

FORISE INTERNATIONAL LIMITED

EXPANDING HORIZONS



**ANNUAL REPORT
2022**



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PROVIDING SOLUTIONS
EXPANDING HORIZONS

STATEMENT BY DIRECTORS

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present Forise International Limited's annual report for the financial year ended 31 December 2022 ("FY2022"). The Group recorded a net loss of S\$2.38 million in FY2022. This is mainly attributed to fewer new contracts secured in our management consultancy services and corporate advisory services business. In addition to securing fewer contracts, the losses incurred by the Group were also due to the recognition of expected credit loss allowance on financial assets amounting to S\$1.10 million.

We would like to share the developments in FY2022, the Group had incorporated a wholly-owned subsidiary corporation in Malaysia, Forise International (M) Sdn. Bhd., with an issued and paid-up capital of approximately S\$31,656 (equivalent to RM100,000) comprising 100,000 ordinary shares. The Group had appointed Mr. Wan Jinn Woei ("Mr. Wan") as an Executive Director, to assist with business development and project execution. Mr. Wan is also the director of the newly incorporated subsidiary corporation in Malaysia. The Group will adopt a prudent approach to gradually expand our team and business partners who are able to bring in business/value to the Group. Our subsidiary corporation in Malaysia is anticipating growth in its business operations. There is a growing interest in our services from potential customers in both Malaysia and the Asia Pacific region.

On 1 April 2022, we had incorporated a subsidiary corporation in Singapore, Raffles Neobank Solutions Pte. Ltd. ("Raffles Neobank") with an issued and paid-up capital of S\$100,000 comprising 100,000 ordinary shares, in which the Company held 51% and the non-controlling interest holder of Raffles Neobank held the remaining 49%. However, on 7 November 2022, the Company had entered into a sale and purchase agreement to dispose of its entire 51% shareholding interest in Raffles Neobank to the non-controlling interest holder of Raffles Neobank. The disposal was completed on 22 November 2022. Subsequent to the completion, Raffles Neobank has ceased to be a subsidiary corporation of the Company.

The Group has implemented cost saving plans since the financial year ended 31 December 2021 ("FY2021"), and intends to keep such measures in place until it is satisfied that the Group's businesses achieve better performance and that the global economy becomes more certain.

STATEMENT BY DIRECTORS

As we move into the financial year ending 31 December 2023 ("FY2023"), while the issues surrounding the COVID-19 pandemic are largely under control, we expect the overall business environment to remain challenging, with uncertainties, such as the prolonged Russia-Ukraine war, the ongoing trade tensions between USA and China, rising interest rates and persistent inflation, which pan out globally. On the other hand, the recent steps that China has taken to relax its zero-Covid policies and border measures are positive signals that China is reopening its economy. The Group continues to strive in our current businesses and will continue to do our best to explore new business opportunities in Asia Pacific.

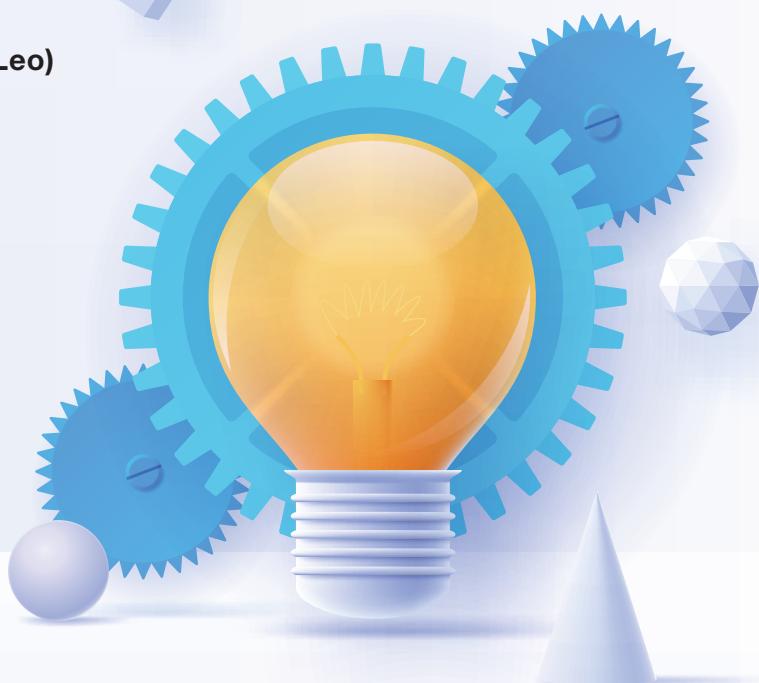
APPRECIATION

I would like to express our gratitude to Mr. Peng Fei and Mr. Azman Hisham Bin Ja'afar, who resigned as Non-Independent Director and Independent Director on 9 September 2022 and 2 February 2023 respectively for their valuable contribution to the Group. At the same time, I warmly welcome Mr. Wan and Mr. Lee Ah Too as our new Executive Director and new Independent Director respectively. Each of them bring extensive experience and knowledge to the Group and we look forward to their guidance and advice in the future.

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to all our customers, business partners and shareholders for their unwavering support. I would also like to thank our dedicated management team and staff for their hard work and dedication to the Group. Lastly, I would like to acknowledge our fellow directors on the Board for their guidance and advice throughout the year.

On behalf of the Board of Directors

Mr. Peng Weile (Leo)
Executive Director



FINANCIAL HIGHLIGHTS



NET LOSS
S\$
2.38_M



LOSS BEFORE TAX
S\$
2.38_M



REVENUE
S\$
0.32_M



NET ASSETS VALUE
S\$
3.27 CENTS



OPERATING CASH
OUTFLOWS
S\$
0.84_M



SHAREHOLDERS' EQUITY
S\$
1.15_M



LOSSES PER SHARE
(BASIC & DILUTED)
S\$
3.81 CENTS

FINANCIAL REVIEW

The Group's revenue for the financial year ended 31 December 2022 ("FY2022") amounted to S\$0.32 million, which is a decrease of S\$1.37 million compared to the S\$1.69 million recorded in FY2021. The significant decrease is mainly attributed to fewer new contracts secured in our management consultancy services and corporate advisory services business.

In FY2022, the Group had recognised an expected credit loss allowance on financial assets amounting to S\$1.10 million, which was not recorded in FY2021. This is primarily due to the slow collection of trade and other receivables caused by receivables liquidity and credit assessment continuing to deteriorate as a result of the uncertain economic situation.

Employee compensation increased to S\$1.08 million in FY2022, a rise of S\$0.1 million from S\$0.98 million in FY2021. In FY2021, there was a higher reduction rate of 28% - 35% on director and staff costs. However, the reduction rate was decreased to 15% to 20% in FY2022, leading to higher employee compensation during the financial year. The reduction in director's remuneration and staff costs were due to the cost containment strategy implemented by the management to mitigate the Group's reduced operating activities.

The Group incurred a net loss on foreign exchange of S\$0.1 million in FY2022, due to the fluctuation of Chinese Renminbi ("RMB") and United States Dollar ("USD") against Singapore Dollar ("S\$"). However, this loss was partly offset by the decrease in the tax expense, which was S\$0.001 million in FY2022, compared to S\$0.07 million in FY2021. The decrease in tax expense was mainly due to companies within the group incurring significantly more losses during the financial year.

As a result of the above factors, the Group recorded net loss after tax of S\$2.38 million in FY2022.

FINANCIAL POSITION

As at 31 December 2021, the Group's total assets saw a significant decrease of S\$2.33 million from S\$3.88 million in FY2021 to S\$1.55 million in FY2022. The decrease was primarily due to an expected credit loss allowance on trade and other receivables of S\$1.10 million being provided during the financial year. This was caused by the slow collection of receivables as receivables liquidity and credit assessment continued to deteriorate due to the uncertain economic situation, resulting in the decrease of trade and other receivables from S\$1.56 million in FY2021 to S\$0.10 million in FY2022. In addition, the Group's cash and cash equivalents decreased by S\$0.85 million from S\$2.27 million in FY2021 to S\$1.42 million in FY2022, primarily due to the net cash outflow from operating activities.

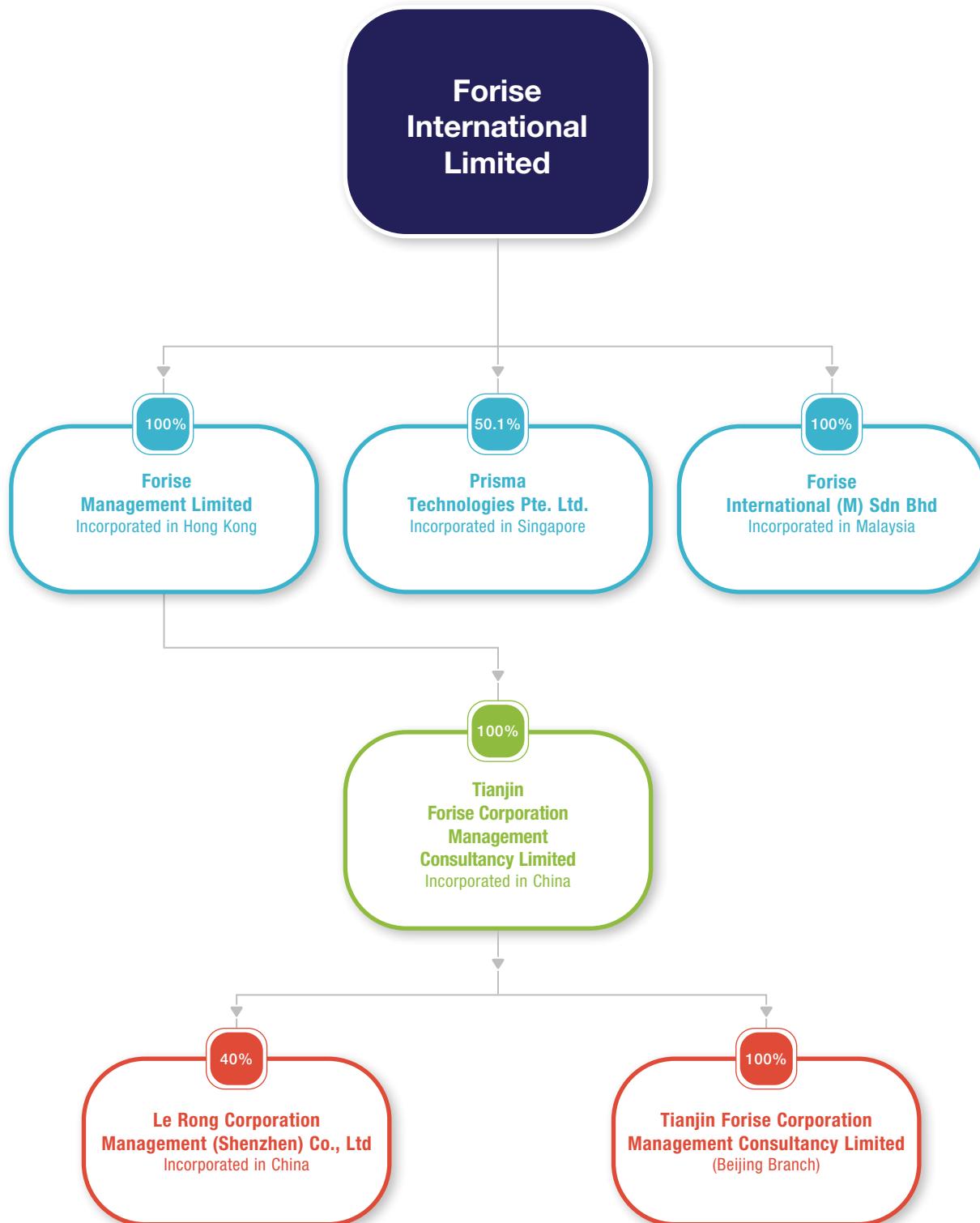
On the other hand, the total liabilities decreased by S\$0.05 million from S\$0.45 million in FY2021 to S\$0.40 million in FY2022. The decrease was mainly due to the absence of tax payable as the companies within the Group incurred losses during the financial year. However, this decrease was offset by an increase in the accrued expenses.

As a result of the above, the total shareholders' equity decreased from S\$3.43 million in FY2021 to S\$1.15 million in FY2022.

CASH FLOWS

The Group's cash and cash equivalents decreased by S\$0.85 million from S\$2.27 million as at 31 December 2021 to S\$1.42 million as at 31 December 2022, primarily as a result of the net cash outflow from operating activities.

GROUP STRUCTURE



On 8 August 2022, the Company had incorporated a wholly-owned subsidiary in Malaysia, Forise International (M) Sdn. Bhd. ("Forise Malaysia") with an issued and paid-up capital of approximately S\$32,000 (equivalent to RM100,000) comprising 100,000 ordinary shares.

BOARD OF DIRECTORS



MR. PENG WEILE ("Mr. Leo Peng") is the Executive Director of our Group. He was appointed to our Board on 19 August 2015 and was last re-elected at the Company's AGM on 27 April 2021.

He has over 21 years of experience in investment banking, direct investment, asset management, corporate advisory, financial restructuring advisory, and strategic planning, and has strong knowledge relating to the capital markets in the PRC, Hong Kong, Singapore and Australia. He has served as the Executive Director of Healthbank Holdings Limited since October 2016 and has been appointed by several companies as their external financial advisor, to provide strategic planning, financial structuring, listing and fund raising services during the past few years. He has been involved in a number of successful listings, pursuant to which he has successfully assisted various Chinese companies in their listing on the stock exchanges in Singapore, Hong Kong and Australia, and has a very good network and in-depth knowledge of capital markets, both on-shore and off-shore. He was previously with Deutsche Morgan Grenfell Securities Ltd and HL Bank Singapore, in which he assisted companies in their fund raising from the equity capital markets in Singapore.

Mr. Leo Peng holds a Masters degree in Finance from the National University of Ireland, Dublin; and a Diploma in Wealth Management from Wealth Management Institute of Singapore. He has also completed the Executive Program on "Blockchain Technologies: Business Innovation and Application" by Massachusetts Institute of Technology Sloan School of Management.

MR. WAN JINN WOEI ("Mr. Dennis Wan") is the Executive Director of our Group. He was appointed to our Board on 1 August 2022.

Mr Dennis Wan is the founder and managing director of companies that are involved in the provision of corporate advisory services, comprising business growth strategies, financial restructuring advisory, management consulting, analysis of market behaviour and market research. He has also overseen the development and implementation of promotional campaigns to real estate companies, and has acted as manufacturer for various industries. He has been involved with advisory industry and consultancy business for over 20 years. He oversees strategic direction, business development and project management of the group.

