AGM on 31 December 2021.

The NC assessed each Director's contribution and devotion of time and attention to the Company's affairs, having regard to his attendance at the directors' meetings, directorship in other listed companies, principle commitments, is of the view that the number of directorships in listed companies and principle commitments are not significant and there were sufficient time and attention to the Company's affairs given by each Director during the course of FY2022.

Each Director's listed company board directorships and principal commitments can be found in the Board of Directors Profile section of the Annual Report.

Management recognises the importance of ensuring the flow of information to the Directors on an ongoing basis to enable them to make informed decisions and to discharge their duties and responsibilities. All Board and Board Committees papers are distributed to Directors in advance to allow enough time for Directors to prepare for the meetings.

Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations.

The Board always has separate and independent access to Management through electronic mail, telephone and face-to-face meetings and may request for any additional information needed at any time to enable them to make informed decisions. Key management, the Company's auditors and external consultants are invited to attend Board and Board Committees meetings to update and provide independent professional advice on specific issues, if required.

Should the Directors, whether as a group or individually, require professional advice, the Group, upon direction by the Board, shall appoint a professional advisor, selected by the Group and approved by the Chairman, to render the advice. The cost of such service shall be borne by the Group.

## CORPORATE GOVERNANCE REPORT

Directors have separate and independent access to the Company Secretary. The Company Secretary's responsibilities include among other things, assisting in ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including certain requirements of the Securities and Futures Act, Companies Act and Listing Manual, are complied with.

The Company Secretary and/or her representative attend and prepare minutes for all Board and Board Committees meetings. The Company Secretary assists the Chairman of the Board, the Chairman of the Board Committees and Management in the development of the agendas for their meetings. The appointment and the removal of the Company Secretary are subject to the Board's approval.

### Board Composition and Guidance

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

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a director is independent in conduct, character and judgement, and has any relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company.

For the purpose of determining each Independent Director's independence, every Independent Director has provided a declaration on their independence for acting as a director of the Company based on the requirements under the Code and deliberated upon by the NC and the Board.

The NC assessed the independence of each of the Directors in FY2022. After having considered the declarations made by Mr Lai Hock Meng and Dr Wee Chow Hou and considering the criteria of independence set out under the Code, determined that the named Directors are independent.

The Board comprises five (5) Directors, two (2) of whom are Executive Directors, one of (1) whom is a Non-Executive Director and two (2) of whom are Non-Executive and Independent Directors which is in compliance with Provision 2.3 of the Code which requires non-executive directors make up majority of the board. The Company also complied with SGX-ST Listing Rule 210(5)(c) that the Board has two Independent Directors and Independent Directors comprised at least one-third of the Board.

The NC is of the view that the current Board comprises directors who as a group provide core competencies such as commerce, business or management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge and familiarity with regulatory requirements and risk management.

The Board is of the view that the current size of the Board is appropriate for effective decision making, taking into account the nature, size and scope of the Company's operations.

The Group recognises that board diversity is an essential element contributing to its sustainable development and strategic success. The Group believes that board diversity augments decision-making and a diverse board is more effective in dealing with organisational changes and less likely to suffer from groupthink.

The Group has in place a Board Diversity Policy, which endorses the principle that its Board should have a balance of skill, knowledge, experience and diversity of perspectives appropriate to the Group's business to promote the inclusion of different perspectives and ideas.

The NC reviewed the composition of the Board and the Board Committees during the course of FY2022 and is of the view the current Board and Board Committees are of an appropriate size and comprise directors with appropriate balance and mix of skills, knowledge, experience and age. The Directors provide core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge required for the Board to be effective. There is diversity of thought and background in its composition to enable it to make decisions in the best interest of the Group.

# CORPORATE GOVERNANCE REPORT

The existing Board comprises only male Directors which diverges from the recommended practice. Accordingly, one of the objectives of the NC is to identify and recommend suitable female director, preferably with different skills and knowledge from the current Directors, for appointment to the Board to further diversify its current skill sets and gender at the appropriate time.

The Independent Directors met regularly outside the Company without the presence of Management on an informal basis during the course of FY2022, to discuss matters which require their additional attention and provided feedback to the Chairman of the Board as deemed appropriate.

## **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.*

In compliance with the Code, the Chairman and the Chief Executive Officer ("CEO") are separate persons. The Chairman is Mr Lai Hock Meng, an Independent Director while the CEO is Mr Lim Soo Kong @ Lim Soo Chong. Both the Chairman and the CEO are not related to each other.

The division of responsibilities between the leadership of the Board and Management ensures that no one individual has unfettered powers of decision-making at both the board and management level.

The Chairman is responsible for:

- leading the Board to ensure its effectiveness;
- managing the Board's business, including supervising the work of the Board Committees;
- setting the Board agenda and ensuring the information flow and timing are adequate for discussion of all set agenda items, in particular strategic issues;
- setting the tone of Board discussion to promote open and frank debate and effective decision-making;
- facilitating the effective contribution of Non-Executive Directors;
- ensuring effective communication with shareholders; and
- encouraging constructive relations with the Board and between the Board and Management.

The CEO is responsible for:

- developing the Group's business and operation strategies;
- managing the present businesses of the Group;
- implementing the Board's decisions;
- provide oversight of the commercial, marketing, business development and quality, health, safety, security and environmental functions; and
- managing and overseeing the ongoing debt and corporate restructuring exercise of the Group.

## CORPORATE GOVERNANCE REPORT

### Board Membership

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

The NC comprises of the following three members, two of whom including the NC Chairman, are Independent Directors:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>● Mr Lai Hock Meng</li><li>● Dr Wee Chow Hou</li><li>● Mr Lim Soo Kong @ Lim Soo Chong</li></ul> | <i>Chairman and Independent Director<br/>Independent Director<br/>Executive Director and CEO</i> |
|--|--|

The NC is responsible for:

- nomination and re-nomination of the directors of the Company having regard to their contribution, performance, and ability to commit sufficient time and attention to the affairs of the Group, and taking into account their respective commitments outside the Group;
- determining annually whether or not a director is independent;
- deciding whether or not a director is able to and has been adequately carrying out his/her duties as a director;
- review of board succession plans for directors, and the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- development and implementation of a process and criteria for evaluation of the performance of the Board, its committees and directors;
- formal assessment of the effectiveness of the Board as a whole, Board Committees and individual directors;
- review of training and professional development programs for the Board and its directors;
- review and approval of new employment of persons related to the directors and controlling shareholders and the proposed terms of their employment; and
- appointment and re-appointment of directors (including alternate directors, if any).

The Company has no alternate director on its Board.

The NC has put in place a formal process for the selection of new directors to increase transparency of the nomination process in identifying and evaluating nominees for directors.

The NC leads the process as follows:

- the NC evaluates the composition, skills, knowledge, and experience of the existing Board and the requirements of the Group. Considering such evaluation, the NC determines the role and the key attributes that an incoming director should have.
- after endorsement by the Board of the key attributes, the NC taps on the resources of directors' personal contacts for recommendations of the potential candidates and goes through a short-listing process. If candidates identified from this process are not suitable, executive recruitment agencies will be appointed to continue the search process.

## CORPORATE GOVERNANCE REPORT

- NC meets with the shortlisted candidate(s) to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required.
- NC recommends the most suitable candidate to the Board for appointment as director.

The NC is responsible for re-election of directors. In its deliberations on the re-election of existing Directors, the NC takes into consideration the Director's contribution and performance (including his contribution and performance as an Independent Director, if applicable).

The assessment parameters include attendance record and preparedness at meetings of the Board and Board Committees as well as the quality of input to matters arising and any other special contribution.

All Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Rule 720(5) of the SGX Listing Manual requires all directors to subject themselves for re-nomination and re-appointment at least once every three year while, Article 107 of the Company's Constitution provides that at the AGM in every year at least one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office provided always that all Directors shall retire from office at least once every three years.

In addition, Article 109 of the Company's Constitution provides that subject to the Companies Act 1967 and every other statute for the time being in force concerning companies and affecting the Company, a retiring Director shall be eligible for re-election at the meeting at which he retires.

Pursuant to Article 107 of the Company's Constitution, Mr Hu Zhong Huai, will retire as Director of the Company at the forthcoming AGM. The retiring Director, being eligible, has offered himself for re-election as a Director of the Company. The retiring Director has abstained from deciding on his own nomination respectively.

Pursuant to Article 117 of the Company's Constitution, Mr Lai Hock Meng and Dr Wee Chow Hou, will retire as Directors of the Company at the forthcoming AGM. The retiring Directors, being eligible, have offered themselves for re-election as Directors of the Company. The retiring Directors have abstained from deciding on their own nomination respectively.

Mr Lai Hock Meng will, upon re-election as a Director of the Company, remain as the Independent Director as well as the Chairman of the Board and Nominating Committee and member of the Audit and Remuneration Committee. Dr Wee Chow Hou will, upon re-election as a Director of the Company, remain as the Independent Director as well as the Chairman of the Audit and Remuneration Committees and member of the Nominating Committee.

The Board is satisfied that the retiring Directors are qualified for re-election by virtue of their skills, experience and contribution of guidance and time to the Board.

The NC determines annually, and as and when circumstances require, based on a Director's Independence Checklist ("Checklist") completed, if a director is independent, having regard to the circumstances or independence criteria set forth in provision 2.1 of the Code. The NC determined that, during FY2022, there was no Director whose relationships with the Company, its related corporations, its substantial shareholders or its officers, if any, affect their independence as an Independent Director of the Company. The Board is in accord with the NC's determination.

In determining whether a director is able to and has been adequately carrying out his/her duties as a Director of the Group, the NC also takes into account the results of the assessment of individual director, and the respective directors' actual conduct on the Board, in making this determination.

## CORPORATE GOVERNANCE REPORT

### Board Performance

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

The NC conducts an annual assessment on the performance of the Board as a whole, the Board Committees and individual directors and considers each Director's contribution and devotion of time and attention given to the Company.

This process is conducted using a questionnaire designed to assess the performance of the Board and the Board Committees. Individual Directors are assessed on self-evaluation basis. The responses received from the questionnaires are then tabulated, collated and then given to the Chairman of the NC for his review and discussion at the NC meeting. The conclusion of the assessment derived from the consolidated results and recommendations are then presented to the Board for its review and adoption, if deemed necessary.

The Board reviews the evaluation conducted by the NC based on the consolidated results received from the Directors and recommendations put forward by the Directors for improvement of performance and effectiveness of the Board, the Board Committees and individual directors. Following the review, the Board is of the view that the Board, the Board Committees and individual directors performed consistently well and operated effectively for FY2022.

The Directors, led by the NC, assessed the performance of the Chairman of the Board for FY2022 at the Board meeting and provided the feedback to the Chairman of the Board.

There was no external consultant involved in the Board evaluation process in FY2022.

The NC performed the following activities in FY2022:

- reviewed the re-election of Directors, and making recommendation to the Board for their approval;
- reviewed the independency of the Independent Directors;
- evaluated the performance and effectiveness of the Board, the Board Committees, Individual Directors and the Chairman;
- reviewed the training and professional development programs for the Directors;
- reviewed the current Board size and composition;
- reviewed matters relating to Board diversity; and
- reviewed succession planning for the Board and Management.

# CORPORATE GOVERNANCE REPORT

## **(B) REMUNERATION MATTERS**

### **Procedures for Developing Remuneration Policies**

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

The RC comprises of the following three members, a majority of whom, including the RC Chairman, are Independent Directors:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>● Dr Wee Chow Hou</li> <li>● Mr Lai Hock Meng</li> <li>● Mr Hu Zhong Huai</li> </ul> | <i>Chairman and Independent Director (Appointed on 28 March 2022)</i><br><i>Independent Director (Appointed on 28 March 2022)</i><br><i>Non-Executive Director and Non-Independent Director</i> |
|---|---|

The RC is responsible for ensuring 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 member of the RC is involved in deliberations in respect of any remuneration, compensation, options, or any form of benefits to be granted to him.

The members of the RC carried out their duties in accordance with the terms of reference which include the following:

- review and recommend to the Board for endorsement, a framework of remuneration for the Board and key management personnel which covers all aspect of remuneration, including but not limited to, director's fees, salaries, allowances, bonuses, grant of shares, and share options and benefits in kind;
- review and recommend to the Board, the specific remuneration packages for each director as well as for the key management personnel;
- consult professional consultancy firms where necessary in determining remuneration packages;
- consider the various disclosure requirements for directors' remuneration and ensure that there is adequate disclosure in the financial statements and annual report to enhance transparency between the Company and relevant interested parties; and
- review all aspects of remuneration of Executive Directors and key management personnel including the Company's obligations arising in the event of termination of their service contracts, to ensure the contracts contain fair and reasonable termination clauses which are not overly generous.

The RC has access to the professional advice of external experts in the area of remuneration, where required. No remuneration consultants were engaged by the Company in FY2022.

### **Level and Mix of Remuneration**

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

Executive Directors are paid a basic salary and a performance-related bonus linked to the performance of the Company. Key management personnel are paid a basic salary and a performance bonus based on their achievement of key performance indicators ("KPI"). In view of size of the operation and financial performance of the Company, the parameters and targets for KPIs are on achievement of matters relating to effectiveness and efficiency of resources and achievement of milestones in improving the Company's business and financial performance.

# CORPORATE GOVERNANCE REPORT

The performance-related element of the Executive Directors' and key management personnel's remuneration is designed to align their interests with the interests of shareholders and other stakeholders.

The RC reviews the remuneration of the Non-executive Director to ensure the remuneration of the Non-executive director of the Company is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The RC also ensures the Independent Directors' compensation are appropriate and at the same time does not compromise their independence. None of the Independent Directors have any service contracts with the Company.

Directors' fees are reviewed and endorsed by the RC.

The Board concurred with the RC's proposal for Directors' fees for FY2022 and are of the view that the Directors' fees is appropriate and not excessive.

The RC takes into consideration the need to ensure that remuneration is appropriate in order to attract, retain and motivate directors to provide good stewardship to the Company and key management personnel to successfully manage the Company for the long-term.

## Disclosure on Remuneration

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

The remuneration of each individual Director and aggregate of top key management personnel of the Group is not disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. The RC has reviewed the practice of the industry in this regard and weighed the advantages and disadvantages of such disclosure.

The breakdown of the Directors' and key management personnel's remuneration in bands of \$250,000 should, in the Board's assessment, provide adequate overview of the remuneration of the Directors and key management personnel.

The remuneration paid to or accrued to each individual Director for FY2022 is as follows:

Name	Remuneration Band	Salary %	Profit Sharing %	Fringe Benefits %	Directors' Fees <sup>(1)</sup> %	Total %
Lim Soo Kong @ Lim Soo Chong	\$250,000 to below \$500,000	81.6	14.9	3.5	-	100
Stefan Matthieu Lim Shing Yuan	Below \$250,000	78.6	21.4	-	-	100
Hu Zhong Huai	Below \$250,000	-	-	-	100	100
Lai Hock Meng <sup>(2)</sup>	Below \$250,000	-	-	-	100	100
Dr Wee Chow Hou <sup>(2)</sup>	Below \$250,000	-	-	-	100	100
Dr Low Seow Chay <sup>(3)</sup>	Below \$250,000	-	-	-	100	100
Lim Yian Poh <sup>(3)</sup>	Below \$250,000	-	-	-	100	100

Note 1: Directors' fees are subject to Shareholders' approval at the forthcoming annual general meeting.