Mr Dennis Wan holds a Bachelor of Business Administration from Victoria University (School of Management).

BOARD OF DIRECTORS



MR. SIOW CHEE KEONG ("Mr. Sioow") is our Independent Director and was appointed to our Board on 1 December 2021. He is the chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee.

He has many years of audit and management experience in business systems, information technology, finance and accounting with commercial and financial organisations in Canada, USA, England and Singapore. He is currently the executive director of Virtus Assure Pte Ltd which offers governance, risk & control and sustainability consultancy. Mr Sioow qualified as a Chartered Certified Accountant with the Association of Chartered Certified Accountants in 1981, a Certified Internal Auditor with the Institute of Internal Auditors Inc. in 1985, a Certified General Accountant with the Certified General Accountants of Canada in 1990 and is a non-practising member of the Institute of Singapore Chartered Accountants.

He graduated from the University of Warwick, England, with a Master of Business Administration. Mr Sioow is on the board of several listed and private companies, and is a member of the Singapore Institute of Directors.

MR. LEE AH TOO ("Mr. Arthur Lee"), was appointed to the Board as an Independent Non-Executive Director on 1 December 2022. He is a member of the Audit Committee and the chairman of the Nominating Committee and Remuneration Committee. He is presently a member of the Malaysian Institute of Accountants.

Mr. Arthur Lee graduated with a Bachelor of Accounting from the University of Malaya in 1983. He was the partner in charge of Ernst & Young (Malacca Branch Office) from 1998 up to June 2019. He has more than 30 years of experience in providing various types of assurance and business advisory services, including but not limited to financial due diligence review, mergers and acquisitions, fund raising and public listing. Among his portfolio of clients are plantation, retailing, entertainment, manufacturing, power, energy, construction, property development, transportation and financial services.

KEY MANAGEMENT

DR SHREERAM SUBRAMANIAM IYER

Dr Shreeram Subramaniam Iyer ("Dr Shreeram") joined Prisma Technologies Pte. Ltd. ("Prisma Tech") as Director in October 2019. Dr Shreeram is responsible for the operations of the management consultancy activities of Prisma Tech.

Dr Shreeram has over two decades of experience in the field of IT and in key functions such as sales, brand development, operations and market expansion. He has been a strategic IT advisor to the economic development agency of the German State of North Rhine-Westphalia for more than a decade, and has been closely associated with various bilateral chambers globally. Dr Shreeram has served as the Chairman and Group CEO of Prisma AI Corporation Pte Ltd since December 2012 and he was previously a senior vice president – International Operations of Patni Computer Systems Ltd. and senior vice president and head of Asia Pacific for Gamapiy Infotech and Motorola Wireless.

Dr Shreeram holds a Bachelor of Mechanical Engineering, Post Graduate Diploma in Computer Science and Master of Marketing Management from University of Mumbai. Dr Shreeram completed an Executive Programme in Artificial Intelligence and Business Specification from Massachusetts Institute of Technology in 2019 over 26 weeks. He also obtained a Professional Doctoral Certificate in Technology Management with Specialisation in Vision Based Artificial Intelligence from the European International University. He has been instrumental in adapting and enhancing existing technologies and implementing new technologies in the global market, specifically in the field of cognitive computing and Artificial Intelligence ("AI").

XING YUE SHENG (Resigned on 31 December 2022)

Xing Yue Sheng ("Mr. Xing") joined our Tianjin Wholly Foreign Owned Entity ("WFOE") as Investment Director in April 2019 and became Consultant in July 2020. Mr. Xing is responsible for the operations of the corporate advisory activities of Tianjin WFOE.

Prior to joining our Group, Mr. Xing has gained over 12 years of experience in corporate finance, corporate advisory (including IPO, restructuring, investment management and fund management) and Merger and Acquisitions, through past employments with Da Tang Jin Fund Management Limited and Wei Guang Hui Tong Cultural Tourism Investment Limited.

Mr. Xing holds a Bachelor degree in International Economics and Commerce from University of Science and Technology Beijing.

WU LI WEI

Wu Li Wei ("Ms. Wu") joined Tianjin WFOE as Accountant in July 2018. Ms. Wu is responsible for the finance, accounting and regulatory compliance functions of Tianjin WFOE.

Prior to joining our Group, Ms. Wu had over 3 years of experience in accounting and finance experience gained from a fund management company.

Ms. Wu holds a Bachelor degree in Accounting from China University of Geosciences.

PRANAL GORE (Resigned on 12 November 2022)

Pranal Gore ("Mr. Pranal") joined Prisma Tech as Principal Project Manager in February 2021. Mr. Pranal was responsible for various aspects of management of Prisma Tech's IT solutions related projects, including planning and establishing project goals; setting milestones and tracking progress; guiding the team based on his expertise; ensuring timely delivery; assessing, improving, and resolving glitches along the way; and working with finance and determining and adhering to a set budget.

Mr. Pranal is a machine learning engineer and coder with 13 years of professional and corporate experience. He specialises in machine learning algorithms and statistics, and is also a proficient coder in Python, Angular5, NodeJS, ASP.NET and C#. Prior to joining Prisma Tech in February 2021, he was a Senior Software Development Engineer at i2e Consulting India. He was also previously a Software Developer at Reliance Infosolutions, Qveda Interactive Design and Aurionpro and a Senior Consultant at Capgemini Technology Services India, and has significant experience in managing projects in the AI sphere.

Mr. Pranal holds a Bachelor of Computer Engineering from K.C. College of Engineering and a Master of Business Administration, Information Technology from Kala Institute of Management Studies and Research.

YAP YOKE PENG

Yap Yoke Peng ("Ms. Yap") joined our Group as Financial Controller in August 2021. Ms. Yap is responsible for the Group's finance, accounting and regulatory compliance function including corporate governance, internal controls, human resource, corporate secretarial and tax matters.

Ms. Yap is a member of the Institute of Singapore Chartered accountants ("ISCA") and a fellow member of Association of Chartered Certified Accountants ("FCCA").

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear stakeholders,

The Board of Directors (the “**Board**”) of Forise International Limited (“**Forise**” or the “**Company**” and together with its subsidiaries, the “**Group**” or “**We**”) is pleased to present the Sustainability Report (the “**Report**”) for the financial year ended 31 December 2022 (“**FY2022**”), which provides an overview of the Group’s commitment and continued efforts in enhancing sustainability performance.

Our Sustainability Governance Structure

The Group believes that sustainability contributes to the long-term prosperity and development of its business. The Board is responsible for establishing and overseeing the direction of the Group’s sustainability management framework, reviewing the Group’s performance and targets on material economic, environmental, social and governance (“**EESG**”) factors, evaluating and monitoring the Group’s material EESG risks and opportunities during the formulation of its strategic direction, objectives, policies and performance measurements, and approving the information disclosed in the sustainability reports. Under the Board’s delegations, the Group’s senior management (“**Management**”) is responsible for identifying material EESG factors, implementing and integrating sustainability into the Group’s operations, and formulating appropriate solutions to improve the overall EESG performance. The findings, decisions, and suggestions should be reported to the Board annually. For details related to the Group’s governance body and composition, please refer to the “Corporate Governance and Risk Management” section of the Annual Report.

Our Sustainability Strategy

The Board firmly believes that a focus on sustainability is critical to creating potential business opportunities. Companies that are best-in-class in operating in a sustainable manner will be able to offer superior products and services and recruit the best people, thereby outperforming their competitors in the longer term. The Group is therefore committed to conducting its business in a responsible and sustainable manner. We are making progress to improve our sustainability reporting practices in the short term, and to enhance our EESG performance in the medium to long term. In FY2022, the Group has made its first disclosure of the climate-related risk management approach in the Report with reference to the Task Force on Climate-related Financial Disclosures (“**TCFD**”) framework. Through the following approach, the Group aims to effectively manage the material EESG factors relevant to the Group:



The Group strives to adopt the appropriate sustainable practices relevant in our industry and remains committed to contributing to the environment and the well-being of our employees, business and local communities. The Board would like to take this opportunity to thank our employees, customers and business partners for their continuous support, and look forward to their continued support to improve our sustainability practices.

Mr. Peng Weile (Leo)

Executive Director

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Reporting Framework

The Report is prepared in compliance with the Listing Rules 711A and 711B and the requirements of Practice Note 7.6 of Singapore Exchange Securities Trading Limited (“**SGX-ST**”), and with reference to the Global Reporting Initiative (“**GRI**”) Standards 2021. The GRI Standards were chosen as the reporting framework because it is one of the most established international sustainability reporting standards, setting out generic sustainability factors, including general principles and indicators for reporting on policies, practices, performance and targets.

Reporting Scope and Period

The Group issues a sustainability report on an annual basis and published this Report on 12 April 2023. This Report presents and summarises the Group’s policies, practices and performance on material EESG factors for FY2022. It covers the operations of the entities that contributes major revenue to the Group, as listed below:

- Forise International Limited, the headquarters in Singapore;
- Tianjin Forise Corporation Management Consultancy Limited in China; and
- Prisma Technologies Pte. Ltd. in India.

Forise International (M) Sdn. Bhd. in Malaysia is excluded from the reporting scope as its operation has just commenced and has no material impact on the Group’s performance. In line with the Group’s continued commitment to environmental sustainability, the Group will strengthen its sustainability framework and practices in the future and will expand its scope of disclosures as the Group’s sustainability reporting matures.

Independent Assurance

This Report has undergone the internal review process and was reviewed by the Board. The Report and selected parts of the sustainability reporting process, including the data collection process, have been reviewed by an internal auditor engaged by the Group. We have relied on internal data monitoring and verification to ensure accuracy. We may consider seeking external independent assurance in the future.

Feedbacks

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your comments and suggestions to contact@foriseinternational.com.

Report Accessibility

This Report forms part of the Group’s FY2022 Annual Report and is available on the SGX-ST’s website.

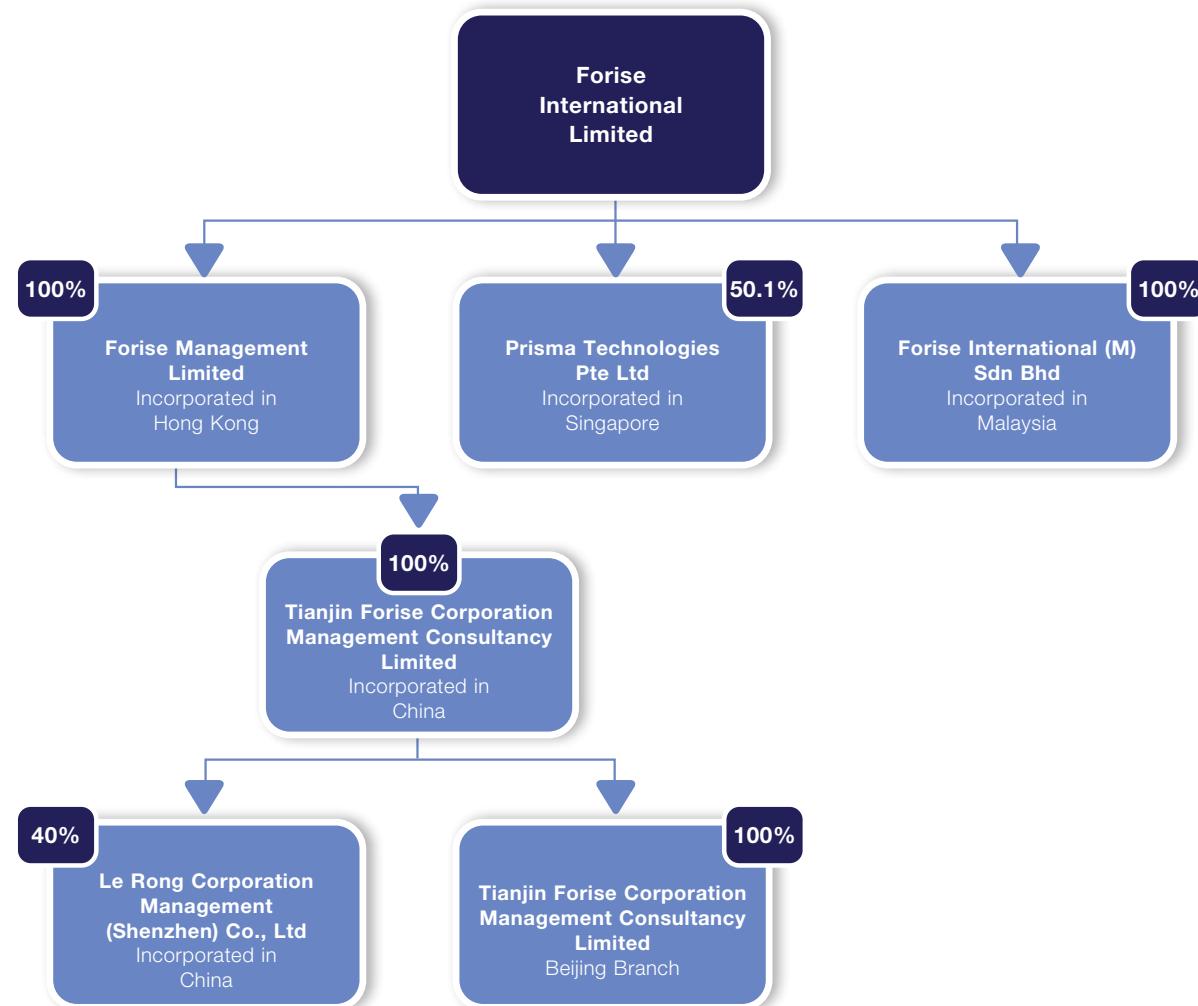
SUSTAINABILITY REPORT

ORGANISATIONAL PROFILE

Forise (formerly known as Great Group Holdings Limited) was incorporated on 29 February 2008 and listed on the Main Board of the SGX-ST on 25 September 2009.