Note 2: Appointed as Independent Non-Executive Director on 28 March 2022.

Note 3: Ceased as Non-Independent Non-Executive Director on 10 March 2022.

## CORPORATE GOVERNANCE REPORT

There are only two top key management personnel (who are not directors or the CEO) whom the Company considers to be key executives of the Group during FY2022. The remuneration paid to or accrued to the top key management personnel (who are not directors or the CEO) for FY2022 is as follows:

	Salary %	Bonus %	Other Benefits %	Total %
<b>Below \$250,000</b>				
Margaret Chak Lee Hung <sup>(1)</sup>	96.1	-	3.9	100
Yuan Hee Peng <sup>(2)</sup>	67.8	-	32.2	100

Note 1: Resigned as the Group Financial Controller on 30 September 2022

Note 2: Retired as General Manager on 31 December 2021

Save for the following, there is no other employee who is immediate family member of a director or the CEO or a substantial shareholder of the Company and whose remuneration exceeds \$100,000 in FY2022:

- Mr Stefan Matthieu Lim Shing Yuan, son of Mr Lim Soo Kong @ Lim Soo Chong, Executive Director and CEO of the Company, is employed by the Company as Deputy CEO and has received remuneration in that capacity.

Save for Mr Lim Soo Kong @ Lim Soo Chong who is the substantial shareholder of the Company, there is no employee who is a substantial shareholder of the Company.

The Company is transparent on remuneration policies as it has been disclosed not only as part of its compliance with Principle 8 but also in respect of Principle 7 of the Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of Executive Directors and key Management personnel and the factors taken into account for the remuneration of the Non-executive Director. The Company has also disclosed the remuneration paid to each Director, the Chairman and the key Management personnel using bands of \$250,000 for transparency.

The procedure for setting remuneration is clearly disclosed and the relationships between remuneration, performance and value creation are disclosed through the Company's disclosure on its remuneration policies, as well as the disclosed remuneration in bands of no wider than \$250,000 and the breakdown of the components of their remuneration.

The Board is of the view that in light of the above and despite its deviation from Provision 8.1 of the Code, the Company has provided a high level of transparency on remuneration matters, as information on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation has been disclosed in detail in the preceding paragraphs. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director and key Management personnel will not be prejudicial to the interest of shareholders and complies with Principle 8 of the Code.

The RC performed the following activities in FY2022:

- Reviewed the remuneration packages for Board and key management personnel and making recommendation to the Board for approval; and
- Reviewed the Directors' Fees and making recommendation to the Board for approval.

# CORPORATE GOVERNANCE REPORT

## (C) ACCOUNTABILITY AND AUDIT

### Risk Management and Internal Controls

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

The Board is responsible for the governance of risk. It ensures that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets and determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that it is responsible for maintaining a sound system of internal control and risk management, but recognises that no cost-effective internal control system and risk management will preclude all errors and irregularities. Internal controls and risk management can provide only reasonable and not absolute assurance against material misstatement, losses, human errors, fraud or other irregularities.

Management is responsible to the Board for the design, implementation, and monitoring of the Group's risk management and internal control systems and to provide the Board with a basis to determine the Group's level of risk tolerance and risk policies.

The Board and the AC work with the internal auditors, independent auditor, and Management on their recommendations to institute and execute relevant controls with a view to managing those risks identified in the assessment.

The Board received assurance from the CEO and the Acting Group Financial Controller ("GFC") of the Company that the financial records of the Group have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances.

The Board also received assurance from the CEO and Acting GFC of the Company that the risk management and internal control systems of the Group were adequate and effective for FY2022.

Based on the internal controls established and maintained by the Group, work performed by the internal auditors, discussions with independent auditor and reviews performed by Management and the assurances provided by the CEO and Acting GFC as stated in the aforesaid paragraph, the Board, with the concurrence of the AC, is of the view that the Group's internal controls (including financial, operational and compliance and information technology controls) and risk management systems were adequate and effective for FY2022.

The AC concurs with the Board's view that the internal controls (including financial, operational and compliance and information technology controls) and risk management systems in place of the Group were adequate and effective as at 30 September 2022.

### Audit Committee

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

The AC comprises the following three members, a majority of whom, including the AC Chairman, are Independent Directors:

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>● Dr Wee Chow Hou</li><li>● Mr Lai Hock Meng</li><li>● Mr Hu Zhong Huai</li></ul> | <i>Chairman and Independent Director</i><br><i>Independent Director</i><br><i>Non-Executive and Non-Independent Director</i> |
|---|--|

The NC and the Board are satisfied that the members of AC have recent and relevant accounting or related financial management expertise and experience to discharge the AC functions.

## CORPORATE GOVERNANCE REPORT

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC. The duties of the AC include:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
- reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
- reviewing the assurance from the CEO and the Acting GFC on the financial records and financial statements;
- making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of independent auditor; and (ii) the remuneration and terms of engagement of the independent auditor;
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, independently investigated and appropriately followed up on.

During review of the financial statements for FY2022, the AC discussed with Management and the independent auditor on the significant issues that were brought to the AC's attention. These material issues which the independent auditor assessed to be most significant in its audit of the financial statements for the year under review have been highlighted in the key audit matters section of the Independent Auditor's Report.

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

The AC reviews the independence and objectivity of the independent auditor through discussions with the independent auditor as well as reviewing the non-audit fees awarded to them. An analysis of fees paid in respect of audit and non-audit services provided by breakdown for FY2022 is disclosed in Note 5 to the financial statements. The AC has reviewed all non-audit services provided by the independent auditor and is satisfied that these non-audit services would not affect the independence and objectivity of the independent auditor.

The Group has complied with Rule 712, Rule 715, and Rule 716 of the Listing Manual in the appointment of its auditors. The Board and the AC have reviewed and satisfied that the appointment of different auditors for its foreign subsidiaries and associated company would not compromise the standard and effectiveness of the audit of the Group. The AC recommends to the Board the reappointment of Messrs CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) as the independent auditor of the Group at the forthcoming AGM.

In the course of FY2022, the AC carried out the following activities:

- reviewed half-yearly and full year financial statements (audited and unaudited), and recommending to the Board for approval;
- reviewed interested/related parties' transactions;
- reviewed audit plan and assess the independence of independent auditor;

## CORPORATE GOVERNANCE REPORT

- reviewed internal audit plan and the appointment of internal auditors;
- reviewed the nomination of independent auditor for re-appointment at AGM and determined their remuneration, and made appropriate recommendations to the Board for approval; and
- met with the internal and independent auditors of the Company without the presence of Management.

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. Management provides the Board with management accounts, operations reviews and related explanations together with the financial statements on a half-yearly basis and as the Board may require from time to time. The AC reviews the financial statements and reports to the Board for approval.

The Board reviews and approves the results before its release. The Board provides shareholders with half-yearly and annual financial reports. Results for the half-yearly and full financial year are released to shareholders within the timeframe in line with Rule 705 of the Listing Manual. In presenting the annual and half-yearly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's performance, position and prospects.

The AC is kept abreast by Management, Company Secretaries and the independent auditor of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

The Company has a Whistle Blowing Policy which sets the framework to encourage the reporting in good faith of serious concerns or escalate serious matters on a confidential basis without fear of reprisal, dismissal, or discriminatory treatment. The AC is responsible for oversight and monitoring whistleblowing. The employees of the Group are aware of the existence of the Whistle Blowing Policy as it had been incorporated in the employee's handbook.

The objectives of the Whistle Blowing Policy are to ensure that arrangements are in place for independent investigation and appropriate remedial measures are taken where warranted. The complaint reported will be new treated confidentially and the identity and interest of the complainant will be protected except as necessary or appropriate to conduct investigation and to take remedial action, in accordance with the applicable laws and regulations. All whistle-blowing matters received by the Group will be submitted to the AC Chairman. Upon receipt of a complaint, according to the Whistle Blowing Policy, the AC Chairman in consultation with fellow AC members will exercise discretion on how to proceed with the investigation and thereafter based on the results of the investigation presented by the independent investigation team appointed by the AC, recommend any remedial measures to be taken.

The Board recognises the importance of maintaining a system of internal controls. The Company has outsourced its internal audit functions to independent internal auditors, Paul Wan & Co for FY2022.

The internal audit function is expected to meet the standard set by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Auditors has unfettered access to all the Company's documents, records, properties and personnel, including access to the Board, the AC and Management, where necessary, and has the right to seek information and explanation.

The appointed Internal Auditors reports directly to the AC and is responsible for assessing the reliability, adequacy and effectiveness of the system of internal controls that are in place to protect the funds and assets of the Group, ensuring control procedures are complied with, assessing if the operations of the business processes under review are conducted efficiently and effectively, and identifying and recommending improvements to internal control procedures, where required.

# CORPORATE GOVERNANCE REPORT

The Internal Auditors plan its internal audit schedules in consultation with, but independent of, Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC will review the activities of the Internal Auditors, including overseeing and monitoring of the implementation of improvements required for internal control weaknesses identified.

For the year under review, the AC has reviewed the experience and work performed by the internal auditors and is satisfied with the adequacy, independence and effectiveness of the internal audit function.

The AC has met with the independent auditor, and the internal auditors, without the presence of Management, once in FY2022.

## **(D) SHAREHOLDER RIGHTS AND ENGAGEMENT**

### **Shareholder Rights and Conduct of General Meetings**

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

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that all the Company's shareholders are treated equitably and the rights of all investors, including non-controlling shareholders, are protected.

The Group is committed to providing shareholders with adequate and timely information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

The Group strongly encourages shareholder participation to attend the AGM to ensure high level of accountability and to stay informed of the Group's strategy and goals. The Board believes that general meetings serve as an opportune forum for shareholders to meet the Board and key management personnel, and to interact with them. Information on general meetings is disseminated through notices contained in annual report. The notices are also released via SGXNet and published in local newspapers, as well as posted on the company website.

At the AGM, a member who is a relevant intermediary which provide nominee or custodial services is entitled to appoint more than two proxies to attend, speak and vote at the meeting, so shareholders who hold shares through such intermediary can attend and participate in general meeting as proxies.

The Company conducts poll voting for all proposed resolutions at AGM for greater transparency in the voting process. The total numbers of votes cast for or against the resolutions will also be announced after the meeting via SGXNet.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and Management.

The Company provides for separate resolutions at general meetings on each substantially separate issue unless the issues are interdependent and linked to form one significant proposal.

All the resolutions at the general meetings are single item resolutions.

The Chairman of the Board and the Directors attend all general meetings to address questions and issues raised by shareholders. The independent auditor are also present to address any relevant queries from shareholders on the conduct of audit and the preparation and content of the auditor's report. Key management executives are also present at the general meetings to respond to operational questions from shareholders.

## CORPORATE GOVERNANCE REPORT

All the Directors in office attended the AGM of the Company held on 31 December 2021.

The Company's Constitution allows all shareholders to appoint up to two proxies to attend general meetings and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia by mail, email or fax. Minutes of general meetings are published to SGXNet.

The Company does not have a fixed dividend policy in place. The Company may declare an annual dividend with the approval of the shareholders in a general meeting, but the amount of such dividend shall not exceed the amount recommended by the Board. The Board may also declare an interim dividend without the approval of the shareholders.

### Engagement with Shareholders

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

The Company has established an investor relation policy that governs regular, effective and fair communication with shareholders. A copy of the Company's investor relations policy is available on the corporate website of the Company.

The Group is committed to maintaining high standards of corporate disclosure and transparency through timely communication of information to shareholders and the public. It is the Company's policy that all shareholders and the public be informed of all major developments that impact the Group on a timely basis. Communication is made through:

- annual reports that are prepared and issued to all shareholders;
- annual and half-yearly financial statements announcements containing a summary of the financial information and affairs of the Group for the period;
- notices of and explanatory memoranda for AGMs and extraordinary general meetings; and
- disclosure to the SGX-ST.

The directors regard general meetings of the shareholders as an opportunity to communicate directly with shareholders and encourage greater participation of the shareholders. Shareholders have the opportunity to participate effectively in and to vote at general meetings of shareholders to ensure a high level of accountability and communicate their views on various matters affecting the company.

### (E) MANAGING STAKEHOLDERS RELATIONSHIPS

#### Engagement with Stakeholders

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

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to work towards sustainable growth. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include employees, lenders, investors, clients and regulators.

# CORPORATE GOVERNANCE REPORT

The Company's strategy and key areas of focus in relation to the management of stakeholder relationships can be found in the Sustainability Report section of the corporate website of the Company. FY2022 Sustainability Report will be published on SGXNET and the corporate website of the Company.

The Company maintains a current corporate website at <https://casa.sg>.

## **(F) OTHER CORPORATE GOVERNANCE MATTERS**

### **Interested Person Transactions**

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

There were no interested person transactions (with value more than \$100,000) for FY2022 except as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Rental income received from: Multicable Manufacturing (S) Pte Ltd	Note 1	\$478,000	-
Purchase of home appliances from: Arda (Zhejiang) Electric Co., Ltd	Note 2	\$523,000	-

#### **Notes:**

1. Multicable Manufacturing (S) Pte Ltd ("Multicable") is a 70% owned subsidiary of Kok Siong Enterprise Pte Ltd ("Kok Siong") of which Lim Soo Kong @ Lim Soo Chong has shareholding interest in both Kok Siong and Multicable at 26% and 10% respectively. He is also a director of both Kok Siong and Multicable.
2. Arda (Zhejiang) Electric Co., Ltd ("Arda") is a company wholly owned by Hu Zhong Huai and members of his immediate family. He is also a director of Arda.

### **Material Contracts**

Save for the service agreements entered into between the Executive Directors and the Company, there was no material contract entered into by the Company and its subsidiaries involving the interests of any Director or controlling shareholders subsisting as at 30 September 2022.

### **Dealing in Securities**

The Company has adopted an internal code on dealings in securities. Directors and employees are not allowed to deal in the Company's shares during the periods commencing one month before the announcement of the Group's half-yearly and full year results and ending on the date of announcement of such result, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the employees of the Company are advised not to deal in the Company's securities on short term considerations and are expected to always observe the insider trading rules, even when dealing in the Company's securities within the permitted trading periods.

## DIRECTORS' STATEMENT

For the financial year ended 30 September 2022

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 30 September 2022 and the statement of financial position of the Company as at 30 September 2022.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 September 2022 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; 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.

### Directors

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

Lim Soo Kong @ Lim Soo Chong  
Hu Zhong Huai  
Stefan Matthieu Lim Shing Yuan  
Lai Hock Meng (Appointed on 28 March 2022)  
Wee Chow Hou (Appointed on 28 March 2022)

### Arrangements to enable directors to acquire shares and debentures

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

### 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 year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 30.9.2022	At 1.10.2021	At 30.9.2022	At 1.10.2021
<b>The Company</b>				
(No. of ordinary shares)				
Lim Soo Kong @ Lim Soo Chong	59,944,202	59,944,202	-	-
Hu Zhong Huai	60,826,710	60,826,710	-	-
Lai Hock Meng (Appointed on 28 March 2022)	750,000	-	-	-

# DIRECTORS' STATEMENT

For the financial year ended 30 September 2022

By virtue of Section 7 of Singapore Companies Act 1967, Lim Soo Kong @ Lim Soo Chong and Hu Zhong Huai are deemed to have interests in all the ordinary shares of the Company's subsidiary corporations.

The directors' interests in the ordinary shares of the Company as at 21 October 2022 were the same as those as at 30 September 2022.