Following the divestment of the garment trading business and cessation of inactive subsidiaries in FY2019, the strategic direction of the Group is to focus on the development of strategic planning, corporate advisory, financial restructuring and solution and management consultancy services. In order to bring the Group's activities in line with this direction, the Group had changed the principal activities of its associated company from commercial factoring to that of management consultancy and corporate and financial advisory services, effective from January 2020. Additionally, in view of the growth and potential applications of digital transformation in the new economy, the Group had entered into a joint venture with Prisma AI Corporation Pte. Ltd. in October 2019 and incorporated a subsidiary corporation, Prisma Technologies Pte. Ltd. The Group has also expanded its market to Malaysia and incorporated Forise International (M) Sdn. Bhd. in FY2022. The Group structure is as follows:

Group Structure



SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, investors/shareholders, customers, employees, government and regulators, service providers, and media and local communities. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The table below sets out our engagement with our stakeholders:

Stakeholders	Engagement and communication channels	Frequency of engagement	Key concerns raised
Investors/ shareholders	Annual General Meeting and financial results announcements	Half-yearly/ yearly	Economic performance
	Corporate announcements	Ad-hoc	Corporate governance
			Timely disclosure of information
Customers	Email queries	Daily	Service quality
			Customer privacy protection
Employees	Staff appraisal	Yearly	Fair employment
			Training and education
			Occupational health and safety
Government and regulators	Occasional physical/virtual meetings	Ad-hoc	Business ethics and compliance
	E-mails		
Service providers	Physical/virtual meetings	Yearly	Procurement practices
	Regular assessment		Prompt payment
Media and local communities	Sustainability reports	Yearly	Business ethics and compliance
			Environmental protection
			Supporting local communities

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The Group conducts a materiality assessment on an annual basis. We adopt a multi-faceted view, assessing the potential impact of EESG issues on our business (including strategy and business model), financial planning, the economy, environment and people (including impacts on their human rights) and influence on the stakeholders. A list of material EESG issues were identified and prioritised by taking reference from the regulatory requirements, international standards (such as SASB and MSCI), global and industry trend, peer benchmarking and interview with the Management. In FY2022, the Group has identified the following material aspects:

List of Material Topics	
Governance	Business Ethics and Compliance Enterprise Risk Management (“ ERM ”)
Economic	Economic Performance Anti-corruption and Whistleblowing
Environmental	Climate Risk Mitigation and Adaptation Energy and Emissions Management Supplier Environmental Assessment
Social	Diversity and Equal Opportunity Fair Employment Occupational Health and Safety Training and Education Customer Privacy Protection Supporting Local Communities

GOVERNANCE

Business Ethics and Compliance

The Group firmly believes that focus on sustainability is critical and that it offers attractive opportunities. We are fully committed to the highest standards of corporate governance, and strive to advance responsible business conduct and uphold our commitment to respect human rights. We believe that long-term profitability and shareholder value can be ensured by taking into account the interests of stakeholders. We are committed to:

- Complying with all local laws and regulations where we operate;
- Preventing any possibility of conflict of interest in the workplace, as stipulated in the Employee Code of Conduct Policy;
- Adhering to the principles set forth in internationally recognised codes, including but not limited to the United Nations (“**UN**”) Guiding Principles on Business and Human Rights, the UN Global Compact and the OECD guidelines for Multinational Enterprises; and
- Maintaining an active dialogue with our stakeholders to understand their expectations.

SUSTAINABILITY REPORT

We target to maintain zero incidents of non-compliance with laws and regulation in socioeconomic and environmental aspects, and ensure that all allegations received are promptly addressed. There have been no incidents reported for FY2022 (FY2021: Nil).

ERM

ERM is an integral part of good corporate governance as well as resource management. A thorough and comprehensive ERM framework enables Forise to identify, communicate and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on ERM, please refer to the "Corporate Governance and Risk Management" section of the Annual Report. We will regularly review the ERM policies to ensure all relevant risks are identified, communicated and addressed in a timely manner.

ECONOMIC

Economic Performance

We view economic performance as a material factor as we believe our business' economic viability is important to our stakeholders. For detailed financial results, please refer to the sections of "Financial Highlights", "Financial Review" and the financial statements in the Annual Report.

Our goal is to strive for continuous improvement in our existing businesses, and to make every effort to explore new business opportunities, in order to expand and enhance the Group's performance and shareholder value. We also strive to integrate the concepts of sustainability into our investment practices and advisory services by making socially responsible investments and encouraging our clients to act likewise. Governance, internal controls, environment, human capital and health and safety are some of the areas assessed by deal teams and considered by the Board as part of the investment decision-making process. If a client has a specific request to invest in a company with undesirable EESG factors, Forise may choose to turn down the transaction or re-assess the relationship. In addition, the Management will look for various best practices in the areas of business conduct, management reporting, financial planning and analysis, cash management, internal controls and risk management, with an aim to attain sustainable economic and business growth.

Anti-Corruption and Whistleblowing

The Group has a zero-tolerance stance on corruption. In our dealings with our clients, we require our employees to strictly uphold the Group's policy on anti-corruption, anti-bribery and anti-fraud. We have put in place a Whistle Blowing Policy that sets out the procedures for a whistle-blower to make a report on misconduct or wrongdoing relating to the Group and its officers. The Audit Committee is responsible for overseeing and monitoring the whistleblowing process. Together with the Group's internal auditors, the Audit Committee reviews the anti-corruption and whistleblowing policies regularly to ensure that their robustness and comprehensiveness. The relevant policies and procedures have been communicated to all Board members and all employees via internal memo and employment contracts. Please refer to the "Corporate Governance and Risk Management" section of the Annual Report for further details on the Group's Whistle Blowing Policy.

There were no reported incidents of corruption, fraud or other malpractice in FY2022 (FY2021: Nil) and we target to maintain the record for FY2023.

SUSTAINABILITY REPORT

ENVIRONMENTAL

Based on the Group's operating scope, our business operations have very limited impact towards the environment. However, we always strive to avoid unnecessary impact on the environment and to further reduce environmental impact. Our efforts are mainly focused towards minimising our energy usage.

Climate Change Mitigation and Adaptation

Climate risk considerations have stood out as a critical aspect of business continuity that needs to be addressed. Through the adoption of the recommendations of the TCFD framework, we assess the impact of key climate-related risks and opportunities and disclose climate action strategy under four overarching elements, including governance, strategy, risk management and metrics and targets.

Governance

We have established a robust governance structure as described in the "BOARD STATEMENT" section. The Board oversees the Group's sustainability in the formulation of its strategy and approves the disclosures on the Group's climate-related risks and opportunities and its responding actions to enhance climate resilience. Under the Board's delegations, the Management is responsible for implementing and integrating relevant mitigation and adaptation measures into the Group's operations.

Strategy

We acknowledge that climate change brings risks and opportunities to our business. To strengthen our understanding of the climate-related issues, the Group has incorporated climate risks into its ERM process and strives to keep abreast of the latest trends in climate adaptation and mitigation through stakeholder engagement. The Group has actively taken the following measures in response to the potential risks and opportunities.

Risk Management

Physical risks

Since the Group has adopted flexible working arrangements in its rented offices, the disruption to its routine business operations and the corresponding financial impact caused by extreme weather events is minimal. For the safety of its employees, the Group will closely monitor the latest weather news and provide guidance on the working arrangement when required according to the suggestions issued by the local authorities.

Transition risks

Local governments have been accelerating the transition to a low-carbon economy. The development of international policies and regulations on climate change may therefore pose potential transition risks to the Group. The Group may have to incur higher operating costs to comply with the regulatory changes. Failure to meet climate change compliance requirements may expose the Group to the risk of claims and litigation, which may result in a possible loss of corporate reputation. The Group will regularly monitor existing and emerging climate-related trends to avoid reputation risks due to slow response. We will also pay attention to policies and regulations and obtain compliance advisory services when necessary. The Group intends to maintain high transparency in sustainability reporting and its related activities which establishes trust and confidence in its relationship with investors and customers.

Metrics and Targets

The Group follows the best practice of enhancing energy-efficiency and complies with related environmental laws and regulations. Relevant targets and measures on climate change and energy-saving can be found in the below section headed "Energy and Emission Management".

SUSTAINABILITY REPORT

Energy and Emissions Management

We recognise the importance of combating the effects of climate change. Based on our business activities and model however, the Group is minimally involved in environmentally impactful activities or activities with high energy consumption. The Group does not consume fuel directly from either renewable or non-renewable sources, therefore it does not generate any air emissions and direct (Scope 1) Greenhouse Gas ("GHG") emissions. The Group only consumes electricity for its daily operations. As the utility expenses were included in the management fee of the rented share offices, relevant energy consumption data and energy indirect (Scope 2) GHG emissions are not available.

Nonetheless, the Group remains committed to enhance energy efficiency. We encouraged employees to practise energy-saving initiatives, including but not limited to:

- Using energy only when needed (for example, turning off the lights when not in use),
- Installing LED energy-saving bulbs, and
- Maintaining operation of air-conditioner at 25°C.

Starting from FY2023, we will disseminate email messages related to energy conservation and climate change annually to raise awareness among employees, in an attempt to fulfil our commitment with the contribution of all employees.

Supplier Environmental Assessment

The Group strives to monitor its environmental impact and encourages its stakeholders, such as service partners and trading partners, to meet the same expectations. We ensure that all new suppliers are screened and selected with taking into consideration of environmental criteria and have been using reputable mid-tier companies that are environmentally friendly. To meet the expectation of our clients, we conduct regular assessments of our key service providers to ensure that they all comply with anti-child labour laws and avoid the use of non-eco-friendly materials. When necessary, the Group will request key service providers to present their policies on monitoring and managing EESG issues including environmental protection, ethics, training, and to report any cases of non-compliance with environmental or safety laws. In FY2022, none of our key service providers were identified as having significant actual and potential negative environmental impacts.



SUSTAINABILITY REPORT

SOCIAL

Diversity and Equal Opportunity

We embrace diversity, and at the same time expect employees to be aligned with the Group's vision and strategic initiatives. As at 31 December 2022, the Group has a total of 10 employees (as at 31 December 2021: 17 employees). The detailed breakdown is as follows:

Category	Governance body		Employees		Total
	Executive directors	Management	General staff		
By gender					
Male	2 (100%)	3 (75%)	3 (75%)	8 (80%)	
Female	–	1 (25%)	1 (25%)	2 (20%)	
By age group					
< 30 years old	–	–	–	–	
30 – 50 years old	2 (100%)	4 (100%)	4 (100%)	10 (100%)	
> 50 years old	–	–	–	–	
By geographical region (Place of work)					
Singapore	2 (100%)	1 (25%)	–	3 (30%)	
China	–	2 (50%)	1 (25%)	3 (30%)	
India	–	1 (25%)	3 (75%)	4 (40%)	

The Group recognises the benefits of having an effective and diverse Board, and understands that skill diversity at the Board level is an essential element in supporting the attainment of its strategic objectives and sustainable development. Taking into account the nature and scope of the Group's operations, the Group reviews the Board composition annually and believes the current composition is diverse in terms of skills, experience and attributes for effective decision-making for the Group. The Board Diversity Policy has been set out in the "Corporate Governance and Risk Management" section of the Annual Report.

Fair Employment

The Group endeavours to create and maintain an inclusive and collaborative workplace culture in which all employees can thrive. Detailed employment practices have been stipulated in the Employee Code of Conduct Policy to ensure its compliance with labour and employment laws.

The Group is dedicated to maintaining workplaces that are free from discrimination, physical or verbal harassment against any individual on the basis of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion, among others. Employees are encouraged to report on any incidents in relation to discrimination to their immediate superior or Human Resources Department through the whistleblowing system. In FY2022, there were no reported incidents of discrimination (FY2021: Nil) and we target to maintain the record for FY2023.

SUSTAINABILITY REPORT

In FY2022, the Group has hired a new executive director to supplement the collective skillsets of the Board and therefore has recorded an overall turnover rate of approximately 10%. The breakdown is as follows:

Category	Number and rate of employee new hires
By gender	
Male	1 (13%)
Female	–
By age group	
< 30 years old	–
30 – 50 years old	1 (10%)
> 50 years old	–
By geographical region (Place of work)	
Singapore	1 (33%)
China	–
India	–

Due to the restructuring of the India operation, the Group has recorded an overall employee turnover rate of approximately 70% in FY2022. The breakdown is as follows:

Category	Number and rate of employee turnover
By gender	
Male	6 (75%)
Female	1 (50%)
By age group	
< 30 years old	3 (-)
30 – 50 years old	4 (40%)
> 50 years old	–
By geographical region (Place of work)	
Singapore	–
China	–
India	7 (175%)

As we recognise that human capital is the backbone in supporting the development of the Group, we are committed to providing competitive remuneration packages to full-time employees. Full-time employees enjoy benefits include but not limited to life insurance, health care, and disability and invalidity coverage. We believe that these benefits attract talent retention, which can create a positive work environment and help strengthen employees' commitment to the Group.

SUSTAINABILITY REPORT

Occupational Health and Safety

The Group is committed to safeguarding our employees' health and safety against any potential workplace hazards. We have taken measures to enhance employees' awareness of occupational health and safety in areas including fire safety, hygiene, work-life balance and prevention of injuries.

In view of the COVID-19 outbreak, the Group remains highly vigilant to the potential impact of health and safety on its employees. The Group has implemented COVID-19 control measures in accordance with regulations imposed by the Minister of Manpower in Singapore and other local authorities in China and India. Measures include but are not limited to work from home arrangement for office staff, restriction of physical meetings at workplace, monitoring of health program, safe distancing and other practices as required.

There have been no work-related fatalities, high-consequence work-related injuries and recordable work-related injuries for FY2022 (FY2021: Nil) and we target to maintain the record for FY2023.

Training and Education

Forise understands that there is a continuous need to upgrade staff skills and knowledge. This is beneficial to the staff development and also to the Group. Thus, staff are encouraged to go for courses and seminars to keep themselves updated of the latest rules and regulations and the market investment trends. All Directors have undergone an average of 4 hours training on sustainability matters as prescribed by the SGX-ST. There is no training given to employees in FY2022 as the Group reduces gathering due to the COVID-19 pandemic. The Group will strive to provide training programmes to our employees in due course in the coming years. Our target for FY2023 is to increase the average hours of training to 10 hours per employee per year to ensure the adequate level of training for their scope of work.

Customer Privacy Protection

The Group complies with relevant laws and regulations concerning customer privacy and endeavours to protect the personal data from misuse, loss, unauthorised access, modification, or disclosure. The Group has stipulated relevant rules in the Employee Code of Conduct Policy to ensure that the employees who handle customers' personal data and complaint data respect the confidentiality of such personal data and privacy, and handle with care to ensure customer privacy.

During FY2022, the Group has received no substantiated complaints concerning breaches of customer privacy and identified no leaks, thefts, or losses of customer data. We target to maintain this record for FY2023.

Supporting Local Communities

The Group recognises the importance in being socially responsible and strives to give back to society in a positive and meaningful way. The Group considers ways of supporting communities in which it operates through charitable donations and participating corporate social responsibility ("CSR") activities, such as reaching out to the less fortunate and extending a helping hand to them.