## **Share options**

No options have been granted to subscribe for unissued shares of the Company or its subsidiary corporations during the financial year.

No shares have been issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations during the financial year.

There were no unissued shares of the Company or its subsidiary corporations under options at the end of the financial year.

## **Audit committee**

The members of the Audit Committee (the "AC") at the end of the financial year were as follows:

Wee Chow Hou	(Chairman and Independent Non-Executive Director) (Appointed on 28 March 2022)
Lai Hock Meng	(Independent Non-Executive Director) (Appointed on 28 March 2022)
Hu Zhong Huai	(Non-Executive and Non-Independent Director)

The AC met 2 times in the financial year under review and carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967. In performing those functions, the AC:

- reviewed audit plan of the Company's independent auditor, including the results of the independent auditor's review and evaluation of the Group's internal controls;
- reviewed the scope and results of audit and its cost effectiveness and where the independent auditor also provides non-audit services to the Company, reviewed the nature and extent of such services to maintain the independence and objectivity of the independent auditor;
- reviewed the half-year and full-year financial results of the Company and the consolidated financial statements of the Group before submission to the Board of Directors (the "Board") for approval;
- reviewed annually the effectiveness of the Company's material internal controls including financial, operational and compliance control and risk management;
- considered and made recommendations to the Board on the appointment, re-appointment or removal of the independent auditor, their remuneration and terms of engagement;
- ensured that the internal audit function is adequately resourced and has appropriate standing within the Company and to review the adequacy of the function annually;
- reviewed the scope and results of the internal audit;
- met with the independent auditor and internal auditors without the presence of the management annually;

## DIRECTORS' STATEMENT

For the financial year ended 30 September 2022

- reviewed interested persons transactions to be in compliance with the rules of the Listing Manual of Singapore Exchange Securities Trading Limited and other relevant statutory requirements and any potential conflicts of interest; and
- commissioned and reviewed the findings of internal investigations into matters in the event there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the operating results and financial position of the Group.

The AC has recommended to the Board that the independent auditor, CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation), be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

### **Independent auditor**

The independent auditor, CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation), has expressed its willingness to accept re-appointment.

On behalf of the Board

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**Lim Soo Kong @ Lim Soo Chong**  
*Director*

16 December 2022

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**Stefan Matthieu Lim Shing Yuan**  
*Director*

# INDEPENDENT AUDITOR'S REPORT

To the Members of Casa Holdings Limited

## **Report on the Audit of the Financial Statements**

### *Opinion*

We have audited the accompanying financial statements of Casa Holdings Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore 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 30 September 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### *Basis for opinion*

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

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. 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.

### **Development properties**

*Refer to Note 2.16, Note 3(a) and Note 15 to the financial statements*

#### *Area of focus:*

The Group has significant development properties located primarily in the Iskandar region of Malaysia. As at 30 September 2022, the Group's development properties amounted to approximately \$52,250,000 (2021: \$54,822,000) comprising mainly of the land and certain initial development costs, which represented 54% of the total assets of the Group. The development properties are held with the intention for development and sale in the ordinary course of business and are stated at the lower of cost and estimated net realisable value ("NRV"), which represents the estimated selling price less costs to be incurred in selling the properties. The development had been halted since FY2016 based on the management's assessment of the property market condition in Malaysia and there are no significant development costs incurred since then. The Group is still closely monitoring the property markets in Malaysia and looking for appropriate timing to kick start the development.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Casa Holdings Limited

Specific audit focus in this area is required, as the determination of the estimated NRV of the development properties involves significant judgements and is dependent upon the Group's assessment of market demand and market prices at the reporting date on the comparable properties of the same characteristics within the same vicinity based on the independent real estate valuers' (the "valuer") estimation of the fair values of the land and the developments. The valuation process is inherently subjective and involves significant judgements in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.

*How our audit addressed the area of focus:*

In obtaining sufficient audit evidence to determine the NRV of the development properties, we:

- discussed with management regarding its plan and status of the Group's development properties;
- assessed the Group's processes for the selection of the valuer, the determination of the scope of work of the valuer, and the review and acceptance of the valuations reported by the valuer. We also assessed the qualifications and competence of the valuer, and read the terms of the engagement of the valuer to determine whether there were any matters that might have affected their objectivity or limited their scope of the work;
- obtained and reviewed the valuation reports from the valuer, together with our internal valuation specialists, to evaluate the appropriateness of valuation methodologies and significant underlying assumptions used in the valuation; and
- considered the adequacy of the disclosures in the financial statements.

*Other Information*

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

Our opinion on the financial statements does not cover the 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.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Casa Holdings Limited

## *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 skepticism throughout the audit. We also:

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

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.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Casa Holdings Limited

### **Report on Other Legal and Regulatory Requirements**

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

The engagement director on the audit resulting in this independent auditor's report is Lee Look Ling.

CLA Global TS Public Accounting Corporation  
(Formerly known as Nexia TS Public Accounting Corporation)  
Public Accountants and Chartered Accountants

Singapore

16 December 2022

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 September 2022

	Note	2022 \$'000	2021 \$'000
Revenue	4	21,676	19,021
Cost of sales		<u>(12,098)</u>	<u>(10,894)</u>
Gross profit		9,578	8,127
Other income	7	1,772	1,966
Other gains and losses			
- Reversal of impairment loss on financial assets		-	393
- Others	8	149	1,218
Expenses			
- Selling and distribution		(2,922)	(2,642)
- Administrative		(7,269)	(7,065)
- Finance	9	(1,527)	(1,537)
Share of profit of an associated company	16	1,729	1,704
Share of loss of a joint-venture company	17	<u>(35)</u>	<u>(44)</u>
<b>Profit before income tax</b>		<b>1,475</b>	2,120
Income tax expense	10(a)	(73)	(256)
<b>Net profit</b>		<b>1,402</b>	1,864
<b>Other comprehensive loss, net of tax:</b>			
Items that may be reclassified subsequently to profit or loss:			
- Share of other comprehensive loss of an associated company			
- Currency translation differences	16	(1,273)	(323)
- Revaluation of property, plant and equipment	16	541	-
- Currency translation gains/(losses) arising from consolidation		310	(13)
<b>Other comprehensive loss, net of tax</b>		<b>(422)</b>	(336)
<b>Total comprehensive income</b>		<b>980</b>	1,528
<b>Profit attributable to:</b>			
Equity holders of the Company		1,760	2,365
Non-controlling interests		(358)	(501)
		<b>1,402</b>	1,864
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		1,296	2,026
Non-controlling interests		(316)	(498)
		<b>980</b>	1,528
<b>Earnings per share ("EPS") for profit attributable to equity holders of the Company (cents per share)</b>			
Basic and diluted EPS	11	<b>0.84</b>	1.13

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

# STATEMENTS OF FINANCIAL POSITION

As at 30 September 2022

	Note	Group		Company		
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	12	3,612	5,663	352	461	
Trade and other receivables	13	3,771	3,258	32,901	35,007	
Inventories	14	6,199	5,010	-	-	
		<b>13,582</b>	<b>13,931</b>	<b>33,253</b>	<b>35,468</b>	
<b>Non-current assets</b>						
Development properties	15	52,250	54,822	-	-	
Investments in an associated company	16	17,218	16,745	9,945	9,945	
Investment in a joint-venture company	17	3,327	3,114	-	-	
Investments in subsidiary corporations	18	-	-	12,241	12,241	
Property, plant and equipment	19	10,030	10,962	-	-	
		<b>82,825</b>	<b>85,643</b>	<b>22,186</b>	<b>22,186</b>	
<b>Total assets</b>		<b>96,407</b>	<b>99,574</b>	<b>55,439</b>	<b>57,654</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	22	5,310	5,647	9,087	8,928	
Provisions	23	529	511	-	-	
Bank borrowings	24	672	663	-	-	
Lease liability	25	55	53	-	-	
Current income tax liabilities	10(b)	245	391	-	-	
		<b>6,811</b>	<b>7,265</b>	<b>9,087</b>	<b>8,928</b>	
<b>Non-current liabilities</b>						
Other payables	22	28,297	30,078	-	-	
Provisions	23	155	162	-	-	
Bank borrowings	24	1,400	2,190	-	-	
Lease liability	25	1,438	1,493	-	-	
Deferred income tax liabilities	26	111	122	-	-	
		<b>31,401</b>	<b>34,045</b>	-	-	
<b>Total liabilities</b>		<b>38,212</b>	<b>41,310</b>	<b>9,087</b>	<b>8,928</b>	
<b>NET ASSETS</b>		<b>58,195</b>	<b>58,264</b>	<b>46,352</b>	<b>48,726</b>	
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital	27	32,315	32,315	32,315	32,315	
Asset revaluation reserve		541	-	-	-	
Currency translation reserve		(852)	153	-	-	
Retained profits		27,324	26,613	14,037	16,411	
		<b>59,328</b>	<b>59,081</b>	<b>46,352</b>	<b>48,726</b>	
<b>Non-controlling interests</b>	18	<b>(1,133)</b>	<b>(817)</b>	-	-	
<b>Total equity</b>		<b>58,195</b>	<b>58,264</b>	<b>46,352</b>	<b>48,726</b>	

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 September 2022

	← Attributable to equity holders of the Company →						
	Share capital \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>2022</b>							
<b>Balance as at 1 October 2021</b>	<b>32,315</b>	-	153	26,613	59,081	(817)	58,264
Profit for the financial year	-	-	-	1,760	1,760	(358)	1,402
Other comprehensive loss for the financial year	-	541	(1,005)	-	(464)	42	(422)
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>541</b>	<b>(1,005)</b>	<b>1,760</b>	<b>1,296</b>	<b>(316)</b>	<b>980</b>
Dividends paid (Note 30)	-	-	-	(1,049)	(1,049)	-	(1,049)
<b>Balance as at 30 September 2022</b>	<b>32,315</b>	<b>541</b>	<b>(852)</b>	<b>27,324</b>	<b>59,328</b>	<b>(1,133)</b>	<b>58,195</b>
<b>2021</b>							
<b>Balance as at 1 October 2020</b>	<b>32,315</b>	-	492	25,297	58,104	(319)	57,785
Profit for the financial year	-	-	-	2,365	2,365	(501)	1,864
Other comprehensive loss for the financial year	-	-	(339)	-	(339)	3	(336)
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>(339)</b>	<b>2,365</b>	<b>2,026</b>	<b>(498)</b>	<b>1,528</b>
Dividends paid (Note 30)	-	-	-	(1,049)	(1,049)	-	(1,049)
<b>Balance as at 30 September 2021</b>	<b>32,315</b>	<b>-</b>	<b>153</b>	<b>26,613</b>	<b>59,081</b>	<b>(817)</b>	<b>58,264</b>

(a) Asset revaluation and currency translation reserves are non-distributable.

(b) Retained profits of the Group's associated company, if any, are not distributable. Retained profits of the Company amounting to approximately \$14,037,000 (2021: \$16,411,000) are distributable.

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2022

	Note	2022 \$'000	2021 \$'000
<b>Cash flows from operating activities</b>			
Net profit		1,402	1,864
Adjustments for:			
- Income tax expense		73	256
- Depreciation of property, plant and equipment		830	739
- Gain on amortisation of interest-free non-current payables		(1,886)	(1,413)
- Gain on disposal of property, plant and equipment		-	(18)
- Interest income		(1)	(1)
- Finance expenses		1,527	1,537
- Share of profit of an associated company		(1,729)	(1,704)
- Share of loss of a joint-venture company		35	44
- Unrealised currency translation losses		1,746	325
		<u>1,997</u>	<u>1,629</u>
Change in working capital:			
- Development properties		(36)	(238)
- Inventories		(1,189)	(1,649)
- Trade and other receivables		(513)	18
- Trade and other payables		81	1,439
Cash generated from operations		<u>340</u>	<u>1,199</u>
Income tax paid		<u>(230)</u>	<u>(212)</u>
<b>Net cash provided by operating activities</b>		<b><u>110</u></b>	<b><u>987</u></b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(182)	(1,069)
Loan to a joint-venture company		(224)	(247)
Proceeds from disposal of property, plant and equipment		-	20
Dividends received from an associated company		524	755
Interest received		1	1
<b>Net cash provided by/(used in) investing activities</b>		<b><u>119</u></b>	<b><u>(540)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings		-	1,667
Proceeds from related parties' borrowings		142	282
Repayment of bank borrowings		(778)	(1,019)
(Repayment of)/proceeds from bills payable		(407)	434
Repayment of lease liability		(53)	(50)
Dividends paid to equity holders of the Company		(1,049)	(1,049)
Interest expense		(144)	(133)
<b>Net cash (used in)/provided by financing activities</b>		<b><u>(2,289)</u></b>	<b><u>132</u></b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b><u>(2,060)</u></b>	<b><u>579</u></b>
<b>Cash and cash equivalents</b>			
Beginning of the financial year		5,663	5,081
Effects of currency translation on cash and cash equivalents		9	3
<b>End of the financial year</b>	12	<b><u>3,612</u></b>	<b><u>5,663</u></b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2022

Reconciliation of liabilities arising from financing activities:

				Non-cash changes			30 September 2022 \$'000
	1 October 2021 \$'000	Proceeds \$'000	Repayments \$'000	Gain on amortisation \$'000	Interest expense \$'000	Foreign exchange movement \$'000	
Bills payable	1,584	-	(407)	-	-	-	1,177
Non-trade payables – related parties	30,078	142	-	(1,886)	1,383	(1,420)	28,297
Bank borrowings	2,853	-	(827) <sup>(a)</sup>	-	49	(3)	2,072
Lease liability	1,546	-	(124) <sup>(b)</sup>	-	71	-	1,493

				Non-cash changes			30 September 2021 \$'000
	1 October 2020 \$'000	Proceeds \$'000	Repayments \$'000	Gain on amortisation \$'000	Interest expense \$'000	Foreign exchange movement \$'000	
Bills payable	1,150	434	-	-	-	-	1,584
Non-trade payables – related parties	30,188	282	-	(1,413)	1,404	(383)	30,078
Bank borrowings	1,898	1,500	(598) <sup>(a)</sup>	-	58	(5)	2,853
Trade receivables financing liabilities	312	167	(479) <sup>(a)</sup>	-	-	-	-
Lease liability	1,596	-	(116) <sup>(b)</sup>	-	66	-	1,496

(a) These constitute repayment of bank borrowings.

(b) These constitute repayment of lease liability.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

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

## 1. General information

Casa Holdings Limited (the "Company") is listed on the Mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office is 15 Kian Teck Crescent, Singapore 628884.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiary corporations are set out in Note 18 to the financial statements.

## 2. Significant accounting policies

### 2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I)s 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 dollar ("\$") and all values are rounded to the nearest thousand ("000") except otherwise indicated.

#### Coronavirus ("Covid-19") Impact

Since the last financial year ended 30 September 2021, the Coronavirus ("COVID-19") continued to have a significant impact on local and world economies. Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 30 September 2022.

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- (ii) The Group has considered the market conditions (including the impact of COVID-19) as at the reporting date, in making estimates and judgements on the recoverability of trade receivables and determine the NRV of development properties (Note 3).

The Group will continue to keep a vigilant watch on the challenges that may arise from the ongoing COVID-19 pandemic and uncertainties in the wider macro environment.

#### Interpretations and amendments to published standards effective in 2021

On 1 October 2021, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **2. Significant accounting policies (continued)**

### **2.2 Revenue**

*(a) Distribution of electrical and electronic home appliances, kitchen and bathroom fixtures and accessories*

The Group distributes electrical and electronic home appliances, kitchen and bathroom fixtures and accessories. Revenue from the sale of these goods are recognised at a point in time when the home appliances are delivered to the customer.