Unfortunately, due to the continuous outbreak of the COVID-19 pandemic in FY2022, as well as the various measures imposed to contain the spread of the virus such as social distancing, restriction of visits, limited size gathering and others, the Group had to suspend its CSR projects temporarily until the pandemic tides over. However, the Group intends to continue supporting various community projects once it is able, to do our part to contribute to society and the environment.

SUSTAINABILITY REPORT

SGX-ST Content Index

Primary Component	Reference/Description
(a) Material environmental, social and governance factors	MATERIALITY ASSESSMENT
(aa) Climate-related disclosures consistent with the recommendations of the TCFD	ENVIRONMENTAL – Climate Change Mitigation and Adaptation
(b) Policies, practices and performance	GOVERNANCE; ECONOMIC; ENVIRONMENTAL; SOCIAL
(c) Targets	GOVERNANCE; ECONOMIC; ENVIRONMENTAL; SOCIAL
(d) Sustainability reporting framework	ABOUT THE REPORT – Reporting Framework
(e) Board statement and associated governance structure for sustainability practices	BOARD STATEMENT

GRI Content Index

GRI Standard	Disclosure	Reference/Description
Statement of use		Forise has reported the information cited in this GRI content index for the period 1 January 2022 and 31 December 2022 with reference to the GRI Standards.
GRI 1 used		GRI 1: Foundation 2021
GENERAL DISCLOSURE		
GRI 2: General Disclosures 2021	2-1 Organizational details	BOARD STATEMENT; ABOUT THE REPORT – Reporting Scope and Period
	2-2 Entities included in the organization's sustainability reporting	ABOUT THE REPORT – Reporting Scope and Period
	2-3 Reporting period, frequency and contact point	ABOUT THE REPORT – Reporting Scope and Period, Feedbacks
	2-4 Restatements of information	No restatement was made in FY2022.
	2-5 External assurance	ABOUT THE REPORT – Independent Assurance
	2-6 Activities, value chain and other business relationships	ORGANISATIONAL PROFILE
	2-7 Employees	SOCIAL – Diversity and Equal Opportunity
	2-9 Governance structure and composition	BOARD STATEMENT – Our Sustainability Governance Structure
	2-12 Role of the highest governance body in overseeing the management of impacts	BOARD STATEMENT – Our Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	BOARD STATEMENT – Our Sustainability Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	BOARD STATEMENT – Our Sustainability Governance Structure

SUSTAINABILITY REPORT

GRI Standard	Disclosure		Reference/Description
	2-22 Statement on sustainable development strategy		BOARD STATEMENT – Our Sustainability Strategy
	2-23 Policy commitments		CORPORATE GOVERNANCE – Business Ethics and Compliance
	2-27 Compliance with laws and regulations		CORPORATE GOVERNANCE – Business Ethics and Compliance
	2-28 Membership associations		Member of Singapore Business Federation
	2-29 Approach to stakeholder engagement		STAKEHOLDER ENGAGEMENT
GRI 3: Material Topics 2021	3-1	Process to determine material topics	MATERIALITY ASSESSMENT
	3-2	List of material topics	MATERIALITY ASSESSMENT
	3-3	Management of material topics	GOVERNANCE; ECONOMIC; ENVIRONMENTAL; SOCIAL
MATERIAL TOPICS			
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	ENVIRONMENTAL – Climate Change Mitigation and Adaptation
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	ECONOMIC – Anti-corruption and Whistleblowing
	205-3	Confirmed incidents of corruption and actions taken	ECONOMIC – Anti-corruption and Whistleblowing
GRI 302: Energy 2016	302-1	Energy consumption within the organization	ENVIRONMENTAL – Energy and Emissions Management
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	ENVIRONMENTAL – Energy and Emissions Management
	305-2	Energy indirect (Scope 2) GHG emissions	ENVIRONMENTAL – Energy and Emissions Management
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	ENVIRONMENTAL – Energy and Emissions Management
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	ENVIRONMENTAL – Supplier Environmental Assessment
	308-2	Negative environmental impacts in the supply chain and actions taken	ENVIRONMENTAL – Supplier Environmental Assessment

SUSTAINABILITY REPORT

GRI Standard	Disclosure		Reference/Description
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SOCIAL – Diversity and Equal Opportunity
	401-2	Benefits provided to full- time employees that are not provided to temporary or part- time employees	SOCIAL – Fair Employment
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	SOCIAL – Occupational Health and Safety
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SOCIAL – Training and Education
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SOCIAL – Diversity and Equal Opportunity
GRI 406: Non- discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	SOCIAL – Fair Employment
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SOCIAL – Supporting Local Communities
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SOCIAL – Customer Privacy Protection

CORPORATE GOVERNANCE REPORT

Forise International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining high standards of corporate governance and a robust governance framework within the Group. Good corporate governance establishes an ethical and accountable corporate environment, which will maximise long-term value for the shareholders of the Company and protect their interests.

The Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) requires all listed companies to describe, in their annual reports, their corporate governance practices with specific reference to the principles of the Code of Corporate Governance 2018 (the “**Code**”). As such, this report sets out the Company’s main corporate governance framework and practices with specific reference to the Code, for the financial year ended 31 December 2022 (“**FY2022**”).

The Board of Directors is pleased to report that for FY2022, the Group has adhered closely with the principles and provisions of corporate governance of the Code. Where there are any deviations from the provisions of the Code, reasons and explanations on how the Company’s practices adopted are consistent with the intent of the relevant principle have been provided where appropriate.

1. BOARD MATTERS

1.1 THE BOARD’S CONDUCT OF AFFAIRS

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

As at the date of this report, the Board comprises the following members:

Executive Directors

Peng Weile (Leo)	Executive Director
Wan Jinn Woei	Executive Director

Non-Executive Directors

Siow Chee Keong	Independent Director
Lee Ah Too	Independent Director

The primary function of the Board is to provide entrepreneurial leadership and direction to enhance the long-term value and returns for its shareholders. The Board oversees the business affairs of the Group and has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, funding and investments proposals, financial performance reviews and corporate governance practices.

Each Director is a fiduciary who must exercise due diligence and independent judgement in dealing with the business affairs of the Group, and must act objectively in the best interests of the Company by holding the Company’s management (“**Management**”) accountable for performance and exercising close oversight over key areas in corporate governance, finance, strategy, risk management and internal controls. In furtherance of this principle, the Board has put in place a code of conduct and ethics, set appropriate tone-from-the-top and desired organisational culture, and ensured proper accountability within the Company. Furthermore, Directors are not to allow themselves to be placed in a position of real or apparent conflict of interest. Directors facing conflicts of interest must declare such conflict to the Board, and recuse themselves from discussions and decisions involving the issues of conflict.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.1 **THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)**

Apart from its statutory requirements, the Board performs the following principal functions:

- (a) provides stewardship to the Company, including charting its corporate strategies and business plans which should include appropriate focus on value creation, innovation and sustainability;
- (b) supervises the management of the businesses and affairs of the Group and provides guidance and advice to Management;
- (c) constructively challenges the Management and reviews its performance;
- (d) reviews and approves the Group's strategic plans, key operational initiatives, major funding and investment proposals;
- (e) identifies principal risks of the Group's businesses, ensures that appropriate systems are in place to manage these risks and achieves an appropriate balance between risks and Company performance;
- (f) oversees the evaluation of the adequacy of internal controls, addresses risk management, financial reporting and compliance, and satisfies itself as to the sufficiency of such processes;
- (g) reviews the financial performance of the Group;
- (h) assumes responsibility for corporate governance practices;
- (i) considers corporate social responsibility and sustainability issues as part of its strategic formulation;
- (j) instills an ethical corporate culture and ensures that the Company's values, standards, policies and practices are consistent with the culture; and
- (k) ensures transparency and accountability to key stakeholder groups.

Board Approval

The Board has also adopted internal guidelines and financial authority limits structures setting forth matters that require the Board's decision or specific approval. Matters specifically reserved to the Board for its approval are clearly communicated to Management in writing, and include:-

- (a) annual budget;
- (b) corporate strategy and business plans;
- (c) the appointment and remuneration packages of the Directors and the Management;
- (d) the Group's half-yearly and full-year financial results announcements;
- (e) annual report and accounts for each financial year;

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.1 **THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)**

Board Approval (continued)

- (f) interested persons transactions of a material nature and matters involving a conflict of interest of a substantial shareholder or a Director;
- (g) material acquisitions and disposal of assets or mergers and acquisitions;
- (h) corporate or financial restructuring;
- (i) share issuances, interim dividends and other returns to shareholders;
- (j) acceptance of bank facilities; and
- (k) any material investments or expenditures not in the ordinary course of the Group's businesses.

At law, Directors are to act objectively in good faith and the best interests of the Company, while exercising due care, skill and diligence, and avoid conflicts of interest in the discharge of the duties of their office. While matters relating to the Group's strategies and policies require the Board's direction and approval, the Management is responsible for the day-to-day operations and administration of the Group.

Delegation by the Board

To further assist the Board in the discharge of its oversight functions and to enhance the Company's corporate governance framework, the following board committees have been established: the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively, the "Board Committees").

These Board Committees are formed with and function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The delegation of authority by the Board to the Board Committees enables the Board to achieve operational efficiency by empowering these Board Committees to decide on matters within their respective terms of reference and/or limits of delegated authority and yet maintain control over major policies and decisions. The effectiveness of each Board Committee is also constantly monitored by the Board. Minutes of all Board Committee meetings will be circulated to the Board so that the Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility for all matters lies with the Board.

Details of other Board Committees are as set out below:

1. Nominating Committee (Principle 4);
2. Remuneration Committee (Principle 6);
3. Audit Committee (Principle 10).

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.1 **THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)**

Board Meetings and Attendance

The Board meets at least on a half-yearly basis and convenes at other times as warranted by particular circumstances to discuss the Group's key activities. Dates of the Board and Board Committee meetings and the annual general meeting ("AGM") are normally set by the Directors well in advance to assist Directors in planning their attendance. In between the scheduled meetings, the Board may have ad-hoc Board meetings and/or informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by the circulation of resolutions in writing. Key matters discussed at these meetings include financial performance, annual budget, corporate strategy, significant operational matters, and business opportunities and governance issues.

Meetings of the Board and Board Committees may be conducted by way of telephone or video conferencing, if necessary. The Company's Constitution permits the Directors of the Company to attend meetings through the use of audio-visual communication equipment.

The number of meetings held by the Board and Board Committees and the Directors' attendance for FY2022 are summarized in the table below. The Company is pleased to note that its Directors actively prepare for and participate in the Board and Board Committee meetings, and that the Directors with multiple board representations conscientiously dedicate sufficient time and attention to the affairs of the Company.

		Board Committees				AGM	EGM
		AC	RC	NC	Board		
No. of Meetings Held in the Year		3	1	1	2	1	0
Board Members	Attendance Percentage	No. of Meetings Attended					
Peng Weile	75%	3	0	0	2	1	0
Wan Jinn Woei ⁽¹⁾	100%	2	N/A	N/A	1	N/A	0
Peng Fei ⁽²⁾	100%	2	1	1	2	1	0
Azman Hisham bin Ja'afar ⁽³⁾	100%	3	1	1	2	1	0
Siow Chee Keong	100%	3	1	1	2	1	0
Lee Ah Too ⁽⁴⁾	100%	1	N/A	N/A	N/A	N/A	0

Notes:

- (1) Mr. Wan Jinn Woei was appointed to the Board as an Executive Director on 1 August 2022 and attended all meetings of the Company held thereafter.
- (2) Mr. Peng Fei ceased to be a Non-executive Director with effect from 9 September 2022. He attended all meetings during his tenure of service in FY2022.
- (3) Mr. Azman Hisham bin Ja'afar ceased to be an Independent Director with effect from 2 February 2023. He attended all meetings during his tenure of service in FY2022.
- (4) Mr. Lee Ah Too was appointed to the Board as an Independent Director on 1 December 2022 and attended all meetings of the Company held thereafter.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.1 **THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)**

Access to Complete, Adequate and Timely Information

The Management and Executive Directors provide the Board with relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an on-going basis, in sufficient and adequate detail so as to enable the Board to be fully cognisant of the decisions and actions of Management. The Management also updates the Board on the business and strategic developments of the Group, and highlights the salient issues as well as the risk management considerations for the industry the Group is in. The Board is further apprised of any significant developments, receives training or briefings (either in-house or externally by auditors, company secretary, Management and/or other relevant professionals and during Board or ad hoc sessions) on business initiatives, industry developments and changes to laws, regulations and accounting standards.

All Directors have unrestricted access to the records and information of the Group. The Directors also have separate and independent access to Management, Company Secretaries, and external advisers at all times through email, telephone, videoconference and face-to-face meetings. Directors and the Chairman of the respective Board Committees, whether as a group or individually, have the right to seek and obtain independent professional advice as and when necessary, at the expense of the Company, in furtherance of their duties and responsibilities as Directors.

Company Secretary

Under the direction of the Chairman, the Company Secretary's responsibilities include, amongst other things, ensuring good information flow within the Board and its Board Committees and providing updates and advice on governance matters.

The Company Secretary assists the Board and the Chairman of each Board Committee in the development of the agendas for the various Board and Board Committee meetings. He administers and attends all Board and Board Committee meetings of the Company and prepares minutes of meetings. He is also responsible for, among other things, ensuring that Board procedures are observed and that the relevant rules and regulations, including requirements of the Companies Act, Securities and Futures Act and the Listing Rules of the SGX-ST, are complied with.

The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Director Development/Training

A formal letter of appointment is furnished to every newly appointed director upon his/her appointment explaining, among other matters, the roles, obligations, duties and responsibilities as a member of the Board. The Company also conducts a comprehensive induction programme for newly appointed directors which provides background information about the Group's structure and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. Further, in order to provide the Independent Non-executive Directors with a better understanding of the Group's business and operations, familiarization visits to the Group's offices will be organised by the Company on a need-to basis, where necessary. The Directors can also request for further briefings or information on any aspect of the Group's business or operations from the Management.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.1 **THE BOARD'S CONDUCT OF AFFAIRS (CONTINUED)**

Director Development/Training (continued)

A new director appointed to the Board who has no prior experience as a director of a listed company, in addition to the induction programme above, will be required to attend specific modules of the Listed Entity Director (“**LED**”) Programme conducted by the Singapore Institute of Directors (“**SID**”) in order to acquire the relevant knowledge of what is expected of a listed company director, which is a mandatory requirement under the Listing Rules of the SGX-ST, unless the NC is of the view that such training is not required because the Director has other relevant experience. The training will cover the roles and responsibilities of a director of a listed company, which includes relevant areas such as accounting, legal knowledge and compliance, and will provide the newly appointed Directors with a better understanding of the Group’s business activities, strategic direction and policies, key business risks, governance practices and the Group’s culture, to enable them to integrate into their new roles. As at the date of this report, all Directors have duly completed their SID and sustainability reporting trainings as required by SGX-ST.