No element of financing is deemed present as the sales are made with a credit term which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial years.

The Group provides discounts and rebates, which are payments to customers. If the payment is for distinct goods or services received from the customer, the Group accounts for any excess of the consideration payable to the customer over the fair value of the distinct goods or services as a reduction of the transaction price. If the fair value of the goods or services received from the customer cannot be reliably estimated, the Group accounts for all of the consideration payable to the customer as a reduction of the transaction price.

A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

*(b) Rendering of services*

Revenue from rendering of services is recognised in the accounting period when the services are rendered.

*(c) Interest income*

Interest income from financial assets at amortised cost is recognised using the effective interest method.

*(d) Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

*(e) Rental income*

Rental income from operating leases are recognised on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.3 Group accounting

#### (a) Subsidiary corporations

##### (i) Consolidation

Subsidiary corporations 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. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the assets transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statements of financial position. Total comprehensive income is attributed to the non-controlling interest based on their respective interest in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

##### (ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **2. Significant accounting policies (continued)**

### **2.3 Group accounting (continued)**

#### *(a) Subsidiary corporations (continued)*

##### *(iii) Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporations, the assets and liabilities of the subsidiary corporation are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, associated company, and joint-venture company" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

#### *(b) Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

#### *(c) Associated company and joint-venture company*

Associated company are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

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

Investments in associated company and joint-venture company are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

##### *(i) Acquisitions*

Investments in associated companies and joint-venture company are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.3 Group accounting (continued)

#### (c) Associated company and joint-venture company (continued)

##### (ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's or joint-venture company's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company or joint-venture company are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint-venture company equals to or exceeds its interest in the associated company or joint-venture company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company or joint-venture company. If the associated company or joint-venture company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated company and joint-venture company are eliminated to the extent of the Group's interest in the associated company or joint-venture company. Unrealised losses are also eliminated unless the transaction provide evidence of impairment of the assets transferred. The accounting policies of associated company or joint-venture company are changed when necessary to ensure consistency with the accounting policies adopted by the Group.

##### (iii) Disposals

Investments in associated company or joint-venture company are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint-venture company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations, associated company, and joint-venture company" for the accounting policy on investments in associated company and joint-venture company in the separate financial statements of the Company.

### 2.4 Property, plant and equipment

#### (a) Measurement

##### (i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Assets under construction represents warehouse under construction for Group's own future use.

##### (ii) Component of costs

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **2. Significant accounting policies (continued)**

### **2.4 Property, plant and equipment (continued)**

#### *(b) Depreciation*

Assets under construction is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land and buildings	10, 26 and 40 years
Plant and machinery	10 years
Furniture, fittings and facilities	2 – 10 years
Motor vehicles	5 years
Right-of-use asset	Estimated useful life or 20 years, whichever is shorter

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

#### *(c) Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already 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 of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### *(d) Disposal*

On disposal of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

### **2.5 Borrowing costs**

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

### **2.6 Investments in subsidiary corporations, associated company and joint-venture company**

Investments in subsidiary corporations, associated company and joint-venture company are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.7 Impairment of non-financial assets

*Property, plant and equipment*

*Right-of-use assets*

*Investments in subsidiary corporations, associated company and joint-venture company*

Property, plant and equipment, right-of-use assets and investments in subsidiary corporations, associated company and joint-venture company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

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.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

### 2.8 Financial assets

#### (a) Classification and measurement

The Group classifies and measures its financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### Debt instruments

Debt instruments of the Group mainly comprise of cash and cash equivalents and trade and other receivables.

The Group classified its financial assets at amortised cost. The classification depends on the Group's business model for managing the assets and the cash flow characteristic of the assets. The Group manages these groups of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **2. Significant accounting policies (continued)**

### **2.8 Financial assets (continued)**

#### *(a) Classification and measurement (continued)*

##### Debt instruments (continued)

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

#### *(b) Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31(b) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. For other financial assets, the Group use the general approach for assessment of Expected Credit Losses ("ECLs").

#### *(c) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as trade and other payables.

### **2.9 Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.10 Financial guarantees

The Company and its subsidiary corporation have issued corporate guarantees to banks for borrowings of its subsidiary corporations and the joint-venture company. These guarantees are financial guarantees as they require the Company and its subsidiary corporation to reimburse the banks if the subsidiary corporations and the joint-venture company fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantees are initially recognised at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 Revenue from Contracts with Customers; and
- (b) the amount of expected loss allowance computed using the impairment methodology under SFRS(I) 9 Financial Instruments.

### 2.11 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after that reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

### 2.12 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.

### 2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used.

Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.14 Leases

#### (a) 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.

- *Right-of-use assets*

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liability 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 liability*

The initial measurement of lease liability is 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 following:

- 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.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group do not have non-lease component.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.14 Leases (continued)

#### (a) When the Group is the lessee (continued)

- *Lease liability* (continued)

Lease liability is measured at amortised cost using the effective interest method. Lease liability 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 modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is 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.

- *Short term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liability 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.

#### (b) When the Company is the lessor

The accounting policy applicable to the Group as a lessor in the comparative period were the same under SFRS(I) 16 Leases.

### 2.15 Inventories

Inventories which comprise electrical and electronic home appliances, kitchen and bathroom fixtures and accessories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.16 Development properties

Development properties are those properties which are held with the intention for development and sale in the ordinary course of business. They are stated at the lower of cost and the estimated net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **2. Significant accounting policies (continued)**

### **2.16 Development properties (continued)**

The cost of properties under development comprise specifically identified costs, including cost of land, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis as part of the cost of the development property until the completion of development. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that cost of development property will exceed sale proceed of the development property, the expected loss is recognised as an expense immediately. The development properties in progress have operating cycles longer than one year.

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyer, except in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

Development properties are presented as current assets where development activities have commenced and where the development activities can be completed within the Group's normal operating cycle. Otherwise, they are presented as non-current assets.

### **2.17 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 reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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 an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations, associated company and joint-venture company, 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.

Deferred income tax is measured:

- (a) 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 reporting date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.17 Income taxes (continued)

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.

### 2.18 Provisions

Provisions for warranty and demolition costs 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 been reliably estimated. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to repair or replace products still under warranty at the reporting date. This provision is calculated based on historical experience of the level of repairs and replacements.

### 2.19 Employee compensation

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

#### (a) *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.

#### (b) *Short-term compensated absences*

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

### 2.20 Currency translation

#### (a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

#### (b) *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 reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **2. Significant accounting policies (continued)**

### **2.20 Currency translation (continued)**

#### *(b) Transactions and balances (continued)*

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the profit or loss within "Other gains and losses - others".

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.

#### *(c) 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 the 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 with loss of control of the foreign operation.

### **2.21 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

### **2.22 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 and bank overdrafts. Bank overdrafts are presented as current borrowings on the statements of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

### **2.23 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 2. Significant accounting policies (continued)

### 2.24 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.

### 2.25 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

## 3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (a) Net realisable value of development properties

In determining whether write-down should be made for the development properties, the Group takes into consideration the principal situations in which net realisable value is likely to be less than the cost in accordance to SFRS(I) 1-2 Inventories. A write-down is made if the net realisable value is less than the carrying amount.

No write down was required for the development properties as the management has assessed that the NRV is higher than the carrying amount by reference to the fair value of the lands determined by the independent professional valuer. The carrying amounts of development properties are disclosed in Note 15 to the financial statements.

### (b) Impairment of trade receivables

As at 30 September 2022, the Group's trade receivables amounted to approximately \$2,843,000 (2021: \$2,600,000) (Note 13).

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each group based on shared credit risk characteristics and days past due. Accordingly, management has determined the expected loss rates by grouping the receivables based on days past due.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. No loss allowance for trade receivables were recognised as at 30 September 2022 (2021: \$24,000).

The Group's credit risk exposure for trade receivables by different revenue segment are set out in Note 31(b)(i).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **3. Critical accounting estimates, assumptions and judgements (continued)**

### *(c) Consolidation of structured entities*

Judgement is required to determine when the Group establishes control over an investee. The Group has made an assessment of the relevant activities of the investee and whether the decisions in relation to those activities require unanimous consent and controls in an investee under a contractual arrangement if the investor has all the following criteria are met:

- (i) power over the investee;
- (ii) exposure, or rights, to variable returns from involvement with the investee; and
- (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

The Group's subsidiary corporations, Casa Property Development Sdn. Bhd., Fantastic Modern Sdn. Bhd. and Genius Chamber Sdn. Bhd. are regarded as subsidiary corporations as the other shareholders have undertaken to follow instructions from the Group to vote in concert with the Group and majority of the Board of Directors are representatives from the Company. Details of the Company's investments in subsidiary corporations and carrying amount are disclosed in Note 18.

### *(d) Significant influence over Fiamma Holdings Berhad ("Fiamma")*

As at 30 September 2022, the Company held 74,889,900 ordinary shares (representing approximately 14.73%) of the issued and paid-up share capital of Fiamma and it continued to have representative on the board of directors of Fiamma. Accordingly, the Group made the assessment and concluded that it has significant influence over Fiamma and continued to account for its interest in Fiamma as associated company. Details of the Company's investments in associated company and carrying amount are disclosed in Note 16.

## **4. Revenue from contracts with customers**

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following geographical regions. Revenue is attributed to countries by location of customers.

	Group	
	2022	2021
	\$'000	\$'000
<b><u>Sale of goods – at a point in time</u></b>		
Singapore	21,261	18,819
Other countries	415	202
	<b>21,676</b>	<b>19,021</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 5. Expenses by nature

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Advertising and promotion	524	511
Commission	659	520
Cost of inventories recognised as an expense (included in cost of sales) (Note 14)	11,415	10,334
Depreciation of property, plant and equipment (Note 19)	830	739
Directors' fee	127	151
Directors' remuneration	552	607
Employee compensation (Note 6)	4,171	4,290
Fees on audit services paid/payable to:		
- auditor of the Company	120	101
- other auditors	13	11
Fees on non-audit services paid/payable to:		
- auditor of the Company	13	13
Freight charges	689	548
Installation and delivery charges	1,125	984
Inventories written-down (Note 14)	232	106
Legal and professional fees	80	170
Office expense	270	262
Property tax	218	139
Provision for warranty (Note 23)	557	556
Rental expense on operating leases	78	47
Repair and maintenance	186	189
Utilities	96	81
Other expenses	334	242
Total cost of sales, selling and distribution and administrative expenses	22,289	20,601

## 6. Employee compensation

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	3,609	3,735
Employer's contribution to defined contribution plans including contributions to the Central Provident Fund ("CPF")	562	555
	4,171	4,290

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 7. Other income

	Group	
	2022	2021
	\$'000	\$'000
Interest income from bank deposits	1	1
Government grant – Jobs Support Scheme <sup>(1)</sup>	–	184
Rental income from operating lease	481	432
Service income – at a point in time	1,248	1,317
Others	42	32
	1,772	1,966

(1) The Jobs Support Scheme ("JSS") was introduced to provide wage support to employers in Singapore to retain local employees during the period of economic uncertainty.

## 8. Other gains and losses - others

	Group	
	2022	2021
	\$'000	\$'000
Currency translation loss – net	(1,737)	(213)
Gain on amortisation of interest-free non-current payables	1,886	1,413
Gain on disposal of property, plant and equipment	–	18
	149	1,218

## 9. Finance expenses

	Group	
	2022	2021
	\$'000	\$'000
Interest expense		
- Bank borrowings	49	58
- Financing related costs	24	9
- Lease liability	71	66
Amortised interest on non-current payables	1,383	1,404
	1,527	1,537

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 10. Income taxes

### (a) Income tax expense

	Group	
	2022 \$'000	2021 \$'000
Tax expense attributable to profit or loss is made up of:		
- Profit from current financial year:		
- Current income tax – Singapore	363	265
- Deferred income tax (Note 26)	(11)	(11)
	<u>352</u>	<u>254</u>
(Over)/under provision of current income tax in prior financial years	<u>(279)</u>	<u>2</u>
	<u>73</u>	<u>256</u>

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

	Group	
	2022 \$'000	2021 \$'000
Profit before income tax		
Share of profit of an associated company (Note 16)	1,475	2,120
Share of loss of a joint-venture company (Note 17)	(1,729)	(1,704)
	<u>35</u>	<u>44</u>
(Loss)/profit before income tax and share of profit/loss of an associated company and a joint-venture company	<u>(219)</u>	<u>460</u>
Tax calculated at tax rate of 17% (2021: 17%)	(37)	78
Effects of:		
- different tax rates in other countries	(42)	(58)
- expenses not deductible for tax purposes	868	520
- income not subject to tax	(321)	(240)
- tax incentive	(88)	(131)
- statutory exemption of income tax	(29)	(22)
- deferred tax assets not recognised	7	92
- (over)/under provision of current income tax in prior financial years	(279)	2
- others	(6)	15
Tax charge	<u>73</u>	<u>256</u>

As at 30 September 2022, certain subsidiary corporations of the Group have potential tax benefits of approximately \$2,784,000 (2021: \$2,743,000) arising from unutilised tax losses which are available for set-off against future taxable profits. These tax losses have not been recognised due to uncertainty of the sufficiency of future taxable profits to be generated for these subsidiary corporations in the foreseeable future. The unutilised tax losses can be carried forward for a maximum period of 10 consecutive years for Malaysia entities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **10. Income taxes (continued)**

- (b) Movements in current income tax liabilities

	Group	
	2022 \$'000	2021 \$'000
Beginning of financial year	391	336
Income tax paid	(230)	(212)
Tax expense for current financial year	363	265
(Over)/under provision of current income tax in prior financial years	<u>(279)</u>	2
End of financial year	<u>245</u>	391

- (c) There is no tax charge relating to the components of other comprehensive income.

## **11. Earnings per share**

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

	2022	2021
Net profit attributable to equity holders of the Company (\$'000)	1,760	2,365
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	<u>209,826</u>	209,826
Basic earnings per share (cents per share)	<u>0.84</u>	1.13

There are no dilutive potential ordinary shares during the financial years ended 30 September 2022 and 2021.

## **12. Cash and cash equivalents**

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and on hand	3,612	5,663	<u>352</u>	461

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 13. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade receivables – non-related parties	2,880	2,637	-	-
Less: Loss allowance [Note 31(b)(i)]	(37)	(37)	-	-
	<b>2,843</b>	<b>2,600</b>	<b>-</b>	<b>-</b>
Non-trade receivables:				
- Non-related parties	71	169	18	113
- Subsidiary corporations	-	-	33,860	34,824
Less: Loss allowance [Note 31(b)(iii)]	-	-	(1,061)	-
	<b>71</b>	<b>169</b>	<b>32,817</b>	<b>34,937</b>
Deposits	333	218	57	57
Prepayments	524	271	27	13
	<b>3,771</b>	<b>3,258</b>	<b>32,901</b>	<b>35,007</b>

Non-trade receivables from subsidiary corporations are unsecured, interest-free and repayable on demand.

## 14. Inventories

	Group	
	2022	2021
	\$'000	\$'000
Finished goods	<b>6,199</b>	<b>5,010</b>

The cost of inventories recognised as an expense and included in "cost of sales" amounting to approximately \$11,415,000 (2021: \$10,334,000) (Note 5).

During the financial year ended 30 September 2022, the Group recognised a write-down in inventories of approximately \$232,000 (2021: \$106,000) (Note 5).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 15. Development properties

	Group	
	2022 \$'000	2021 \$'000
Costs of land	46,497	48,818
Development costs	4,146	4,316
Interest capitalised	1,607	1,688
	<u>52,250</u>	<u>54,822</u>
<b>Analysed as:</b>		
- Non-current	<u>52,250</u>	<u>54,822</u>

- (a) The development properties are classified as non-current assets as the Group does not expect to realise the assets within the normal operating cycle from the reporting period.
- (b) Details of the development properties of the Group at 30 September 2022 and 2021 are as follows:

Description of location	Purpose	Tenure	Site area sqm	Stage of completion <sup>(1)</sup>	Group's effective interest	
					2022 %	2021 %
Teluk Jawa, Mukim of Plentong, Johor, Malaysia	Residential and commercial	Freehold	53,671	-	34.3	34.3
Title GM339 Lot 5, Mukim of Plentong, Johor, Malaysia	Residential and commercial	Freehold	18,590	-	34.3	34.3
Title GM340 Lot 6, Mukim of Plentong, Johor, Malaysia	Residential and commercial	Freehold	15,560	-	34.3	34.3

(1) Halted at the early stage of the Group's development in FY 2016.

- (c) The Group had allocated 13,000 sqm of the land area at Teluk Jawa, Mukim of Plentong, Johor, Malaysia for its Seventh Cove residential project which is temporarily put on hold.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 16. Investments in an associated company

	2022 \$'000	2021 \$'000
<b>Company</b>		
<i>Equity investments, at cost</i>		
Beginning and end of financial year	<u>9,945</u>	<u>9,945</u>
<b>Group</b>		
Beginning of financial year	16,745	16,119
Share of profit of an associated company	1,729	1,704
Dividends received	(524)	(755)
Share of other comprehensive loss:		
- Currency translation differences	(1,273)	(323)
- Revaluation of property, plant and equipment	541	-
End of financial year	<u>17,218</u>	<u>16,745</u>

The associated company as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is also its principal place of business.

Name of entity	Place of business/ country of incorporation	% of equity interest	
		2022	2021
Fiamma Holdings Berhad <sup>(a)</sup>	Malaysia	14.73	15.17

(a) Audited by KPMG, Malaysia.

Fiamma Holdings Berhad ("Fiamma"), which is listed in the Bursa Malaysia, is an investment holding company with subsidiary corporations operating in Malaysia.

There are no contingent liabilities relating to the Group's interest in the associated company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 16. Investments in an associated company (continued)

### *Summarised financial information for associated company*

Set out below are the summarised financial information for Fiamma which are derived based on the unaudited financial statements.

### *Summarised statement of financial position*

	2022 \$'000	2021 \$'000
<b>Current assets</b>	<b>148,828</b>	149,534
Includes:		
- Cash and cash equivalents	31,678	33,945
<b>Current liabilities</b>	<b>(51,791)</b>	(67,342)
Includes:		
- Financial liabilities (excluding trade payables)	(36,755)	(34,322)
<b>Non-current assets</b>	<b>101,476</b>	102,035
<b>Non-current liabilities</b>	<b>(13,081)</b>	(16,681)
Includes:		
- Financial liabilities	(9,655)	(13,921)
- Other liabilities	(3,426)	(2,760)
<b>Net assets</b>	<b>185,432</b>	167,546
<b>Analysed as:</b>		
- Net assets attributable to equity holders of Fiamma	179,091	173,020
- Net assets attributable to non-controlling interests	6,341	(5,474)
<i>Summarised statement of comprehensive income</i>		
	2022 \$'000	2021 \$'000
Revenue	117,871	110,082
Expense	(99,837)	(92,622)
Includes:		
- Interest expense	(1,745)	(2,038)
<b>Profit before income tax</b>	<b>18,034</b>	17,460
Income tax expense	(4,937)	(5,232)
Net profit	13,097	12,228
Other comprehensive income	3,908	65
<b>Total comprehensive income</b>	<b>17,005</b>	12,293
<b>Dividends received from associated company</b>	<b>524</b>	755

The information above reflects the amounts presented in the consolidated financial statements of Fiamma (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and Fiamma, if any.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 16. Investments in an associated company (continued)

### *Reconciliation of summarised financial information*

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in an associated company, is as follows:

	2022 \$'000	2021 \$'000
<b>Net assets</b>	<b>179,091</b>	<b>173,020</b>
Group's share of net asset in associated company (2022: 14.73%, 2021: 15.17%)	26,385	26,247
Less: Impairment loss	(7,487)	(7,487)
Less: Bargain purchase	(1,680)	(2,015)
<b>Carrying value of Fiamma, representing carrying value of the Group's investments in an associated company</b>	<b>17,218</b>	<b>16,745</b>

## 17. Investment in a joint-venture company

	<b>Group</b>	
	2022 \$'000	2021 \$'000
Beginning of financial year	3,114	2,904
Addition	224	247
Share of loss of a joint-venture company	(35)	(44)
Currency translation differences	24	7
End of financial year	<b>3,327</b>	<b>3,114</b>

The addition of investment in a joint-venture company amounting to \$224,000 (2021: \$247,000) relates to the advances given to the joint-venture company for the funding of the development properties which form part of the net investment in the joint-venture company. These advances are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.

The joint-venture company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group, the country of incorporation is also its principal place of business.

<b>Name of entity</b>	<b>Principal activities</b>	<b>Country of business/ incorporation</b>	<b>% of equity interest</b>	
			<b>2022</b>	<b>2021</b>
VMD Development Sdn. Bhd. ("VMD") <sup>(a)</sup>	Industrial property development	Malaysia	50	50

<sup>(a)</sup> Audited by Chan & Co Chartered Accountant, Malaysia for local statutory purpose. Reviewed by CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation), Singapore for consolidation purpose.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 17. Investment in a joint-venture company (continued)

The Group holds 49% of the voting rights and 1% held in trust by a Malaysian citizen. VMD is structured as a private limited company. The Group has joint control over these arrangements as the contractual agreement requires unanimous consent from all parties and provides all parties of the agreement with rights to the net assets of VMD under the arrangement. Therefore, the arrangement is classified as a joint-venture company, which is accounted for using the equity method in the financial statements of the Group.

There are no contingent liabilities relating to the Group's interest in the joint-venture company.

### *Summarised financial information for the joint-venture company*

Set out below are the summarised financial information which are derived based on the unaudited financial statements.

### *Summarised statement of financial position*

	2022 \$'000	2021 \$'000
<b>Current assets</b>	<b>154</b>	<b>332</b>
Includes:		
- Cash and cash equivalents	154	332
<b>Current liabilities</b>	<b>(7,629)</b>	<b>(7,160)</b>
Includes:		
- Financial liabilities (excluding trade payables)	(7,629)	(7,160)
<b>Non-current assets</b>	<b>6,492</b>	<b>6,816</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>(949)</b>
Includes:		
- Financial liabilities	-	(949)
<b>Net liabilities</b>	<b>(983)</b>	<b>(961)</b>

### *Summarised statement of comprehensive income*

	2022 \$'000	2021 \$'000
Expenses	(70)	(87)
Includes:		
- Interest expense	(53)	(70)
<b>Loss before income tax</b>	<b>(70)</b>	<b>(87)</b>
Income tax expense	-	-
<b>Net loss</b>	<b>(70)</b>	<b>(87)</b>

The information above reflects the amounts presented in the financial statements of the joint-venture company (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the joint-venture company, if any.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 17. Investment in a joint-venture company (continued)

### *Reconciliation of summarised financial information*

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in joint-venture company, is as follows:

	2022 \$'000	2021 \$'000
<b>Net liabilities</b>	<b>(983)</b>	<b>(961)</b>
Group's share of net liabilities in a joint-venture company (2022: 50%, 2021: 50%)	(491)	(480)
Loan to joint-venture company classified as cost of investment	3,818	3,594
<b>Carrying value</b>	<b>3,327</b>	<b>3,114</b>

## 18. Investments in subsidiary corporations

	Company	
	2022 \$'000	2021 \$'000
Equity investments, at cost	10,999	10,999
Non-current advances <sup>(a)</sup>	1,842	1,842
	<b>12,841</b>	<b>12,841</b>
Less: Allowance for impairment	(600)	(600)
	<b>12,241</b>	<b>12,241</b>

Movement in allowance for impairment loss on investment in subsidiary corporations is as follows:

Beginning of the financial year	600	2,003
Written off	-	(1,403)
End of financial year	<b>600</b>	<b>600</b>

*(a) Non-current advances form part of the Group's net investments in subsidiary corporations. These advances are unsecured and settlement is neither planned nor likely to occur in the foreseeable future.*

In previous financial year, the allowance for impairment loss of a subsidiary corporation amounted to \$1,403,000 was written off as at 30 September 2021 as the subsidiary corporation had been struck off on 8 February 2021.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 18. Investments in subsidiary corporations (continued)

The Group has the following subsidiary corporations as at 30 September 2022 and 2021:

Name of entity	Principal activities	Country of business/ incorporation	Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests	
			2022 %	2021 %	2022 %	2021 %
<u>Held by the Company</u>						
Asteras Pte. Ltd. <sup>(e)</sup>	Dormant	Singapore	-	100	-	-
Casa (S) Pte. Ltd. <sup>(a)</sup>	Distributor of electrical and electronic home appliances	Singapore	100	100	-	-
Casa Global Pte. Ltd. <sup>(a)</sup>	Investment holding	Singapore	100	100	-	-
Casa Poly Builder Sdn. Bhd. <sup>(b)</sup>	Property holdings	Malaysia	55	55	45	45
Casa Property Holdings Pte. Ltd. <sup>(a)</sup>	Property holdings	Singapore	100	100	-	-
<u>Held by Casa Global Pte. Ltd.</u>						
Uno Casa S.A.R.L <sup>(d)</sup>	Dormant	Morocco	100	100	-	-
<u>Held by Casa Property Holdings Pte. Ltd.</u>						
Casa Property Development Sdn. Bhd. <sup>(b)(f)</sup>	Property Development	Malaysia	34.3	34.3	65.7	65.7
Fantastic Modern Sdn. Bhd. <sup>(b)(f)</sup>	Property Development	Malaysia	34.3	34.3	65.7	65.7
Genius Chamber Sdn. Bhd. <sup>(b)(f)</sup>	Property Development	Malaysia	34.3	34.3	65.7	65.7
<u>Held by Casa Property Development Sdn. Bhd.</u>						
UAC Development & Construction Sdn. Bhd. <sup>(c)</sup>	Construction	Malaysia	34.3	34.3	65.7	65.7

- (a) Audited by CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation), Singapore.
- (b) Audited by ASQ PLT Chartered Accountant, Malaysia for local statutory purpose. Reviewed by CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation), Singapore for consolidation purpose.
- (c) Dormant and opted for audit exemption.
- (d) Not required to be audited under the laws of the country of incorporation and has no significant impact to the financial statements of the Group.
- (e) This entity completed struck off during the financial year ended 30 September 2022.
- (f) These subsidiary corporations are regarded as subsidiary corporations of the Group within the definition of SFRS(I) 10 - "Consolidated Financial Statements".

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 18. Investments in subsidiary corporations (continued)

	Group	
	2022 \$'000	2021 \$'000
<i>Carrying value of non-controlling interests</i>		
Casa Property Development Sdn. Bhd.	(368)	(66)
Fantastic Modern Sdn. Bhd.	(356)	(338)
Genius Chamber Sdn. Bhd.	(229)	(235)
Subsidiary corporations with immaterial non-controlling interests	(180)	(178)
Total	<u>(1,133)</u>	<u>(817)</u>

*Summarised financial information of subsidiary corporations with material non-controlling interests*

Set out below are the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. They are presented before inter-company eliminations.

*Summarised statements of financial position*

	Casa Property Development Sdn. Bhd.		Fantastic Modern Sdn. Bhd.		Genius Chamber Sdn. Bhd.	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Current</b>						
Assets	261	276	4	4	11	13
Liabilities	(19,932)	(20,759)	(3,113)	(3,233)	(2,513)	(2,632)
Net current liabilities	<u>(19,671)</u>	<u>(20,483)</u>	<u>(3,109)</u>	<u>(3,229)</u>	<u>(2,502)</u>	<u>(2,619)</u>
<b>Non-current</b>						
Assets	43,241	45,618	5,229	5,490	4,269	4,482
Liabilities	(24,130)	(25,235)	(2,662)	(2,775)	(2,116)	(2,220)
Net non-current assets	<u>19,111</u>	<u>20,383</u>	<u>2,567</u>	<u>2,715</u>	<u>2,153</u>	<u>2,262</u>
Net liabilities	<u>(560)</u>	<u>(100)</u>	<u>(542)</u>	<u>(514)</u>	<u>(349)</u>	<u>(357)</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 18. Investments in subsidiary corporations (continued)

*Summarised statements of comprehensive income*

	Casa Property Development Sdn. Bhd.		Fantastic Modern Sdn. Bhd.		Genius Chamber Sdn. Bhd.	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loss before income tax	(477)	(731)	(54)	(8)	(9)	(8)
Income tax expense	-	-	-	-	-	-
Net loss	(477)	(731)	(54)	(8)	(9)	(8)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss</b>	<b>(477)</b>	<b>(731)</b>	<b>(54)</b>	<b>(8)</b>	<b>(9)</b>	<b>(8)</b>
Total comprehensive loss allocated to non-controlling interests	(314)	(480)	(35)	(5)	(6)	(5)

*Summarised statements of cash flows*

	Casa Property Development Sdn. Bhd.		Fantastic Modern Sdn. Bhd.		Genius Chamber Sdn. Bhd.	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net cash used in operating activities	(259)	(235)	(52)	(7)	(8)	(8)
Net cash provided by financing activities	257	240	52	5	7	104

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 19. Property, plant and equipment

	Freehold land \$'000	Leasehold land and buildings \$'000	Plant and machinery \$'000	Furniture, fittings and facilities \$'000	Motor vehicles \$'000	Right-of-use assets (Note 20) \$'000	Total \$'000
<b>Group</b>							
<b>2022</b>							
<i>Cost</i>							
Beginning of financial year	2,816	7,287	156	3,047	827	1,645	15,778
Currency translation differences	(135)	(217)	(2)	(6)	(4)	-	(364)
Additions	-	-	-	182	-	-	182
Written off	-	-	-	(1)	-	-	(1)
End of financial year	<b>2,681</b>	<b>7,070</b>	<b>154</b>	<b>3,222</b>	<b>823</b>	<b>1,645</b>	<b>15,595</b>
<i>Accumulated depreciation</i>							
Beginning of financial year	-	1,821	139	2,189	513	154	4,816
Currency translation differences	-	(70)	(2)	(3)	(5)	-	(80)
Depreciation charge	-	449	3	220	81	77	830
Written off	-	-	-	(1)	-	-	(1)
End of financial year	-	<b>2,200</b>	<b>140</b>	<b>2,405</b>	<b>589</b>	<b>231</b>	<b>5,565</b>
<i>Net book value</i>							
End of financial year	<b>2,681</b>	<b>4,870</b>	<b>14</b>	<b>817</b>	<b>234</b>	<b>1,414</b>	<b>10,030</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 19. Property, plant and equipment (continued)