All Directors are also briefed and provided with regular updates on pertinent business developments, as well as developments in areas such as corporate governance, commercial risks, changes to laws and regulations pertaining to the Group’s business and operations, and changes in financial reporting standards, so as to enable them to properly discharge their duties as Board members.

The Group sponsors relevant courses and seminars for new and existing Directors in issues beyond basic director’s duties and liabilities. Our Directors, from time to time, attend appropriate courses, conferences and seminars. The Board encourages the Directors to continually develop and refresh their professional knowledge and skills, and to keep themselves abreast of relevant developments in the Group’s business and the regulatory and industry-specific environments in which the Group operates.

1.2 **BOARD COMPOSITION AND GUIDANCE**

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

As at the date of this Annual Report, the Board has four Directors, comprising two Executive Directors and two Independent Non-Executive Directors.

As two out of four members of the Board are Independent Directors, there is a strong independent element on the Board and no individual or group of individuals dominate the Board’s decision-making process.

The Board recognises that this departs from the requirements of Provisions 2.2 and 2.3 of the Code, which stipulate that Independent Directors must make up a majority of the Board where the Chairman is not independent and Non-executive Directors should make up a majority of the Board. However, the Board has identified a suitable candidate to be appointed to the Board as an Independent Non-executive Director (the “**Proposed New Director**”), subject to the approval of shareholders at the upcoming AGM. Shareholders may refer to pages 114 to 119 of this Annual Report for more information on the Proposed New Director as required by Appendix 7.4.1 of the Listing Manual.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.2 **BOARD COMPOSITION AND GUIDANCE (CONTINUED)**

Directors' Independence

The independence of each Director is reviewed annually by the NC in accordance with the Code. Under the Code, a Director is considered independent if he is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, substantial shareholders (holding not less than 5% of the total shareholding of the Company) 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.

The Board considers the existence of relationships or circumstances, including those identified by the Listing Manual and the Code's Practice Guidance, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include, but are not limited to, (a) the employment of a Director by the Company or any of its related corporations during the current or any of the past three financial years; (b) a Director being on the Board for an aggregate period of more than nine years; (c) the acceptance by a Director of any significant compensation from the Company or its related corporations for the provision of services during the current or previous financial year, other than compensation for board service; and (d) a Director being a substantial shareholder, executive officer or director of any organisation which provided to or received from the Company or any of its subsidiaries significant payments or material services during the current or immediate past financial year. Any Director who has an interest or relationship which is likely to impact their independence or conflict with a subject under discussion by the Board is required to immediately declare their interest or relationship to the Board.

The Directors complete an annual declaration of independence, whereby they are required to assess their independence having taken into account the above requirements, which is then put to the NC for review. The two Independent Directors have confirmed their independence and that they do not have any interest in and any business or other 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 their independent judgment with a view to the best interests of the Group. Neither of them has been on the Board for an aggregate period of more than nine years. Following its annual review, the Board and the NC are of the view that Mr Siow Chee Keong and Mr Lee Ah Too have, at all times, discharged their duties with professionalism and objectivity, and exercised strong independent judgement in the best interests of the Company.

For the above reasons, the NC is of the view that the two Independent Directors are independent in accordance with the definition of independence in the Code.

When the Board requires new Independent Directors to be elected to the Board, the NC will first identify and recommend candidates to the Board, which then considers the views of the NC prior to determining whether the Director is independent in conduct, character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.2 **BOARD COMPOSITION AND GUIDANCE (CONTINUED)**

Directors' Independence (continued)

As at the date of this Annual Report, the Company does not currently have a Chairman, and Independent Directors make up half the Board. Under the Code, Provision 2.2 requires Independent Directors to make up a majority of the Board where the Chairman is not independent; further, the Company is required under Provision 3.3 to appoint a Lead Independent Director where the Company's Chairman is not independent and is conflicted. While the Company is actively seeking to appoint a new Independent Director to comply with Provision 2.2, it is of the view that notwithstanding not having appointed any Lead Independent Director, the intent of Provision 3.3 is fulfilled by reason of the Board not having a Chairman and half the Board members comprising Independent Directors who discuss matters robustly and present a strongly independent judgment in the best interests of the Company's stakeholders. In this way, there is no person who can dominate the Board's decision-making process, and objectivity on matters under deliberation is assured.

The Independent Directors also provide oversight on Management's performance by constructively challenging and helping to develop proposals on strategy. They regularly meet without the presence of Management to review the effectiveness and performance of Management in meeting agreed goals and objectives, after which feedback is provided to Management.

Nevertheless, the Company is committed towards continuous development and improvement, and therefore remains open to the possibility of appointing a Chairman and/or Lead Independent Director in the future if it deems suitable or appropriate.

The Company currently has no Independent Directors who have served on the Board beyond nine years.

Board diversity

The Company has a formal Board diversity policy which endorses the principle that its Board should have a balance of skills, knowledge, experience and diversity of perspectives appropriate to its business so as to mitigate against groupthink and to ensure that the Group has the opportunity to benefit from all available talents. In reviewing Board composition, the NC considers the benefits of all aspects of diversity, including diversity of background, experience, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and where possible should be balanced appropriately.

The current Board composition reflects the Company's commitment to Board diversity. Every year, the NC conducts its review of the composition of the Board, which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences, meet with the requirements of the Group at the point in time. Each director has been appointed on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

In addition, the Board consist of directors with ages ranging from early 40s to late 60s, who has served on the Board for different tenures. The Board members with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction.

CORPORATE GOVERNANCE REPORT

1. BOARD MATTERS (CONTINUED)

1.2 BOARD COMPOSITION AND GUIDANCE (CONTINUED)

Board diversity (continued)

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and will recommend the appropriate revisions to the Board for consideration and approval. It will also continue its identification and evaluation of suitable candidates to ensure there is diversity on the Board.

Key information regarding the Directors in office as at the date of this Report, including their principal commitments, are set out below and on pages 7 and 8 of this Report:

Name of Director	Date of initial Appointment	Date of last re-election	Directorships in other listed companies	
			Current	Past 3 Years
Peng Weile	19 August 2015	27 April 2021	HealthBank Holdings Limited	Nil
Wan Jinn Woei	1 August 2022	N/A	N/A	N/A
Siow Chee Keong	1 December 2021	27 April 2022	Compass Venture Inc. Ascent Bridge Limited	Pico (Thailand) Public Company Limited
Lee Ah Too	1 December 2022	N/A	Poh Huat Resources Holdings Berhad	N/A

1.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Role of the Chairman and Chief Executive Officer

The Company currently does not have a Chairman or Chief Executive Officer ("CEO"). The responsibilities of the Group's business and executive decisions are undertaken by the two Executive Directors, Mr. Peng Weile and Mr. Wan Jinn Woei, who carry out the overall management, strategic development, and day-to-day operations of the Group's business.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.3 **CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CONTINUED)**

Role of the Chairman and Chief Executive Officer (continued)

The Executive Directors bear responsibility for ensuring that all Directors and Management work together with integrity and competency. They are responsible for, amongst other things, ensuring that Board meetings are held when necessary, facilitating sufficient quality, quantity and timeliness of information flow between the Board and Management, setting the Board meeting agenda in consultation with Management, assisting in ensuring the Group's compliance with corporate governance regulations and maintaining regular dialogues with the Management on all operational matters.

In particular, Mr. Peng Weile has, since his appointment to the Board in August 2015, been responsible for the management of the Group as well as for executing all strategic directions set by the Board, and therefore has a keen understanding of the Group's activities, strengths and capabilities. As a member of the Board and the senior Management team, Mr. Peng Weile has always been actively involved with decision-making and the formulation of strategic directions. Mr. Wan Jinn Woei has also actively participated in the implementation of corporate plans, policies and executive decisions of the Group since recently joining the Company in August 2022, and is contributing towards the Group's direction and growth in the regional market.

Both Executive Directors are committed towards pursuing high standards of corporate governance, and regularly interact with the Board and Management to ensure timely and adequate information flow. As the Company is managed objectively on a transparent basis, with all major decisions subject to a majority approval of the Board (and currently, half the Board is made up of Independent Directors), there is no concentration of power in any one or a few select individuals on the Board. Given the foregoing and taking into account the size, corporate structure, nature and scope of the Group's operations, amongst others, the NC and the Board are of the view that notwithstanding the Company not having a Chairman or CEO, the process of decision-making by the Board is based on collective decisions without any one individual or group having unfettered or concentrated powers of influence.

Appointment of Independent Chairman and/or Lead Independent Director

Provision 3.3 of the Code provides that a Lead Independent Director should be appointed to provide leadership in situations where the Chairman is conflicted, and especially where the Chairman is not independent. As the Group has not elected a Chairman, the Board size is small (comprising four Directors) and half the Board consists of Independent Directors, the Board is of the view that the appointment of a Lead Independent Director is not necessary at the moment. Further, the Board and Management have always responded to queries raised by shareholders in a timely manner and have been and will always remain accessible to shareholders. The absence of a Lead Independent Director has not impacted and is unlikely to impact the process of objective and independent decision-making by the Board, nor has it impacted and is unlikely to impact shareholders' accessibility to information and responses to queries from the Board.

Nevertheless, the Board will continue to periodically examine the need to appoint a Lead Independent Director from. If a Lead Independent Director is appointed, the Company will, in accordance with the Code, ensure that he or she remains available to shareholders where they have concerns.

CORPORATE GOVERNANCE REPORT

1. BOARD MATTERS (CONTINUED)

1.4 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.

NC Composition and Role

The NC establishes and reviews the profile required of Board members, and makes recommendations to the Board on the appointment, re-appointment and retirement of Directors, taking into account the need for progressive renewal of the Board and each Director's competencies, commitment, contribution and performance. To ensure that the governance and business needs of the Company are adequately addressed, the NC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a Director when making its recommendations to the Board.

As at the date of this Annual Report, the NC comprises two Directors, both of whom (including the NC Chairman) are independent, namely:

Mr. Lee Ah Too	Chairman
Mr. Siow Chee Keong	Member

As mentioned above, the Board has identified the Proposed New Director, the particulars of whom are set out in pages 114 to 123 of this Annual Report, as a suitable candidate to be appointed as a third member of the NC. Subject to his appointment being approved by shareholders at the upcoming AGM, the NC will comprise of three Directors, all of whom will be independent.

The NC functions under a set of written terms of reference which sets out its responsibilities as follows:

- (a) To make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board;
- (b) To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
- (c) To determine the process for search, nomination, selection and appointment of new Board members and be responsible for assessing nominees or candidates for appointment or election to the Board, determining whether or not such nominee has the requisite qualifications and whether or not he/she is independent;
- (d) To determine annually whether or not a Director is independent, having regard to the provisions in the Code;
- (e) To ensure that all Directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three (3) years, and to recommend Directors who are retiring by rotation to be put forward for re-election;
- (f) To assess whether or not a Director is able to, and has been, adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.4 **BOARD MEMBERSHIP (CONTINUED)**

NC Composition and Role (continued)

- (g) To develop the process for evaluation of the performance of the Board, the Board Committees and Directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each Director; and
- (h) To review the training and professional development programs for the Board.

Process for Selection of New Directors

There is a formal and transparent process for the appointment of new Directors to the Board. The NC reviews and recommends all new Board appointments and re-appointments. In doing so, the NC ensures that Directors appointed to the Board possess the background, experience and knowledge in technology, business, legal, finance and management skills critical to the Company's business and that each Director contributes and brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. In the nomination and selection process of a new Director, the NC will also take into consideration the current Board size and its composition – including the mix of expertise, skills and attributes of the Directors – and determine if the candidate's background, experience and knowledge will bolster the core competencies of the Board. The NC seeks potential candidates widely and beyond Directors' and/or Management's recommendations and is empowered to engage external parties, such as professional search firms and institutions, to undertake research on or assessment of candidates as it deems necessary.

Where a vacancy arises under any circumstances, or where it is considered that the Board could benefit from the services of a new Director with particular skills, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. The NC will evaluate the capabilities of the candidates in the area of academic and professional qualifications, knowledge and experiences in relation to the business of the Group.

The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for approval and appointment as Director.

In accordance with the above process, the NC has identified the Proposed New Director, the particulars of whom are set out in pages 114 to 123 of this Annual Report, as the suitable candidate to the Board for approval and appointment as an Independent Non-executive Director. The Board has accepted the recommendations of the NC and accordingly the Proposed New Director will be seeking election at the forthcoming AGM.

Process for re-appointment of Directors

The NC is also responsible for reviewing the re-appointment of Directors who retire by rotation, taking into consideration the Director's integrity, independence mindedness, contribution and performance (such as attendance, participation, preparedness and candour) and any other factors as may be determined by the NC.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.4 **BOARD MEMBERSHIP (CONTINUED)**

Process for re-appointment of Directors (continued)

Under the Company's Constitution, all Directors, including Executive Directors, must submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. Regulation 107 of the Company's Constitution provides that one-third of the Board, or the number nearest to one-third is to retire by rotation at every AGM. In addition, Regulation 117 of the Company's Constitution also provides that new Directors appointed during the year either to fill a casual vacancy or as an addition to the Board are required to submit themselves for re-election at the next AGM of the Company. Each Director must abstain from voting on any resolutions in respect of his re-nomination and re-election.

The following Directors are retiring at the forthcoming AGM in accordance with Regulation 117:

- (a) Wan Jinn Woei (per Regulation 117)
- (b) Lee Ah Too (per Regulation 117)

Mr Wan Jinn Woei and Mr Lee Ah Too, being eligible, have offered themselves for re-election and the NC has recommended their re-election to the Board. In making their recommendations, the NC had considered the said Directors' qualification, experience, independence and/or overall contribution and performance (as the case may be). Each of them have abstained from the NC's recommendation and the Board's resolution pertaining to his re-election respectively. The Board has accepted the recommendations of the NC.

Multiple Directorships

The NC has reviewed the contribution by each Director, by considering whether each Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into account their listed company board representations and other principal commitments. In addition, the NC will also take into consideration, amongst other things, a qualitative assessment of each Director's contributions as well as any other relevant time commitments.