	Freehold land \$'000	Leasehold land and buildings \$'000	Plant and machinery \$'000	Furniture, fittings and facilities \$'000	Motor vehicles \$'000	Assets under construction \$'000	Right-of- use assets (Note 20) \$'000	Total \$'000
<b>Group</b>								
<b>2021</b>								
<i>Cost</i>								
Beginning of financial year	-	7,294	157	3,403	889	2,852	1,645	16,240
Currency translation differences	(36)	(7)	(1)	(2)	(1)	-	-	(47)
Additions	-	-	-	727	342	-	-	1,069
Disposal	-	-	-	(9)	(403)	-	-	(412)
Written off	-	-	-	(1,072)	-	-	-	(1,072)
Reclassification <sup>(a)</sup>	2,852	-	-	-	-	(2,852)	-	-
End of financial year	2,816	7,287	156	3,047	827	-	1,645	15,778
<i>Accumulated depreciation</i>								
Beginning of financial year	-	1,374	135	3,138	847	-	77	5,571
Currency translation differences	-	(9)	-	(2)	(1)	-	-	(12)
Depreciation charge	-	456	4	134	68	-	77	739
Disposal	-	-	-	(9)	(401)	-	-	(410)
Written off	-	-	-	(1,072)	-	-	-	(1,072)
End of financial year	-	1,821	139	2,189	513	-	154	4,816
<i>Net book value</i>								
End of financial year	2,816	5,466	17	858	314	-	1,491	10,962

- (a) The freehold land was classified under Assets under Construction as the freehold land was meant to construct the warehouse for internal use. As the Group does not foresee the commencement of the construction in near future, hence, the reclassification made.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 19. Property, plant and equipment (continued)

(a) The leasehold land and buildings comprise the following:

- (i) Leasehold land and building with a remaining useful life of approximately 3 years, with a further 16-year lease period extension thereafter at the option of a subsidiary corporation. It is located at Kian Teck Crescent, Singapore and is used as office, warehouse and factory. The gross area of the land is approximately 7,552 square metres.
  - (ii) Building at LA RONCERAIE-EC/M2, land title number 8102/64, located in Casablanca, Prefecture of the districts of Hay Hassani and Ain Choc, boulevard Yaacoub El Mansour.
- (b) As at 30 September 2022, freehold land with a carrying amount of approximately \$2,681,000 (2021: \$2,816,000) is mortgaged to a bank for credit facilities granted to a subsidiary corporation [Note 24(a)]. This security has been discharged subsequent to the reporting date as the credit facilities have been fully settled during the current financial year.

## 20. Leases – The Group as a lessee

The Group leases land for business operations under non-cancellable lease arrangement. The right-of-use of the land is recognised within property, plant and equipment (Note 19).

The lease will be expired on 15 February 2041. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(a) Amounts recognised in the statement of financial position

ROU asset classified within property, plant and equipment

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Right-of-use assets</u>		
Land	<b>1,414</b>	<b>1,491</b>
<u>Lease liability</u>		
Current	<b>55</b>	<b>53</b>
Non-current	<b>1,438</b>	<b>1,493</b>
	<b>1,493</b>	<b>1,546</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 20. Leases – The Group as a lessee (continued)

- (b) Amounts recognised in profit or loss

	Group	
	2022	2021
	\$'000	\$'000
<u>Depreciation of right-of-use assets</u>		
Land	77	77
<u>Lease liability</u>		
Interest expense (included in finance cost)	71	66
<u>Expenses relating to:</u>		
Low-value leases ("included in rental expenses")	6	6

- (c) Total cash outflow for leases in 2022 is \$124,000 (2021: \$116,000).

## 21. Leases – The Group as a lessor

The Group leases out a factory and office space to a related party under non-cancellable operating lease at a fixed rate. The lease is classified as an operating lease.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2022	2021
	\$'000	\$'000
<u>Not later than one year</u>		
Not later than one year	168	142

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 22. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade payables				
- Non-related parties	1,296	1,078	-	-
Non-trade payables:				
- Non-related parties	262	194	-	2
- Subsidiary corporations	-	-	8,872	8,715
	262	194	8,872	8,717
Accruals for operating expenses	2,067	2,259	215	211
Bills payable	1,177	1,584	-	-
Refundable deposits from customers	508	532	-	-
	5,310	5,647	9,087	8,928
<b>Non-current</b>				
Non-trade payables - related parties	28,297	30,078	-	-
	33,607	35,725	9,087	8,928

Non-trade payables to related parties and subsidiary corporations are unsecured, interest-free and are payable on demand, except for non-current payables amounting to approximately \$28,297,000 (2021: \$30,078,000) which are payable after one year.

Bills payable of the subsidiary corporation are secured by corporate guarantees from the Company and certain subsidiary corporations.

### Fair values of non-current payables

	Group	
	2022	2021
	\$'000	\$'000
Non-trade payables – related parties	26,746	28,838

The above fair values are determined from the cash flow analysis, discounted at market borrowing rates of equivalent instruments at the reporting date which the management expect to be available to the Group as follows:

	Group	
	2022	2021
	%	%
Non-trade payables – related parties	5.81	4.24

The fair values are within Level 2 of the fair value hierarchy.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 23. Provisions

	Group	
	2022	2021
	\$'000	\$'000
<b>Current</b>		
Warranty [Note (a)]	529	511
<b>Non-current</b>		
Demolition costs [Note (b)]	155	162
Total	684	673

(a) *Warranty*

The Group offers warranties on certain products and undertake to repair or replace items that fail to perform satisfactorily. A provision is recognised at the reporting date for expected warranty claims based on past experience of the level of repairs and returns and related costs incurred.

Movement in provision for warranty is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Beginning of financial year	511	483
Provision made (Note 5)	557	556
Provision utilised	(539)	(528)
End of financial year	529	511

(b) *Demolition costs*

A provision is made in view of the Group's constructive obligation to demolish the sales gallery upon completion of sale of the development properties based on an estimated costs obtained from subcontractor. The effect of discounting has not been recognised in view of insignificant impact.

## 24. Bank borrowings

	Group	
	2022	2021
	\$'000	\$'000
Current	672	663
Non-current	1,400	2,190
	2,072	2,853

The Group does not have bank borrowings subjected to monthly contractual repricing as the bank borrowings have been fully repaid during the financial year ended 30 September 2022. Bank borrowings of the Group amounted to \$114,000 were subject to monthly contractual repricing and the effective interest rates on the borrowings for the financial year ended 30 September 2021 was 4.22%.

The remaining bank borrowings of \$2,072,000 (2021: \$2,739,000) is carried at fixed interest rate of 2%.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 24. Bank borrowings (continued)

- (a) Bank borrowings of the Group are secured over freehold land [Note 19(b)] and corporate guarantees.
- (b) Fair values of non-current bank borrowings

	Group	
	2022	2021
	\$'000	\$'000
Bank borrowings	<u>1,330</u>	<u>1,950</u>

The above fair values are determined from the cash flow analysis, discounted at market borrowing rates of equivalent instruments at the reporting date which the management expect to be available to the Group as follows:

	Group	
	2022	2021
	%	%
Bank borrowings	<u>2.0</u>	<u>2.0</u>

The fair values are within Level 2 of the fair value hierarchy.

## 25. Lease liability

	Group	
	2022	2021
	\$'000	\$'000
Current	55	53
Non-current	<u>1,438</u>	<u>1,493</u>
	<u>1,493</u>	<u>1,546</u>

The Group leases land from non-related parties under lease arrangements. The lease agreement of the land is non-cancellable operating lease agreement and expires on 15 February 2041.

	Group	
	2022	2021
	\$'000	\$'000
Minimum lease payment due		
- Not later than 1 year	117	117
- Between 1 and 5 years	468	468
- Later than 5 years	<u>1,558</u>	<u>1,675</u>
	2,143	2,260
Less: Future finance charges	(650)	(714)
Present value of lease liability	<u>1,493</u>	<u>1,546</u>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **26. Deferred income tax liabilities**

	Group	
	2022	2021
	\$'000	\$'000
Deferred income tax liabilities	<b>111</b>	<b>122</b>

The movements in net deferred income tax account is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Beginning of the financial year	122	133
Tax credited to profit or loss (Note 10)	(11)	(11)
End of financial year	<b>111</b>	<b>122</b>

Deferred income tax liabilities arise due to the adoption of SFRS(I) 16 *Leases* for the Group's non-cancellable operating lease with Jurong Town Corporation.

## **27. Share capital**

	No. of ordinary shares		Amount	
	2022	2021	2022	2021
	'000	'000	\$'000	\$'000
<b><u>Group and Company</u></b>				
Beginning and end of financial year	<b>209,826</b>	209,826	<b>32,315</b>	32,315

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.

## **28. Corporate guarantees**

### Group and Company

The Company and certain subsidiary corporations have issued corporate guarantees to banks for banking facilities granted to its subsidiary corporations and the joint-venture company amounted to approximately \$2,072,000 and Nil respectively (2021: \$2,853,000 and \$949,000 respectively), at the reporting date [Note 31(b)(v)].

The directors have assessed that the subsidiary corporations and joint-venture have the ability to meet the contractual cash flow obligation in the near future. Hence the directors do not expect significant credit losses arising from these guarantees.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 29. Commitments

### (a) Capital commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements.

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
ERP system implementation	<b>20</b>	<b>141</b>

### (b) Operating lease commitments - where the Group is a lessor

The Group leases out a factory and office space to a related party under non-cancellable operating leases at a fixed rate.

The future minimum lease receivables under these operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	<b>168</b>	<b>142</b>

## 30. Dividends

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Ordinary dividends		
Final one-tier tax exempt dividend paid in respect of the previous financial year of \$0.005 (2021: \$0.005) per ordinary share	<b>1,049</b>	<b>1,049</b>

At the Annual General Meeting on 16 January 2023, a final one-tier tax exempt dividend of 0.3 cents per share amounting a total of \$629,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 September 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **31. Financial risk management**

### *Financial risk factors*

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objective and underlying principles of financial risk management for the Group.

(a) *Market risk*

(i) *Currency risk*

The Group has exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. These foreign exchange risk exposures are mainly in Malaysian Ringgit ("RM"), United States Dollar ("USD") and Euro ("EUR").

The Group does not hedge its foreign currency exposure using any dedicated hedge instruments. The Group does not have any formal hedging policy against foreign exchange fluctuations. However, the Group continuously monitors its foreign exchange exposure. The objective is to provide some certainty on costs and no speculative foreign exchange transactions are entered.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operation in Malaysia are managed primarily through borrowings denominated in the relevant foreign currencies and by entering into currency swap, if necessary.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

The Group's currency exposure based on information provided to key management is as follows:

	SGD \$'000	RM \$'000	USD \$'000	EUR \$'000	Others \$'000	Total \$'000
<b>Group</b>						
<b>At 30 September 2022</b>						
<b>Financial assets</b>						
Cash and cash equivalents	2,862	359	326	58	7	3,612
Trade and other receivables	3,000	150	53	24	20	3,247
Receivables from inter-companies	10,047	57,755	586	1,571	19	69,978
	<b>15,909</b>	<b>58,264</b>	<b>965</b>	<b>1,653</b>	<b>46</b>	<b>76,837</b>
<b>Financial liabilities</b>						
Trade and other payables	2,431	28,782	1,922	408	64	33,607
Bank borrowings	2,072	-	-	-	-	2,072
Lease liability	1,493	-	-	-	-	1,493
Payables to inter-companies	10,047	57,755	586	1,571	19	69,978
	<b>16,043</b>	<b>86,537</b>	<b>2,508</b>	<b>1,979</b>	<b>83</b>	<b>107,150</b>
Net financial liabilities	<b>(134)</b>	<b>(28,273)</b>	<b>(1,543)</b>	<b>(326)</b>	<b>(37)</b>	<b>(30,313)</b>
Currency exposure of financial assets/(liabilities), net of those denominated in the respective entities' functional currencies	-	287	(1,543)	(326)	5	(1,577)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

	SGD \$'000	RM \$'000	USD \$'000	EUR \$'000	Others \$'000	Total \$'000
<b><u>Group</u></b>						
<b><u>At 30 September 2021</u></b>						
<b>Financial assets</b>						
Cash and cash equivalents	4,267	480	881	17	18	5,663
Trade and other receivables	2,824	138	2	-	23	2,987
Receivables from inter-companies	9,749	59,812	673	1,804	21	72,059
	<b>16,840</b>	<b>60,430</b>	<b>1,556</b>	<b>1,821</b>	<b>62</b>	<b>80,709</b>
<b>Financial liabilities</b>						
Trade and other payables	2,550	30,590	2,142	369	74	35,725
Bank borrowings	2,739	114	-	-	-	2,853
Lease liability	1,546	-	-	-	-	1,546
Payables to inter-companies	9,749	59,812	673	1,804	21	72,059
	<b>16,584</b>	<b>90,516</b>	<b>2,815</b>	<b>2,173</b>	<b>95</b>	<b>112,183</b>
Net financial assets/(liabilities)	256	(30,086)	(1,259)	(352)	(33)	(31,474)
Currency exposure of financial assets/(liabilities), net of those denominated in the respective entities' functional currencies						
	-	253	(1,259)	(352)	16	(1,342)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

The Company's currency exposure based on information provided to key management is as follows:

	SGD \$'000	RM \$'000	USD \$'000	Total \$'000
<b>Company</b>				
<b>At 30 September 2022</b>				
<b>Financial assets</b>				
Cash and cash equivalents	134	212	6	352
Trade and other receivables	971	31,903	-	32,874
	<b>1,105</b>	<b>32,115</b>	<b>6</b>	<b>33,226</b>
<b>Financial liabilities</b>				
Trade and other payables	9,087	-	-	9,087
Net financial (liabilities)/assets	(7,982)	32,115	6	24,139
Currency exposure of financial assets, net of those denominated in the Company's functional currency	-	32,115	6	32,121
<b>At 30 September 2021</b>				
<b>Financial assets</b>				
Cash and cash equivalents	202	253	6	461
Trade and other receivables	1,110	33,884	-	34,994
	<b>1,312</b>	<b>34,137</b>	<b>6</b>	<b>35,455</b>
<b>Financial liabilities</b>				
Trade and other payables	8,928	-	-	8,928
Net financial (liabilities)/assets	(7,616)	34,137	6	26,527
Currency exposure of financial assets, net of those denominated in the Company's functional currency	-	34,137	6	34,143

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

If the RM, USD and EUR change against the SGD respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset that are exposed to currency risk will be as follows:

	Increase/(decrease) Profit before tax	
	2022 \$'000	2021 \$'000
<b>Group</b>		
RM against SGD		
- Strengthened by 5% (2021: 1%)	14	3
- Weakened 5% (2021: 1%)	(14)	(3)
USD against SGD		
- Strengthened by 5% (2021: 1%)	(77)	(13)
- Weakened by 5% (2021: 1%)	77	13
EUR against SGD		
- Strengthened by 12% (2021: 2%)	(39)	(7)
- Weakened by 12% (2021: 2%)	39	7
<b>Company</b>		
RM against SGD		
- Strengthened by 5% (2021: 1%)	1,606	341
- Weakened by 5% (2021: 1%)	(1,606)	(341)
USD against SGD		
- Strengthened by 5% (2021: 1%)	-*	-*
- Weakened by 5% (2021: 1%)	-*	-*

- \* Denotes less than \$1,000

#### (ii) Interest rate risk

The Group's exposure to changes in interest rates arises primarily from fixed and variable rate bank borrowings amounting to approximately \$2,072,000 and Nil (2021: \$2,739,000 and \$114,000 respectively) (Note 24) respectively.