The NC has considered and taken the view that it would not be meaningful to set a limit on the number of listed company directorships that a Director may hold because Directors have different capabilities, the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. Accordingly, each Director would personally determine the demands of his competing directorships and obligations and assess the number of directorships they could hold and serve effectively. In any case, the NC notes that none of the Directors hold five or more listed company directorships. Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC, having reviewed each Director's attendance, participation and contribution, is of the view that sufficient time and attention to the affairs of the Company has been given by these Directors and is satisfied that all Directors have discharged their duties adequately for FY2022.

In addition, each Director has confirmed that notwithstanding other listed company board representations and other principal commitments (if any), he is able to devote sufficient time and attention to the affairs of the Group. The NC and the Board will continue to review from time to time the listed company board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Company and are able to discharge their duties adequately.

Alternate Directors

There are no alternate Directors appointed.

CORPORATE GOVERNANCE REPORT

1. **BOARD MATTERS (CONTINUED)**

1.5 **BOARD PERFORMANCE**

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

The Board, through the NC, has used its best effort to ensure that Directors appointed to the Board and the Board Committees, whether individually or collectively, possess the background, experience and the relevant skills set which are critical to the Group's business. It has also ensured that each Director, with his special contributions, brings to the Board an independent and objective perspective to enable sound, balanced and well-considered decisions to be made.

The NC has established a formal review process to assess the performance and effectiveness of the Board as a whole and each of the Board Committees, as well as the contribution by each individual Director to the effectiveness of the Board. This is done annually. The evaluation process is undertaken as an internal exercise and involves Board members completing detailed evaluation forms covering areas relating to a number of factors, including the discharge of the Board functions, access to information, participation at Board meetings and communication and guidance given by the Board to the Management. Feedback on the key areas was also given as part of the evaluation process.

Each Director will assess the Board's performance as a whole and provide their feedback to the NC. Each Director will evaluate the performance of the Board taking into account a set of objective performance criteria recommended by the NC which includes, amongst other things, Board composition and size, shareholders' access to information, Board processes, Board effectiveness, Board standards of conduct and financial performance indicators. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how the Directors have enhanced long-term shareholders' value. A similar evaluation process is also conducted by each member of each Board Committee, who will evaluate the relevant Board Committee and provide feedback to the NC.

In reviewing the Board's effectiveness as a whole and the Board Committees, the NC will take into account the feedback from Board and Board Committee members as well as the Director's individual skills and experience. The annual evaluation process facilitates consideration by the Board of its membership, including renewal considerations. The results of the evaluation exercise will be considered by the NC, and a summary report will be compiled, with a view to implementing certain recommendations to further enhance the effectiveness of the Board's oversight of the Group.

The contribution of each individual Director to the effectiveness of the Board and Board Committee is assessed individually and reviewed by the NC. In assessing an individual Director's performance, factors that are to be taken into consideration include attendance at Board meetings and related activities, adequacy of preparing for board meetings, commitment of time to Director's duties, contributions in specialist areas, generation of constructive ideas, and maintenance of independence. The NC will also consider other contributions by a Director such as the Director having provided objective perspectives on issues, facilitated business opportunities and strategic relationships, and/or the Director's accessibility to the Management outside of formal Board and/or Board Committee meetings. The performance of each Director will be taken into account in re-election.

CORPORATE GOVERNANCE REPORT

1. BOARD MATTERS (CONTINUED)

1.5 **BOARD PERFORMANCE (CONTINUED)**

The NC, having reviewed the overall performance of the Board and the Board Committees in terms of their roles and responsibilities, the conduct of their affairs as a whole, and each individual Director's performance, is of the view that the performance of the Board and each individual Director has been satisfactory for FY2022. Each member of the NC has abstained from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director.

No external facilitator was used in the evaluation process.

2. REMUNERATION MATTERS

2.1 **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 two Directors, both of whom are Independent Non-Executive Directors, namely:

Mr. Lee Ah Too	Chairman
Mr. Siow Chee Keong	Member

As mentioned above, the Board has identified the Proposed New Director, the particulars of whom are set out in pages 114 to 123 of this Annual Report, as a suitable candidate to be appointed as a third member of the RC. Subject to his appointment being approved by shareholders at the upcoming AGM, the RC will comprise of three Directors, all of whom will be independent.

The RC holds at least one meeting in each financial year. The RC functions under a set of written terms of reference which sets out its responsibilities as follows:

- (a) To recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company, and determine the specific remuneration package for each Executive Director;
- (b) To review the remuneration package of senior management being the top five (5) key management personnel of the Company;
- (c) To perform an annual review of the remuneration of employees related to the Directors and controlling shareholders of the Company to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increase and/or promotions for these employees; and
- (d) To review and approve the overall compensation policy of the Company.

CORPORATE GOVERNANCE REPORT

2. REMUNERATION MATTERS (CONTINUED)

2.1 PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (CONTINUED)

The RC is responsible for ensuring that a formal and transparent procedure is in place for policy development and for determining the remuneration packages of individual Directors and key management personnel (“KMP”). The RC reviews all aspects of remuneration, including but not limited to, directors’ fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments, and submits its recommendations to the Board for endorsement. The RC also reviews any obligation on the part of the Company in the event of termination of executive directors’ or KMP’s contract of service, to ensure that such contracts contain fair and reasonable termination clauses. In undertaking such review and recommendation, the RC aims to be fair and avoid rewarding poor performance.

On an annual basis, the RC reviews and recommends the specific remuneration packages of the Executive Directors and the KMPs, including the annual increments and year-end variable bonuses, for approval by the Board. Each RC member will abstain from voting on any resolution and making any recommendations in respect of his remuneration package. The RC has met to consider and review the remuneration packages of the Directors and KMP, including those employees related to the Executive Directors and controlling shareholders of the Company.

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. There being no specific necessity, the RC did not require the services of an external remuneration consultant in FY2022.

2.2 LEVEL AND MIX OF REMUNERATION

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

In order to maximise shareholders’ value and promote the long-term success of the Group, the Company seeks to attract, retain and motivate the Management and employees by tailoring competitive remuneration packages to the specific role and circumstances of each Director, the CEO and KMP. This ensures an appropriate remuneration level and mix that recognises the performance, potential, and responsibilities of these individuals.

In setting remuneration packages, the Company takes into account, amongst other things, each individual’s scope of responsibilities, prevailing market conditions, the Company’s risk policies and future plans, the time horizon of such risks and comparable industry benchmarks. The Company rewards the Management and employees based on achievement of individual performance objectives using indicators such as competencies, key result areas, performance ratings and the Group’s financial performance. The Board is of the view that performance-based remuneration will motivate the Management and employees to achieve superior performance and promote the long-term growth of the Group.

The Independent Directors of the Company have not entered into service agreements (except for the letter of appointment) with the Company. They receive Directors’ fees for serving on the Board, which is in proportion to their level of contribution taking into account other factors such as effort, time spent and responsibilities, and subject to the approval of Shareholders at each AGM. The RC recognises the need to pay competitive fees to attract, motivate and retain such Independent Directors, yet not over-compensate them to the extent that their independence may be compromised. Directors’ fees are recommended by the Board for approval by the shareholders at the Company’s AGM.

CORPORATE GOVERNANCE REPORT

2. REMUNERATION MATTERS (CONTINUED)

2.2 LEVEL AND MIX OF REMUNERATION (CONTINUED)

The Executive Directors have service contracts covering the terms of employment, salaries and other benefits. The RC seeks to ensure that the level and mix of remuneration for Executive Directors are competitive and promote the Group's long-term success. The Executive Directors have an employment term of not more than three years and remuneration package consisting of fixed salary, bonus and performance bonus linked to corporate and individual performance.

The Company's compensation framework comprises of fixed pay and short-term and long-term incentives. The Company subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees and using indicators such as core values, competencies, key result areas, performance rating, and potential of the employees. Long-term incentive schemes are put in place to motivate and reward employees and align their interests to maximise long-term shareholder value.

The RC has met to consider and review the remuneration packages of the Directors and KMP, including those employees related to the Executive Directors and controlling shareholders of the Company.

2.3 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.

To maintain the confidentiality of the remuneration policies of the Company, the Board is of the view that it is in the best interests of the Company not to fully disclose the remuneration of each individual Executive Director, although it is aware of the requirement to do so in due course for financial years ending on or after 31 December 2024. The RC reviews and recommends to the Board the remuneration framework for Directors as well as KMP, and approves the specific remuneration packages of each KMP taking into consideration the Group's performance targets, the individual KMP's performance, market practices in compensation, and the Group's existing businesses and business performance in FY2022, among others.

CORPORATE GOVERNANCE REPORT

2. REMUNERATION MATTERS (CONTINUED)

2.3 DISCLOSURE ON REMUNERATION (CONTINUED)

Details of remuneration of Directors

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

Remuneration Band and Name of Director	Director Fees % ⁽¹⁾	Salary %	Bonus %	Total %	Total S\$ ('000)
<i>Below S\$250,000</i>					
Peng Weile	–	100	–	100	*
Wan Jinn Woei ⁽²⁾	–	100	–	100	*
Peng Fei ⁽³⁾	100	–	–	100	21.9
Azman Hisham bin Ja'afar ⁽⁴⁾	100	–	–	100	34.3
Siow Chee Keong	100	–	–	100	33.0
Lee Ah Too ⁽⁵⁾	100	–	–	100	2.7

Notes:-

- (1) The Directors' fees were approved at the Company's AGM held on 27 April 2022.
- (2) Mr. Wan Jinn Woei is also a substantial shareholder of the Company. He was appointed to the Board as an Executive Director on 1 August 2022.
- (3) Mr. Peng Fei ceased to be a Non-executive Director with effect from 9 September 2022.
- (4) Mr. Azman Hisham bin Ja'afar ceased to be an Independent Director with effect from 2 February 2023.
- (5) Mr. Lee Ah Too was appointed to the Board as an Independent Director on 1 December 2022.

* As disclosed in page 101 of the Annual Report, the Executive Directors' remuneration are S\$287,000 in total.

Details of remuneration of top KMP

The Company's staff remuneration policy is based on individual's rank and role, the individual's performance, the Group's performance and industry benchmarking gathered from companies in comparable industries. The breakdown of remuneration paid to or accrued to each KMP for FY2022 is as follows:

Key Executives	Salary %	Bonus %	Total %
<i>Above S\$250,000 below S\$300,000</i>			
Dr. Shreeram Subramaniam Iyer	100	–	100
<i>Below S\$250,000</i>			
Yap Yoke Peng	100	–	100
Xin Yue Sheng	100	–	100
Wu Li Wei	100	–	100
Pranal Gore	100	–	100

CORPORATE GOVERNANCE REPORT

2. REMUNERATION MATTERS (CONTINUED)

2.3 DISCLOSURE ON REMUNERATION (CONTINUED)

Details of remuneration of top KMP (continued)

The aggregate total remuneration paid to the top five KMP (who are not Directors or the CEO) for FY2022 is approximately SGD465,000.

No termination, retirement and post-employment benefits other than payment in lieu of notice in the event of termination were included in the employment contracts of Directors and the top five KMP.

Details of remuneration of employees who are immediate family members of a Director, CEO or substantial shareholder

There is no employee of the Group who is an immediate family member of a Director, CEO or a substantial shareholder of the Company, whose remuneration exceeded S\$100,000 for FY2022.

There is also no other employee of the Group who is a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 for FY2022.

Details of Employee Share Scheme

The Company does not currently have employee share schemes implemented.

3. ACCOUNTABILITY AND AUDIT

3.1 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, including determining the nature and extent of the significant risks which the company is willing to take. The Board oversees the company's risk management framework and policies including reviewing the Group's business and operational activities to determine the nature and extent of significant business risks, and recommending to the Management the appropriate strategy and resources required for managing risks that are consistent with the Group's risk appetite. The Board also ensures that Management maintains a sound system of internal controls and risk management practices for good corporate governance within the Group to safeguard shareholders' interests and the Group's assets and to manage risks. In this regard, the Board:

- (a) ensures that Management maintains a sound systems of risk management to safeguard shareholders' interest and the Group's assets;
- (b) determines the nature and extend of significant risks that the Board is willing to take in achieving its strategic objective;
- (c) determines the Company's levels of risk tolerance and risk policies;

CORPORATE GOVERNANCE REPORT

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

3.1 RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

- (d) oversees Management in the design, implementation and monitoring of risk management and internal control systems (including financial, operational, compliance and information technology risks), and ensures that the necessary corrective actions are taken on a timely basis; and
- (e) reviews annually the adequacy and effectiveness of the risk management policies and systems, and key internal controls.

There are formal procedures in place for the independent auditor to report on the internal controls and risk management and to make recommendations to Management and to the AC independently in this regard.

The Board reviews the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management. In this respect, the AC reviews the audit plans, and the findings of the independent auditor and ensures that the Company follows up on the auditors' recommendations raised, if any, during the audit process. The KMP will also regularly evaluate, monitor and report to the AC on material risks. While no cost effective internal control system can provide absolute assurance against loss or misstatement, the AC, with the participation of the Board, has reviewed the adequacy of the Group's internal controls and systems to ensure that they are designed to provide reasonable assurance that assets are safeguarded, operational controls are in place, business risks are suitably managed, proper accounting records are maintained and the integrity of financial information used for business and publication are preserved.

The Group has adopted the Enterprise Risk Management ("ERM") framework pursuant to which it has established risk management policies and guidelines for adoption. The ERM framework is based on the framework proposed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and is designed to enable Management to address the operational, financial and compliance risks of key operating units in the Group. This is done by assessing its existing key systems, policies and processes to identify potential risk areas and to set out mitigating best practices.

The internal and independent auditors also assist in the risk management process by identifying certain areas of concern that are uncovered through financial/audit checks. The key risks facing the Group have been identified and appropriate measures are in place to mitigate such risks.

For FY2022, the Board has received assurance from the Financial Controller and the Executive Director that the financial records were properly maintained, the financial statements gave a true and fair view of the Company and the Group's state of affairs, operations and finances, and that the Company and the Group's risk management and internal controls system were adequate and effective. The Board has also received assurance from the Financial Controller and Executive Director that the Company and the Group have put in place and will continue to maintain an effective, adequate, reliable and sound system of risk management, internal controls (addressing financial, operational, compliance and information technology risks) and corporate governance that will withstand the scrutiny of any audit and review by a reputable firm of reporting accountants and auditors.

CORPORATE GOVERNANCE REPORT

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

3.1 RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Based on the internal controls and risk management systems established and maintained by the Group (including the ERM, work performed by the internal and independent auditors and reviews performed by Management, various Board committees and the Board), in accordance with Rule 1207(10) and Rule 719(1) of the Listing Manual, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management system, were adequate and effective for FY2022.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

3.2 AUDIT COMMITTEE

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

The AC comprises two Directors, both of whom are Independent Non-Executive Directors, namely:-

Mr. Siow Chee Keong	Chairman
Mr. Lee Ah Too	Member

As mentioned above, the Board has identified the Proposed New Director, the particulars of whom are set out in pages 114 to 123 of this Annual Report, as a suitable candidate to be appointed as a third member of the AC. Subject to his appointment being approved by shareholders at the upcoming AGM, the AC will comprise of three Directors, all of whom will be independent.

None of the AC members were former partners or directors of the Company's independent auditor within the last two years or hold any financial interest in the independent auditor.

The members of the AC including the AC Chairman have recent and relevant experience or expertise in accounting and financial management, and the Board is of the view that the members of the AC are qualified to discharge the AC's responsibilities.

The AC assists the Board in discharging its responsibility to safeguard assets, maintain adequate accounting records, and develop and maintain effective system of internal controls, with the overall objective of ensuring that Management creates and maintains an effective control environment in the Company. The AC provides a channel of communication between the Board of Directors, the Management and the independent auditors of the Company on matters relating to audit.

The AC holds at least two meetings in each financial year. The AC functions under a set of written terms of reference which sets out its responsibilities as follows:-

- (a) to review the scope and results of the audit and its cost effectiveness;

CORPORATE GOVERNANCE REPORT

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

3.2 AUDIT COMMITTEE (CONTINUED)

- (b) to review significant financial reporting issues and judgements so as to ensure integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- (c) to review the half-yearly and full year financial results before submission to the Board for approval;
- (d) to review the assistance and co-operation given by Management and the officers of the Group to the auditors;
- (e) to review the internal audit programme and ensure co-ordination between the internal auditors and independent auditors and Management;
- (f) to review the scope and results of the internal audit procedures and the internal auditors' report;
- (g) to discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of management, where necessary);
- (h) to review and approve interested person transaction (if any) falling within the scope of Chapter 9 of the Listing Manual, and to ensure that they are carried out on normal commercial terms and in accordance with the internal control procedures;
- (i) to review potential conflicts of interests, if any;
- (j) to review the independence and objectivity of the independent auditors annually;
- (k) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of AC;
- (l) to undertake such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time;
- (m) to make recommendations to the Board on the appointment, re-appointment and removal of the independent auditors, and approving the remuneration and terms of engagement of the independent auditors; and
- (n) to review the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the management.

The AC has the power to conduct or to authorise investigations into any matters within the AC's scope of responsibility. The AC will also commission and review the findings of internal investigations into matters where there has been a whistleblowing report made, where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Group. Each member of the AC will abstain from any deliberations and/or voting in respect of matters in which he is interested.

CORPORATE GOVERNANCE REPORT

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

3.2 AUDIT COMMITTEE (CONTINUED)

The AC is given full access to and has the full co-operation of the Management, full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions. It meets with both the internal and independent auditors, without the presence of Management, at least once a year.

For the year reported on, the AC reviewed and approved the scope of the audit plans of the independent auditors. In its recommendation to the Board to approve the full year financial statements, the AC reviewed the results of the audit, significant findings or areas of emphasis and audit recommendations. The AC also discussed with Management the various accounting principles that were applied and the bases of the assumptions and methodologies used by Management in relation to matters of significant impact. In particular, key audit matters identified by the independent auditors were discussed with Management and reviewed by the AC.

The AC also met with the internal and independent auditors without the presence of Management to obtain feedback on the competency and adequacy of the finance function, to review the assistance given to the internal and independent auditors, and to discuss the financial reporting process and the Group's financial condition.

The AC is kept abreast of changes to accounting standards and issues which may have an impact on the financial statements, by the Management and through presentations by the auditors of changes in financial reporting standards and issues which have a direct impact on financial statements.

Internal Audit Function

The Board recognises the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls within the Group to safeguard shareholders' investments and the Company's assets.

The AC evaluates the internal auditor and recommends the hiring, removal and/or replacement of the internal auditor to the Board for the Board's approval if deemed fit. The internal auditor reviews the effectiveness of key internal controls, including financial, operational, information technology, risk management and compliance controls for selected scope of review annually, as approved by the AC. Procedures are in place for the internal auditor to report independently on their findings and recommendations to the AC for review. The internal audit function has unfettered access to all the Company's records, documents, properties and personnel, including the AC, and has appropriate standing within the Company.

The primary functions of the internal audit function are to help:

- (a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ascertain whether control procedures are complied with;
- (b) assess if operations of the business processes under review are conducted efficiently and effectively; and
- (c) identify and recommend improvement to internal control procedures, where required.

CORPORATE GOVERNANCE REPORT

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

3.2 AUDIT COMMITTEE (CONTINUED)

Internal Audit Function (continued)

The primary reporting line of the internal audit function is to the AC. The AC has the responsibility to review the adequacy of the internal audit function annually, review the internal audit program and ensure co-ordination between the internal auditors, independent auditors and Management. The AC ensures that the internal auditors meet or exceed the standards set by nationally or internationally recognised professional bodies, and also decides on the appointment, termination and remuneration of the head of the internal audit function.

The AC is satisfied that the internal audit function is independent, effective and adequately resourced to perform its function effectively, and that it has the appropriate standing within the industry. The Company has engaged Crowe LLP, ("**Crowe**") an established auditing firm specialising in audit, tax and accounting to facilitate the provision of risk advisory, internal audit outsourcing and other consulting and advisory services, as the internal auditors. The outsourced internal audit team is headed by Mr. Chia Shu Siang ("**Mr Chia**") and Mr. Tan Su Long ("**Mr. Tan**").

Mr. Chia is a member (non-practicing) of the Institute of Chartered Accountants, and holds the position of Director in Crowe. He possesses more than 20 years of experience in providing financial assurance and risk consulting services to companies ranging from multinationals, public listed companies and government corporations.

Mr. Tan is a member of the Association of Chartered Certified Accountants, Singapore, and holds the position of Senior Manager in Crowe. He possesses more than 10 years of experience in providing forensic and risk advisory services.

During the year, the internal auditor adopted a risk-based audit approach that focused on material internal controls, including financial, operational, compliance and information technology controls. All internal audit reports are submitted to the AC for deliberation with copies of these reports extended to all Directors and the relevant KMP.

The AC has reviewed the Company's internal control assessment and based on the internal auditors' and independent auditors' reports and the internal controls in place, it is satisfied that the outsourced internal audit function is independent, effective and adequately staffed by suitably qualified and experienced professionals.

Independent Auditors

The Company confirms that the appointment of the independent auditors, CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) ("**CLA**"), an accounting firm registered with the Accounting and Corporate Regulatory Authority, is in accordance with Rules 712 and 715 of the Listing Manual, having regard to the adequacy of the resources and experience of CLA, the audit engagement partner assigned to the Group, CLA's other audit engagements, the size and complexity of the Group, and the number and experience of the staff assigned to the audit.

CORPORATE GOVERNANCE REPORT

3. ACCOUNTABILITY AND AUDIT (CONTINUED)

3.2 AUDIT COMMITTEE (CONTINUED)

Independent Auditors (continued)

CLA prepares an audit plan for the Group on an annual basis and presents such audit plan to the AC for its review and concurrence. The AC had reviewed the plan and noted that no non-audit services were provided by CLA to the Group for FY2022. Accordingly, the AC confirms that pursuant to Rule 1207(6)(b) of the Listing Manual, having undertaken a review of all non-audit services provided by CLA, it is of the opinion that CLA's independence remains unaffected. Therefore, the AC had recommended the re-appointment of CLA as independent auditors at the forthcoming AGM.

The AC is satisfied that CLA and the audit engagement team assigned to the audit have adequate resources and experience to meet its obligations. The fees paid/payable to CLA, the independent auditors, for FY2022 was approximately S\$74,000 for audit fees, and Nil for non-audit fees.

Whistle-Blowing Policy

To encourage proper work ethic and deter any wrongdoing within the Group, the Group has established a whistle-blowing policy, as approved by the AC and adopted by the Board, for the purpose of providing a channel for the Group's employees and external parties to raise concerns in good faith and in confidence about possible improprieties in matters of financial reporting or other matters such as possible corruption, suspected fraud and other non-compliance issues.

The Group is committed to a high standard of ethical conduct and adopts a zero-tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interests of all whistle-blowers. The Group is openly committed to the protection of the whistle-blower against any reprisal, detriment or unfair treatment. Anonymous disclosures will be accepted and anonymity honoured as the Group remains committed to ensure protection of whistle-blowers against detrimental or unfair treatment. The persons who are designated to investigate, oversee and monitor whistle-blowing reports made in good faith are an independent function.

The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant.

The whistle-blowing policy sets out the procedures for the whistle-blower to report on any incidents of misconduct or wrongdoing relating to the Group and its officers. The AC is responsible for oversight and monitoring of whistle-blowing, and will review the issues and/or concerns raised and ensure that necessary arrangements are in place for the independent investigation of issues and/or concerns raised by the employees and external parties and for appropriate follow-up actions. Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

There were no reported incidents pertaining to whistle-blowing during FY2022.

CORPORATE GOVERNANCE REPORT

4. SHAREHOLDERS RIGHTS AND ENGAGEMENT

4.1 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 Board is accountable to shareholders and aims to provide the shareholders with a balanced and understandable assessment of the Group's performance, position and prospects by furnishing timely information and ensuring full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual. The Management is responsible to the Board and the Board itself is accountable to the shareholders of the Company. The Board is provided with the management accounts of the Group's performance and position on a regular basis. The Board has also taken steps to ensure compliance with legislative and regulatory requirements.

In line with continuous disclosure obligations of the Company, pursuant to the Listing Manual and the Companies Act 1967 of Singapore, the Board's policy is that shareholders are informed of all major developments that impact the Group regularly and on a timely basis. The Company believes in timely, fair and adequate disclosure of relevant information to the Shareholders and investors so that they will be apprised of the developments that may have a material impact on the price or value of Company's securities. The Company does not practice selective disclosure. Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports will also be announced or issued within legally or regulatory prescribed periods.

A general meeting of the Company is a principal forum for dialogue and interaction with all shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or ask the directors or the Management questions regarding the Company and its operations. The Board encourages shareholders to attend the Company's general meetings to ensure a greater level of shareholder participation and to meet with the Board and key management staff so as to stay informed on the Group's developments.

At general meetings, each distinct issue is proposed as a separate resolution. Each item of special business included in the notice of meetings will be accompanied, where appropriate, by the relevant explanatory notes for the proposed resolution. This is to enable the shareholders to understand the nature and effect of the proposed resolutions. If any resolutions have to be inter-conditional, the Company will explain the reasons and material implications in the notice of meeting. General meeting procedures allow shareholders to raise questions relating to each resolution tabled for approval, and to participate, engage and openly communicate with the Board and Board Committees their views on matters relating to the Company.

The Board supports and encourages active shareholder participation at shareholders' meetings. All shareholders of the Company receive annual reports and are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to shareholders. Shareholders are invited at such meetings to put forth any questions they may have on the motions to be debated and decided upon.

CORPORATE GOVERNANCE REPORT

4. SHAREHOLDERS RIGHTS AND ENGAGEMENT (CONTINUED)

4.1 SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (CONTINUED)

If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance. Corporations which provide nominee or custodial services can appoint more than two proxies to allow such shareholders who hold shares through such corporations to attend and participate in general meetings as proxies. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 48 hours before the time set for the general meetings.

The Company prepares minutes of general meetings which incorporate substantial and relevant comments or queries from shareholders, and responses from Board and Management, and publishes these on SGXNET within one month of the meeting, for the benefit of all shareholders.

The Chairpersons of the AC, RC and NC are normally available at shareholders' meetings to answer questions relating to the work of these Board Committees. To ensure that all shareholders have the opportunity to participate effectively in and vote at general meetings, voting at general meetings of the Company are conducted by poll. The Chairman of the meeting, with the assistance of service providers engaged by the Company, will brief shareholders on the procedures involved in voting by poll. An announcement of the detailed results of the poll showing the number of votes cast for and against each resolution and the respective percentages will be announced after the general meeting via SGXNET.

The Company's upcoming AGM will be held via electronic means. Shareholders will not be able to attend the AGM in person, but they may attend the proceedings of the AGM, including utilising real-time electronic voting and real-time electronic communications at the meeting. Shareholders may appoint a proxy/proxies to vote on their behalf at the AGM, failing which the Chairman will act as said proxy. The Board and Management shall endeavour to address relevant and substantial questions received before and during the AGM, before or at the AGM. Shareholders are strongly encouraged to submit questions relating to the business of the meeting in advance. Please refer to the notice of AGM and announcement dated 12 April 2023 for further information.

4.2 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.

Communication with shareholders is managed by the Board. The Company welcomes the views of shareholders on matters affecting the Company, whether at shareholders' meetings or on an ad hoc basis. At shareholders' meetings, shareholders are given the opportunity to communicate their views and to ask the Directors and Management questions regarding the Group. The Company is open to meetings with investors and analysts, and in conducting such meetings, is mindful to ensure fair disclosure.

Pertinent information is communicated to shareholders on a regular and timely basis through the following means:

- (a) Results and annual reports are announced or issued within the mandatory period;

CORPORATE GOVERNANCE REPORT

4. SHAREHOLDERS RIGHTS AND ENGAGEMENT (CONTINUED)

4.2 ENGAGEMENT WITH SHAREHOLDERS (CONTINUED)

- (b) Material information are disclosed in a comprehensive, accurate and timely manner via SGXNET and the press; and
- (c) The Company's annual and extraordinary general meetings.

The Company does not practise selective disclosure and price-sensitive information is publicly released on an immediate basis where required under the Listing Manual. However, in the event that unpublished material information is inadvertently disclosed to any selected person in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNET to disclose and/or address such material information.

The Company does not have a fixed dividend policy. The payment of dividend is deliberated by the Board annually having regard to various factors, including the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, expected future earnings, capital expenditure and investment plans, the terms of borrowing arrangements (if any), general business condition, development plans and other factors as the Directors may deem appropriate. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future. Where dividends are not paid, the Company expressly discloses the reasons together with the announcement of the financial statements.

Further, if investors have any questions from time to time, they are always welcome to send their queries to the address provided on the corporate website – contact@foriseinternational.com.

5. MANAGING STAKEHOLDER RELATIONSHIPS

5.1 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 Company takes a pragmatic approach towards the needs and interests of key stakeholders, taking into consideration the best interests of the Company and to support its long-term strategy. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced, when compared to the needs and interests of its stakeholders. Stakeholders of the Company include but are not limited to its customers, employees, suppliers, investors, shareholders, and regulators.