The Group's bank borrowings at variable rates are contractually repriced monthly. Its interest-bearing assets are not core income producing assets. The Group's income and operating cash flows are therefore substantially independent of changes in market interest rates.

The impact of the change in interest rates of bills payable will not be significant to the Group.

#### (iii) Price risk

The Group and the Company do not have exposure to equity price risk as the Group and the Company do not hold any equity financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

The credit risk arising from the Group's normal commercial operations is controlled by individual operating units within strict credit control and guidelines. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	<b>Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Corporate guarantees provided to banks on subsidiary corporations' and the joint-venture company's banking facilities (Note 28)	<b>2,072</b>	<b>3,802</b>

### (i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days after they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 90 days past due. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (b) Credit risk (continued)

#### (i) Trade receivables (continued)

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 September 2022 and 2021 are set out as follows:

	Past due				
	Current \$'000	Within 30 days \$'000	30 to 60 days \$'000	More than 60 days \$'000	Total \$'000
<b>Group</b>					
<b>30 September 2022</b>					
Gross carrying amount	2,532	151	94	103	2,880
Loss allowance	-	-	-	37	37
<b>30 September 2021</b>					
Gross carrying amount	2,272	185	104	76	2,637
Loss allowance	-	-	-	37	37
As a result of the assessment, no loss allowance (Note 3) for trade receivables were recognised as at 30 September 2022 (2021: \$24,000).					
The movement in loss allowance are as follows:					
<b>Group</b>					
2022 \$'000					
2021 \$'000					
Beginning of financial year		37		30	
Loss allowance		-		24	
Written off		-		(17)	
End of financial year		<b>37</b>		<b>37</b>	

#### (ii) Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost mainly comprised of non-trade receivables (other than non-trade receivables from subsidiary corporations) and deposits. The Group and the Company use the general approach for assessment of ECLs for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (b) Credit risk (continued)

#### (ii) Other financial assets, at amortised cost (continued)

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

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

As at 30 September 2022, the Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, available press information and applying experienced credit judgement) and an assessment of impairment using the 12-month ECL basis on these financial assets. The Group and the Company concluded that the ECL on these financial assets is not significant.

#### (iii) Other receivables from subsidiary corporations

Other receivables from subsidiary corporations are provided mainly for short term funding requirements. The Company uses similar approach as described for Other financial assets, at amortised cost for assessment of ECL for these receivables. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Company concluded that the loss allowance provided for other receivables from subsidiary corporations is adequate, as there is no reasonable ground to recover the receivables from these subsidiary corporations.

The movement in loss allowance are as follows:

	Company	
	2022	2021
	\$'000	\$'000
Beginning of financial year	-	-
Loss allowance	<b>1,061</b>	-
End of financial year	<b>1,061</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **31. Financial risk management (continued)**

### *(b) Credit risk (continued)*

#### *(iv) Cash and cash equivalents*

The Group and Company held cash and cash equivalents of approximately \$3,612,000 and \$352,000 respectively (2021: \$5,663,000 and \$461,000) with banks which are rated AA- based on Standard & Poor and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

#### *(v) Financial guarantee contracts*

The Company and certain subsidiary corporations have issued financial guarantees to banks for borrowings of its subsidiary corporations and the joint-venture company. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company and its subsidiary corporations do not expect significant credit losses arising from these guarantees.

#### *Financial assets that are neither past due nor impaired*

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good track record with the Group.

### *(c) Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through adequate amount of committed credit facilities to meet obligations when due. At the reporting date, asset held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group also manages this risk by securing adequate credit facilities from a spread of reputable financial institutions to ensure necessary liquidity as provided in the statements of financial position.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (c) Liquidity risk (continued)

	Less than 1 year \$'000	Between 1 and 5 years \$'000
<b>Group</b>		
<b>At 30 September 2022</b>		
Trade and other payables	4,133	28,297
Bills payable	1,177	-
Bank borrowings	672	1,430
Lease liability	55	2,026
Financial guarantee contracts (Note 28)	<u>2,072</u>	-
<b>At 30 September 2021</b>		
Trade and other payables	4,063	30,078
Bills payable	1,584	-
Bank borrowings	663	2,255
Lease liability	53	2,143
Financial guarantee contracts (Note 28)	<u>3,802</u>	-

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amount disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year \$'000
<b>Company</b>	
<b>At 30 September 2022</b>	
Trade and other payables	9,087
Financial guarantee contracts (Note 28)	<u>2,072</u>
<b>At 30 September 2021</b>	
Trade and other payables	8,928
Financial guarantee contracts (Note 28)	<u>3,802</u>

### (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 payments, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are also required under the terms of its borrowing facilities to maintain a positive net worth during tenure of all activities. The Group's and the Company's strategies which remained unchanged from 2021, is to maintain gearing ratio of not exceeding 1.0 times.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 31. Financial risk management (continued)

### (d) Capital risk (continued)

The gearing ratio is calculated as total debt (represented by total borrowings and lease liability) divided by total equity.

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total debt	<b>3,565</b>	4,399	-	-
Total equity	<b>58,195</b>	58,264	<b>46,352</b>	48,726
Gearing ratio	<b>0.06</b>	<b>0.08</b>	N/M	N/M

N/M: Not meaningful

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 September 2022 and 2021.

### (e) Fair value measurement

The fair value of financial instruments that are not traded in an active market is based on significant unobservable inputs, and such instruments are classified as Level 3. Fair value information for current financial assets and financial liabilities not measured at fair value has not been presented as the carrying amount is a reasonable approximation of fair value due to the short-term nature to maturity.

### (f) Financial instruments by category

The carrying amount of financial instruments other than those disclosed on the face of statements of financial position is as follows:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assets at amortised cost	<b>6,859</b>	8,650	33,226	35,455
Financial liabilities at amortised cost	<b>37,172</b>	40,124	9,087	8,928

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 32. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) *Sales and purchases of goods and services*

	Group	
	2022	2021
	\$'000	\$'000
Services rendered by related party	84	455
Purchases from related parties	529	624
Rental income from a related party	<u>478</u>	428

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	Group	
	2022	2021
	\$'000	\$'000
Wages and salaries:		
- Directors of the Company	534	584
- Other key management	140	253
Employer's contribution to defined contribution plans, including Central Provident Fund:		
- Directors of the Company	18	23
- Other key management	14	23
Directors' fees	<u>127</u>	151
	<u>833</u>	1,034

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 33. Segment information

The Management manages and monitors the business in the two primary business segments, namely:

- Trading of electrical and electronic home appliances, kitchen and bathroom fixtures and accessories ("Trading")
- Property development

The segment information for the reportable segments and reconciliation to the consolidated financial statements are as follows:

	Trading \$'000	Property development \$'000	Unallocated \$'000	Total \$'000
<b>2022</b>				
<b>Sales to external parties</b>	<b>21,676</b>	-	-	<b>21,676</b>
Segment profit/(loss)	2,466	(369)	(1,846)	251
Interest income	-	1	-	1
Share of profit of an associated company	-	-	1,729	1,729
Share of loss of a joint-venture company	-	-	(35)	(35)
Depreciation of property, plant and equipment	(581)	(249)	-	(830)
Interest expense	(144)	-	-	(144)
Amortised interest on non-current payables	(62)	(1,321)	-	(1,383)
Gain on amortisation of interest-free non-current payables	86	1,800	-	1,886
Profit before income tax				1,475
Income tax expense				(73)
<b>Profit after income tax</b>				<b>1,402</b>
<b>Segment assets</b>				
Segment assets includes:	22,417	53,015	20,975	96,407
Investments in an associated company	-	-	17,218	17,218
Investment in a joint-venture company	-	-	3,327	3,327
Additions to:				
- investment in a joint-venture company	-	-	224	224
- property, plant and equipment	182	-	-	182
<b>Segment liabilities</b>	<b>10,406</b>	<b>27,586</b>	<b>220</b>	<b>38,212</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## 33. Segment information (continued)

The segment information for the reportable segments and reconciliation to the consolidated financial statements are as follows: (continued)

	Trading \$'000	Property development \$'000	Unallocated \$'000	Total \$'000
<b>2021</b>				
<b>Sales to external parties</b>	<b>19,021</b>	<b>-</b>	<b>-</b>	<b>19,021</b>
<b>Segment profit/(loss)</b>	<b>2,315</b>	<b>(263)</b>	<b>(730)</b>	<b>1,322</b>
Interest income	-	1	-	1
Share of profit of an associated company	-	-	1,704	1,704
Share of loss of a joint-venture company	-	-	(44)	(44)
Depreciation of property, plant and equipment	(483)	(256)	-	(739)
Interest expense	(133)	-	-	(133)
Amortised interest on non-current payables	(58)	(1,346)	-	(1,404)
Gain on amortisation of interest-free non-current payables	64	1,349	-	<u>1,413</u>
Profit before income tax				<u>2,120</u>
Income tax expense				<u>(256)</u>
<b>Profit after income tax</b>				<b><u>1,864</u></b>
<b>Segment assets</b>	<b>23,226</b>	<b>55,883</b>	<b>20,465</b>	<b>99,574</b>
Segment assets includes:				
Investments in an associated company	-	-	16,745	16,745
Investment in a joint-venture company	-	-	3,114	3,114
Additions to:				
- investment in a joint-venture company	-	-	247	247
- property, plant and equipment	1,069	-	-	<u>1,069</u>
<b>Segment liabilities</b>	<b>11,759</b>	<b>29,333</b>	<b>218</b>	<b>41,310</b>

### Geographical information

The Group's two business segments operate in two geographical areas: Singapore and Malaysia.

Singapore mainly caters for the Group's trading activities on distribution of electrical and electronic home appliances, kitchen, bathroom fixtures and accessories.

The property development segment of the Group is primarily operated and located in Malaysia. The segment had a preview launch of its Seventh Cove project in Malaysia in 2015. The project has been put on hold since 2016. Accordingly, no revenue is recognised in the current and prior financial years.

The Group's associated company operates and distributes electrical and electronic home appliances and develop properties in Malaysia.

Sales are based on the country in which the customers are located. Non-current assets and capital expenditure are shown by geographical area where the assets are located.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2022

## **33. Segment information (continued)**

	Revenue from continuing operations \$'000	Non-current assets \$'000	Capital expenditures \$'000
<b><u>2022</u></b>			
Singapore	21,261	6,081	182
Malaysia	-	75,978	-
Morocco	-	766	-
Other countries	415	-	-
Total	<b>21,676</b>	<b>82,825</b>	<b>182</b>
<b><u>2021</u></b>			
Singapore	18,819	6,455	1,069
Malaysia	-	78,277	-
Morocco	-	911	-
Other countries	202	-	-
Total	<b>19,021</b>	<b>85,643</b>	<b>1,069</b>

No revenues are derived from a single external customer.

## **34. New or revised accounting standards and interpretations**

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 October 2022 and which the Group has not early adopted.

### **Amendments to SFRS(I) 1-1 Presentation of Financial Statements:**

Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023)

The narrow-scope amendments to SFRS(I) 1-1 *Presentation of Financial Statements* clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

## **35. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution by the Board of Directors of Casa Holdings Limited on 16 December 2022.

# SHAREHOLDINGS STATISTICS

As at 12 December 2022

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 12 DECEMBER 2022

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	-	0.00	-	0.00
100 - 1,000	472	18.63	467,700	0.22
1,001 - 10,000	1,614	63.72	7,390,860	3.52
10,001 - 1,000,000	436	17.21	32,678,600	15.58
1,000,001 and above	11	0.44	169,288,980	80.68
<b>Total</b>	<b>2,533</b>	<b>100.00</b>	<b>209,826,140</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS AS AT 12 DECEMBER 2022

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	HU ZHONG HUAI	60,826,710	28.99
2	LIM SOO KONG @ LIM SOO CHONG	42,808,532	20.40
3	LIM CHOO HONG	20,935,168	9.98
4	CITIBANK NOMINEES SINGAPORE PTE LTD	17,279,670	8.24
5	DBS NOMINEES PTE LTD	11,591,800	5.52
6	SEAH SIOK NIEW	7,207,600	3.44
7	NG HOCK KON	2,366,000	1.13
8	UNITED OVERSEAS BANK NOMINEES PRIVATE LIMITED	2,325,000	1.11
9	NG KWONG CHONG	1,500,000	0.71
10	CHONG SIEN THYE ALBERT	1,328,500	0.63
11	LIM MEOW SING	1,120,000	0.53
12	OCBC NOMINEES SINGAPORE PTE LTD	993,900	0.47
13	LEE BOON HOCK @ LEE BOOH HOCK	842,000	0.40
14	GU JIAN LIN	769,800	0.37
15	LAI HOCK MENG	750,000	0.36
16	HSBC (SINGAPORE) NOMINEES PTE LTD	720,000	0.34
17	KUEK SER KHIANG KEITH	717,600	0.34
18	CHIAN TOW YONG	716,000	0.34
19	RAFFLES NOMINEES(PTE) LIMITED	669,500	0.32
20	LAI WENG KAY	648,200	0.31
<b>TOTAL:</b>		<b>176,115,980</b>	<b>83.93</b>

# SHAREHOLDINGS STATISTICS

As at 12 December 2022

## SUBSTANTIAL SHAREHOLDERS

	Direct Interests	
	Number of ordinary shares	%
HU ZHONG HUAI	60,826,710	28.99
LIM SOO KONG @ LIM SOO CHONG	59,944,202	28.57
LIM CHOO HONG	20,935,168	9.98

## PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

Based on the information available to the Company as at 12 December 2022, approximately 32.46% of the issued ordinary shares of the Company is held by public. This complies with Rule 723 of the SGX-ST Listing.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at 15 Kian Teck Crescent, Singapore 628884 on Monday, 16 January 2023 at 10.00 a.m. to transact the following business:-

### AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements of the Company for the year ended 30 September 2022 and the Directors' Statements and the Auditor's Report thereon.  
*(Please see explanatory note 1)*
2. To declare a final one-tier tax exempt dividend of 0.3 cents per share for the financial year ended 30 September 2022.  
**(Resolution 1)**
3. To approve the Directors' fees of S\$127,154 for the financial year ended 30 September 2022 (30 September 2021: S\$151,000).  
**(Resolution 2)**
4. To re-elect Mr Hu Zhong Huai retiring pursuant to Article 107 of the Company's Constitution.  
**(Resolution 3)**  
*(Please see explanatory note 2)*
5. To re-elect Mr Lai Hock Meng retiring pursuant to Article 117 of the Company's Constitution.  
**(Resolution 4)**  
*(Please see explanatory note 3)*
6. To re-elect Dr Wee Chow Hou retiring pursuant to Article 117 of the Company's Constitution.  
**(Resolution 5)**  
*(Please see explanatory note 4)*
7. To re-appoint Messrs CLA Global TS Public Accounting Corporation as auditor of the Company and to authorise the Directors to fix their remuneration.  
**(Resolution 6)**

### AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:-

8. **Authority to allot and issue shares**
  - (a) "That, pursuant to Section 161 of the Companies Act 1967, and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
    - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
    - (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;
    - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

## NOTICE OF ANNUAL GENERAL MEETING

- (b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares excluding treasury shares of the Company, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the issued share capital shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;
  - a) new shares arising from the conversion or exercise of convertible securities, or
  - b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the Singapore Exchange Securities Trading Limited, and
  - c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

**(Resolution 7)**

*(Please see explanatory note 5)*

9. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lin Moi Heyang  
Company Secretary

30 December 2022

## NOTICE OF ANNUAL GENERAL MEETING

### Notes:

Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 (the "Act"), a member is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.

Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 15 Kian Teck Crescent, Singapore 628884 not later than 48 hours before the time set for the Annual General Meeting.

A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

### Explanatory Notes:-

1. The audited financial statements is meant for discussion only as under the provisions of Section 201(1) of the Companies Act 1967 and Article 152 of the Company's Constitution, the audited financial statements need to be laid before the Company at its Annual General Meeting and hence, the matter will not be put forward for voting.
2. The information in accordance with Appendix 7.4.1 pursuant to Rule 720(6) of SGX-ST mainboard listing manual of Mr. Hu Zhong Huai can be found on pages 99 to 107 of the Annual Report. Mr. Hu Zhong Huai, will, upon re-election as a Director of the Company, remain a Member of the Audit Committee.
3. The information in accordance with Appendix 7.4.1 pursuant to Rule 720(6) of SGX-ST mainboard listing manual of Mr. Lai Hock Meng can be found on pages 99 to 107 of the Annual Report. Mr. Lai Hock Meng, will, upon re-election as a Director of the Company, remain a Member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual.
4. The information in accordance with Appendix 7.4.1 pursuant to Rule 720(6) of SGX-ST mainboard listing manual of Dr Wee Chow Hou can be found on pages 99 to 107 of the Annual Report. Dr Wee Chow Hou, will, upon re-election as a Director of the Company, remain the Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual.
5. The ordinary resolution in item no. 8 is to authorise the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50 percent of total number of issued shares excluding treasury shares of the Company, of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 20 percent of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr Hu Zhong Huai, Mr Lai Hock Meng and Dr Wee Chow Hou are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 16 January 2023 - ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST:

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
Date of Appointment	30 October 2007	28 March 2022	28 March 2022
Date of last re-appointment	25 January 2021	N/A	N/A
Age	45	66	71
Country of principal residence	People's Republic of China	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experiences, contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Hu Zhong Huai ("Mr Hu") for reappointment as Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Hu possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lai Hock Meng ("Mr Lai") for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Mr Lai possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Dr Wee Chow Hou ("Dr Wee") for re-appointment as Independent Director of the Company. The Board have reviewed and concluded that Dr Wee possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Independent Non-Executive Director	Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director, Member of the Audit Committee and the Remuneration Committee.	Independent Non-Executive Director, Chairman of the Board and Nominating Committee and Member of the Audit Committee and the Remuneration Committee	Independent Non-Executive Director, Chairman of the Audit Committee and Remuneration Committee and Member of the Nominating Committee

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
Professional qualifications	Bachelor of International Business from University of Victoria, Canada	BA (Honours) in Economics, Cambridge University, UK Chartered Financial Analyst, CFA Institute, USA	PhD, Western University, Canada (1984) MBA, Western University, Canada (1976) BBA (Hons), University of Singapore (1974)
Working experience and occupation(s) during the past 10 years	Mr Hu is a businessman and an entrepreneur in home appliances business. He is the director of Arda (Zhejiang) Electric Co., Ltd, China for the past 10 years	HML Consulting Group Pte Ltd, Singapore <ul style="list-style-type: none"> <li>- Chairman (October 2007 to July 2016)</li> <li>- Chairman (June 2017 to Present)</li> </ul> Success Dragon International Holdings Ltd, Hong Kong <ul style="list-style-type: none"> <li>- CEO &amp; Executive Director (July 2007 to October 2015)</li> </ul> EC World Asset Management Pte Ltd <ul style="list-style-type: none"> <li>- Manager of EC World Real Estate Investment Trust, Singapore</li> <li>- CEO and Executive Director (May 2015 to May 2017)</li> </ul> PureCircle (Jiangxi) Co., Ltd, China <ul style="list-style-type: none"> <li>- Chairman &amp; Legal Representative (May 2017 to May 2020)</li> </ul> Riverside Asia Partners Pte Ltd, Singapore <ul style="list-style-type: none"> <li>- Executive Director (November 2017 to February 2020)</li> </ul> PureCircle Ltd, Bermuda <ul style="list-style-type: none"> <li>- CEO and Executive Director (February 2020 to July 2020)</li> </ul>	Nanyang Business School, Nanyang Technological University (NTU) <ul style="list-style-type: none"> <li>- Professor of Strategy and Marketing (From 2002 to 2020)</li> <li>- Head, Division of Marketing and International Business (From 2009 to 2019)</li> <li>- Adjunct Professor of Strategy and Marketing (From 2020 to present)</li> </ul> School of Business, Singapore University of Social Sciences (SUSS). <ul style="list-style-type: none"> <li>- Adjunct Professor of Strategy and Marketing (From 2020 to present)</li> <li>- Chairman of the Advisory Committee of the Doctoral Program (D.B.A.)</li> </ul> Singapore Christian Home <ul style="list-style-type: none"> <li>- Director and Chairman of the Audit Committee (From 2014 to 2018)</li> <li>- Director and President (Chairman) of the Board (From 2018 to present)</li> </ul> Civil Aviation Authority of Singapore <ul style="list-style-type: none"> <li>- Director (From 2012 to 2020)</li> <li>- Chairman of the Audit and Risk Committee (From 2018 to 2020)</li> </ul>

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
			<p>Tembusu Growth Fund I Limited</p> <ul style="list-style-type: none"> <li>- Director (From 2006 to 2020)</li> </ul> <p>Tembusu Growth Fund II Limited</p> <ul style="list-style-type: none"> <li>- Director (From 2012 to 2020)</li> </ul> <p>Tembusu Growth GIP Fund Limited</p> <ul style="list-style-type: none"> <li>- Director (From 2012 to 2020)</li> </ul> <p>HTL International Holdings Limited</p> <ul style="list-style-type: none"> <li>- Director (From 2003 to 2016)</li> <li>- Chairman of Remuneration and Compensation Committee (From 2006 to 2016)</li> </ul> <p>Food &amp; Grain International Pte Ltd</p> <ul style="list-style-type: none"> <li>- Director (From 7 January 2022 to 7 March 2022); Company acquired by Singapore Food United Pte Ltd</li> </ul>
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 60,826,710 ordinary shares	Direct interest: 750,000 ordinary shares	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of Interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
Other Principal Commitments Including Directorships Past (for the last 5 years)		1 Delong Holdings Limited (SGX) 2 PureCircle Ltd (LSE) 3 Champ Buyout III Pte Ltd 4 EC World Asset Management Pte Ltd - Manager of EC World Real Estate Investment Trust (SGX) 5 Fullwealth Investment Pte Ltd 6 Magnasset Investment Pte Ltd 7 Prorich Investment Pte Ltd 8 Richport Investment Pte Ltd 9 Richwin Investment Pte Ltd 10 JY Logistic Investment Pte Ltd 11 PureCircle (Jiangxi) Co., Ltd. 12 Dragon Group International Ltd (SGX) 13 Riverside Asia Partners Pte Ltd 14 Riverside Asia Pacific Fund II Pte Ltd 15 DCM Asia Pte Ltd 16 Transcorp Holdings Limited (SGX) 17 SB Global Ventures Pte Ltd 18 Stamford Raffles Consultants Pte Ltd 19 Global Wellness Group Pte Ltd 20 Quanshan Capital Management Pte Ltd 21 Quanshan Investment & Development (Singapore) Pte Ltd	Tembusu Growth Fund I Limited Tembusu Growth Fund II Limited Tembusu Growth GIP Fund Limited Civil Aviation Authority of Singapore Food & Grain International Pte Ltd

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
		22 Tee International Limited (SGX) 23 Quanshan Tourism Development Pte Ltd 24 PureCircle (Shanghai) Co., Ltd. 25 Universal Joy Global Limited 26 Huanghe Holdings Pte Ltd 27 Debao Property Development Ltd (SGX) 28 Wellbeing Healthtech Pte Ltd	
Present	Arda (Zhejiang) Electric Co., Ltd	1 Char Yong (Dabu) Foundation Limited 2 HML Consulting Group Pte Ltd 3 Playhood Pte Ltd 4 PT Dexin Steel Indonesia 5 Cosmic Capital Limited 6 PICADS Sdn Bhd 7 Champ Private Equity Pte Ltd 8 Champ Singapore HoldCo Pte Ltd 9 CPEC 8 Holdings Pte Ltd 10 PureCircle Ltd 11 Amaara Healthtec Pte Ltd 12 Edutex Pte Ltd	Singapore Christian Home
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
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

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	Yes Please refer to Annex A	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
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	Yes Please refer to Annex B	No

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	MR HU ZHONG HUAI	MR LAI HOCK MENG	DR WEE CHOW HOU
Disclosure applicable to the appointment of Director only			
<p>Any prior experience as a director of a listed company?          If yes, please provide details of prior experience.          If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.          Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N/A	N/A	N/A

### Annex A

1. Mr Lai Hock Meng ("Mr Lai") was managing director of Morgan Grenfell & Partners Securities Pte Ltd ("MGAPS") from 1993 to 1996. In January 1994, MGAPS was found to have breached the regulations of the then Stock Exchange of Singapore pertaining to the net adjusted capital of MGAPS. The breach was due to the company trading in business volumes more than a certain multiple of its capital after adjusting for, amongst other items, the doubtful debts; book losses on customers' outstanding position and shares waiting for collection. This was due to a mixture of operational backlog resulted partly by the high trading volume and delays in generation of contract notes by the then Stock Exchange of Singapore as well as management oversight in not reducing trade orders in a timely fashion, which ultimately resulted in a haircut on the firm's net adjusted capital which consequently resulted in the firm breaching the regulations on capital adequacy ratio. The company was fined \$75,000 by the then Stock Exchange of Singapore for the breach. Mr Lai was not personally involved with the said breach.
2. Mr Lai was an independent non-executive director of PureCircle Limited ("PureCircle"), from year 2008 to 2017. PureCircle is a company that is listed on the London Stock Exchange. PureCircle is an international producer and marketer of specialty natural ingredients based on high purity stevia. On 1 June 2016, the United States Customs and Border Protection ("CBP") issued a Withhold Release Order stating that imported stevia extracts and their derivatives produced by PureCircle in the PRC will be detained at all U.S. ports of entry as CBP had obtained information that these products were produced using convict labour. According to the CBP, under the relevant U.S. legislation, it is illegal to import into the United States goods made, in whole or in part, by forced labour, including convict labour, forced child labour and indentured labour. In response, PureCircle issued an announcement on 2 June 2016, clarifying that their products were not produced using forced labour and stating that they were working with CBP to correct the information in the CBP announcement and to expedite the release of their shipments which were detained by the CBP. CBP had reviewed the documents submitted to them for clarification, which includes independent third-party verification reports to establish that PureCircle's PRC-produced stevia products are not produced using forced labour, and the CBP had subsequently released the detained goods. Mr Lai was an independent non-executive director of PureCircle and was not involved in the day-to-day management of PureCircle. In December 2019, CBP issued a penalty notice to PureCircle pertaining to shipments from 2014 to early 2016, which occurred prior to the issuance of the original Withhold Release Order. PureCircle vigorously contested the claims. Subsequently the CBP decided to impose a penalty of US\$575,000 on PureCircle on the same allegation. PureCircle decided to settle the fine without admitting any wrongdoing so that it could move on with its business.

## DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

### Annex B

Mr Lai Hock Meng received a warning letter from Monetary Authority of Singapore on 10 June 2015 regarding the contravention of Section 133 of the Securities and Futures Act, Chapter 289 of Singapore for failing to notify a listed corporation of a change in his interest in the securities of the corporation. This is due to an oversight. On 16 December 2009, he was granted a share option for 500,000 shares in China Essence Group Ltd. where he is an Independent Non-Executive Director. The option lapsed on 12 December 2014, and he only discovered the change in his interest in the company on 21 April 2015. He made immediate disclosure to the regulators on the same day when he discovered this oversight on his part.

# CASA HOLDINGS LIMITED

Company Registration Number : 199406212Z  
(Incorporated in the Republic of Singapore)

## PROXY FORM

### IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act 1967 (the "Act"), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Annual General Meeting.

\*I/We \_\_\_\_\_ of \_\_\_\_\_

being \*a member/members of Casa Holdings Limited (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)

\*and/or

--	--	--	--

or failing him, the Chairman of the Meeting as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 15 Kian Teck Crescent, Singapore 628884 on 16 January 2023 at 10.00 a.m. and at any adjournment thereof.

\*I/we direct \*my/our \*proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the \*proxy/proxies will vote or abstain from voting at \*his/their discretion.

No.	Ordinary Resolutions	For	Against
1.	To declare a final one-tier tax exempt dividend of 0.3 cents per share for the financial year ended 30 September 2022.		
2.	To approve the Directors' fees of S\$127,154 for the financial year ended 30 September 2022.		
3.	To re-elect Mr. Hu Zhong Huai as Director of the Company.		
4.	To re-elect Mr. Lai Hock Meng as Director of the Company.		
5.	To re-elect Dr Wee Chow Hou as Director of the Company.		
6.	To re-appoint Messrs CLA Global TS Public Accounting Corporation as auditor of the Company.		
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal

\* Delete accordingly

**IMPORTANT.** Please read notes overleaf



Notes:-

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 (the "Act"), a member is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. 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 Annual General Meeting, in accordance with its Constitution and Section 179 of the Act.

Please  
affix  
postage  
stamp

The Company Secretary  
**CASA HOLDINGS LIMITED**  
c/o Tricor Barbinder Share Registration Services  
80 Robinson Road #11-02  
Singapore 068898

5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 15 Kian Teck Crescent, Singapore 628884 not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

# CORPORATE INFORMATION

## Board of Directors

**Lai Hock Meng**

(Chairman and Independent Non-Executive Director)

**Lim Soo Kong @ Lim Soo Chong**

(Founder, CEO and Executive Director)

**Stefan Matthieu Lim Shing Yuan**

(Deputy CEO and Executive Director)

**Dr Wee Chow Hou**

(Independent Non-Executive Director)

**Hu Zhong Huai**

(Non-Executive and Non-Independent Director)

## Company Secretary

**Lin Moi Heyang**

## Audit Committee

**Dr Wee Chow Hou (Chairman)**

**Lai Hock Meng**

**Hu Zhong Huai**

## Nominating Committee

**Lai Hock Meng (Chairman)**

**Lim Soo Kong @ Lim Soo Chong**

**Dr Wee Chow Hou**

## Remuneration Committee

**Dr Wee Chow Hou (Chairman)**

**Lai Hock Meng**

**Hu Zhong Huai**

## Share Registrar

Tricor Barbinder Share Registration Services  
(a business division of Tricor Singapore Pte Ltd)  
80 Robinson Road #02-00  
Singapore 068898

## Independent Auditor

CLA Global TS Public Accounting Corporation  
(Formerly known as Nexia TS Public Accounting  
Corporation)  
80 Robinson Road #25-00  
Singapore 068898

Director-In-Charge

**Lee Look Ling**

(Appointed since financial year ended  
30 September 2020)

## Registered Office

Casa Holdings Limited

(Incorporated in Singapore, Registration Number:  
199406212Z)

Website: <https://casa.sg>

15 Kian Teck Crescent

Singapore 628884

Tel: 6268 0066

Fax: 6266 8069



CASA

15 Kian Teck Crescent  
Singapore 628884  
Tel: 65 6268-0066  
Fax: 65 6266-8069  
<https://casa.sg>