The Company has regularly engaged its stakeholders through various channels to ensure that the business interests of the Company are aligned with those stakeholders. Pertinent information is regularly conveyed to the Shareholders through SGXNET. The corporate website (www.foriseinternational.com) is maintained to communicate and engage with stakeholders. The website is updated regularly, and contains various information on the Group and the Company, which serves as an important resource for investors and all stakeholders. Stakeholders may also send their queries to the address provided on the corporate website – contact@foriseinternational.com.

The Group's strategy and key areas of focus in managing stakeholder relationships can be found in the Sustainability Report.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

6. MATERIAL CONTRACTS

Save for the service agreements between the Company and the Executive Directors and disclosures in paragraph 8 entitled Interested Party Transactions, there were no material contracts entered into by the Company or its subsidiaries involving the interests of the Directors or controlling shareholders, which are either still subsisting at the end of FY2022 or if not then subsisting, entered into since the end of FY2022.

7. DEALINGS IN SECURITIES

The Company has adopted a policy on dealings in securities in accordance with Rule 1207(19) of the Listing Manual, which prohibits dealings in the Company's securities by Directors, KMP and employees of the Group and their connected persons from dealing in the Company's shares within certain trading periods, being the period beginning one month before the date of the announcement of the half-year and full year results and ending on the date of the announcement of the relevant results. The Company is not required to, and does not announce quarterly financial statements.

In addition, the officers of the Company are reminded (i) not to deal with the Company's securities on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (ii) that they are required to report on their dealings in shares of the Company. The Directors, KMP and employees are also advised to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

The Company confirms that it and its officers have not dealt in the Company's securities during the blackout periods as stipulated above.

8. INTERESTED PERSON TRANSACTIONS

The Group 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 that are not prejudicial to the interests of the shareholders. When a potential conflict of interest occurs, the Director concerned will be excluded from discussions and refrain from exercising any influence over other members of the Board.

During the financial period under review, the Group did not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual.

There were no interested person transactions for the year ended 31 December 2022.

CORPORATE GOVERNANCE REPORT

SUSTAINABILITY REPORT

We are committed to building a sustainable future for the Group and delivering long term value and sustainable returns to all our stakeholders. Our stakeholders comprise shareholders, customers, employees, suppliers and service providers, regulatory authorities, bankers and the community.

While we continue to gear up for better profitability prospects and long-term growth, we continuously seek better avenues to integrate our sustainability efforts into the core of our daily operations. We believe this will create lasting value for all our stakeholders.

Our Sustainability Report is prepared in compliance with the requirements of Listing Rules 711A and 711B, and references the Global Reporting Initiative (GRI) Standards, Core Option,, and can be found on page 10 to 23 of this Annual Report. The report highlights the key economic, environmental, social and governance related initiatives carried out throughout the 12-month period, from 1 January to 31 December 2022.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results.

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DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2022 and the balance sheet of the Company as at 31 December 2022.

In the opinion of the Directors,

- (a) the balance sheet 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 31 December 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:

Mr Peng Weile

Mr Sioow Chee Keong

Mr Wan Jinn Woei

(appointed on 1 August 2022)

Mr Lee Ah Too

(appointed on 1 December 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 the name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 31.12.2022	At 1.1.2022	At 31.12.2022	At 1.1.2022
Company				
(No. of ordinary shares)				
Peng Weile	–	12,400,000	–	304,400
Wan Jinn Woei	3,197,900	–	–	–

Share options

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

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

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

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Audit committee

The Audit Committee comprises the following Directors:

Mr Siow Chee Keong (Chairman)

Mr Lee Ah Too (appointed on 1 December 2022)

The Audit Committee consists of two independent non-executive directors (including the Chairman).

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendation on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2022 before their submission to the Board of Directors.

The Audit Committee has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation (formerly 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 Nexia TS Public Accounting Corporation), has expressed its willingness to accept re-appointment.

On behalf of the directors

.....
Wan Jinn Woei

Director

.....
Lee Ah Too

Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORISE INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forise International Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 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 balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 in Singapore (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s"), so as to give a true and fair view of the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 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 for the financial year ended 31 December 2022. 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.

Revenue recognition

Area of focus

For the financial year ended 31 December 2022, the Group's revenue amounted to SGD316,000. Revenue is recognised in the accounting period in which the services are rendered.

We focused on this area because revenue recognition has been identified as a significant risk in accordance with SSA 315 *Identifying and Assessing the Risks of Material Misstatement* and because of judgments used in SFRS(I) 15 – *Revenue from Contracts with Customers*. The revenue recognition is dependent on the terms and conditions of the contracts which requires management's judgement to identify the point of revenue recognition which would have a significant impact on the results of the Group. Hence, we considered this as a key audit matter in our audit.

The accounting policy of the revenue recognition is disclosed on Note 2.2 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORISE INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Revenue recognition (continued)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we:

- understood and evaluated the key controls over the sales cycles;
- reviewed all significant contracts identified during the financial year and identified the performance obligations in the contracts;
- determined the transaction price and where there are modifications to existing contracts that led to adjustment to revenue, reviewed any material changes to the transaction price;
- evaluated management's assessment of the application of SFRS(I) 15 and considered the appropriateness of the Group's revenue recognition accounting policies, including those related to accounting for variable considerations and contract modifications, vis-à-vis the requirements under SFRS(I) 15; and
- performed substantive audit procedures, including sales cut-off procedures as at the financial year end to ascertain revenue is recognised appropriately in the correct financial year.

Assessment of expected credit losses ("ECL") on trade receivables

Area of focus

As at 31 December 2022, the Group had recorded trade receivables, net of ECL, amounting to SGD67,000, which represented 4% of the Group's total assets. The Group had recognised an ECL allowance on its trade receivables amounting to SGD1,044,000, which contributed 44% to the Group's loss before tax during the financial year ended 31 December 2022.

The basis of the ECL allowance for the trade receivables represents the management's best estimates at the balance sheet date of ECL under SFRS(I) 9 *Financial Instruments* expected credit losses models.

Management has assessed whether the credit risks of the trade receivables have increased significantly since their initial recognition, adopting the simplified approach for trade receivables to calculate their ECL. Management also assessed loss allowance using debtor specific assessment for credit impaired debtors. The Group considers historical loss experience for the respective customers, its transactions, and receipts with the Group during the financial year and estimates of the amount and timing of the collectability of respective customers. The management has separately identified a group of specific receivables which is either with repayment plan with the Group or those which the Group do not expect to receive future cash flows.

As the ECL assessment on trade receivables required significant management judgement and in consideration of the significance of trade receivables to the Group, we determined this area to be a key audit matter.

The accounting policy of impairment of financial assets is disclosed on Note 2.8(b) to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORISE INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Assessment of expected credit losses ("ECL") on trade receivables (continued)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, we:

- understood and evaluated the key controls over the recoverability of trade receivables (including management's procedures on monitoring of debts collections); and
- reviewed the aging analysis and subsequent receipts as part of our testing to support the adequacy of allowance of ECL of trade receivables.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORISE INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORISE INTERNATIONAL LIMITED

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporation incorporated in Singapore of which we are the auditors 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 Hock Xiu Min, Sandy.

**CLA Global TS Public Accounting Corporation
(formerly Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants**

Singapore

4 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 SGD'000	2021 SGD'000
Revenue	4	316	1,686
Other income	5	20	10
Expenses			
– Auditor's remuneration		(79)	(69)
– Consultancy charges		–*	(58)
– Depreciation of plant and equipment	14	–*	–
– Directors' fee	20(b)	(92)	(109)
– Employee compensation	6	(1,079)	(978)
– Expected credit loss allowance on financial assets	19(b)(iii), 19(b)(iv),	(1,102)	–
– Professional fees		(175)	(251)
– Rental on short-term leases		(47)	(39)
– Currency exchange (losses)/gains – net		(104)	68
– Other operating expenses		(39)	(66)
Total expenses		(2,717)	(1,502)
(Loss)/profit before tax		(2,381)	194
Tax expense	7	(1)	(71)
(Loss)/profit after tax		(2,382)	123

* Amount less than SGD1,000.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 SGD'000	2021 SGD'000
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Currency exchange difference arising from consolidation			
– Gain/(loss)		<u>86</u>	<u>(29)</u>
Items that will not be reclassified subsequently to profit or loss:			
Currency exchange difference arising from consolidation			
– Gain		<u>17</u>	<u>8</u>
Other comprehensive income/(loss), net of tax		<u>103</u>	<u>(21)</u>
Total comprehensive (loss)/income		<u>(2,279)</u>	<u>102</u>
(Loss)/profit attributable to:			
– Equity holders of the Company		<u>(1,625)</u>	<u>(18)</u>
– Non-controlling interests		<u>(757)</u>	<u>141</u>
		<u>(2,382)</u>	<u>123</u>
Total comprehensive (loss)/income attributable to:			
– Equity holders of the Company		<u>(1,539)</u>	<u>(47)</u>
– Non-controlling interests		<u>(740)</u>	<u>149</u>
		<u>(2,279)</u>	<u>102</u>
Losses per share attributable to equity holders of the Company (SGD cents per share)			
– Basic and diluted losses per share	8	<u>(3.81)</u>	<u>(0.04)</u>

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

BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Note	Group		Company		
		2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000	
ASSETS						
Current assets						
Cash and cash equivalents	9	1,424	2,266	1,014	1,744	
Trade and other receivables	10	97	1,559	101	882	
Other current assets	11	27	55	25	19	
		1,548	3,880	1,140	2,645	
Non-current assets						
Investments in subsidiary corporations	13	—	—	32	—*	
Plant and equipment	14	2	—	—	—	
		2	—	32	—	
Total assets		1,550	3,880	1,172	2,645	
LIABILITIES						
Current liabilities						
Trade and other payables	15	399	293	121	122	
Tax payable		—*	156	—	—	
		399	449	121	122	
Total liabilities		1,151	3,431	1,051	2,523	
NET ASSETS						
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	16	33,347	33,347	33,347	33,347	
Accumulated losses		(31,833)	(30,208)	(32,296)	(30,824)	
Currency translation reserve	17	(120)	(206)	—	—	
		1,394	2,933	1,051	2,523	
Non-controlling interests		(243)	498	—	—	
TOTAL EQUITY		1,151	3,431	1,051	2,523	

* Amount less than SGD1,000.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

◀→ Attributable to equity holders of the Company →						
Note	Share capital SGD'000	Accumulated losses SGD'000	Currency translation		Non-controlling interests SGD'000	Total equity SGD'000
			Total equity SGD'000	Non-controlling interests SGD'000		
			Currency translation SGD'000	Non-controlling interests SGD'000		
2022						
At 1 January 2022	33,347	(30,208)	(206)	2,933	498	3,431
Loss for the year	–	(1,625)	–	(1,625)	(757)	(2,382)
Other comprehensive income for the year	–	–	86	86	17	103
Total comprehensive (loss)/income for the year	–	(1,625)	86	(1,539)	(740)	(2,279)
Incorporation of a subsidiary corporation	–	–	–	–	49	49
Disposal of controlling interest in a subsidiary corporation	9	–	–	–	(50)	(50)
At 31 December 2022	33,347	(31,833)	(120)	1,394	(243)	1,151
2021						
At 1 January 2021	33,347	(26,246)	(4,121)	2,980	349	3,329
Effect of change of functional currency	–	(3,944)	3,944	–	–	–
(Loss)/income for the year	–	(18)	–	(18)	141	123
Other comprehensive (loss)/income for the year	–	–	(29)	(29)	8	(21)
Total comprehensive (loss)/income for the year	–	(18)	(29)	(47)	149	102
At 31 December 2021	33,347	(30,208)	(206)	2,933	498	3,431

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 SGD'000	2021 SGD'000
Cash flows from operating activities			
(Loss)/profit before tax		(2,381)	194
Adjustments for:			
– Depreciation of plant and equipment	14	–*	–
– Expected credit loss allowance on financial assets	19(b)(iii), 19(b)(iv)	1,102	–
– Interest income	5	(6)	(6)
– Unrealised currency translation loss/(gain), net		153	(19)
		(1,132)	169
Change in working capital			
– Trade and other receivables		196	1,242
– Other current assets		28	(39)
– Trade and other payables		218	(5)
		(690)	1,367
Cash (used in)/generated from operations		6	6
Interest received		(157)	–
Income tax paid			
Net cash (used in)/generated from operating activities		(841)	1,373
Cash flows from investing activities			
Purchase of plant and equipment		(2)	–
Disposal of subsidiary corporation, net of cash disposed	9	1	–
Net cash used in investing activities		(1)	–
Net (decrease)/increase in cash and cash equivalents		(842)	1,373
Cash and cash equivalents			
Beginning of financial year		2,266	893
End of financial year	9	1,424	2,266

* Amount less than SGD1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

The financial statements of the Group and the Company for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 4 April 2023.

1 CORPORATE INFORMATION

Forise International Limited is listed on the Singapore Exchange Security Trading Limited (the "Singapore Exchange") or (the "SGX-ST") and incorporated and domiciled in Singapore. The address of its registered office and principal place of business is 15 Scotts Road, #04-08, Suite 22, Singapore 228218.

The principal activity of the Company is that of investment holding and provision of corporate advisory services. The principal activities of the subsidiary corporations are disclosed in Note 13 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the 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) 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 financial statements are presented in Singapore Dollars ("SGD"), which is the functional currency of the Company and have been rounded to the nearest thousand (SGD'000) unless otherwise stated.

Interpretations and amendments to published standards effective in 2022

On 1 January 2022, 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.

2.2 Revenue recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(a) *Rendering of services – Corporate advisory*

Revenue from corporate advisory services in People's Republic of China is recognised when the performance obligation as stipulated in contract is satisfied at a point in time based on the lodgement of the funds with the authority by the clients in accordance with the investment plans advised by the Group or when the clients provide written acknowledgement confirming the services has been rendered.

Revenue from corporate advisory services in Singapore is recognised when the performance obligation as stipulated in contract is satisfied at a point in time based on services completed as agreed and certified by the customers.

Revenue from corporate advisory services in Malaysia is recognised when the performance obligation as stipulated in contract is satisfied at a point in time or over time based on services completed as agreed and certified by the customers or on the time elapsed over the contractual period as the customers simultaneously receives and consumes the benefits from the services provided by the Group respectively.

(b) *Rendering of services – Management consultancy service*

Revenue from management consultancy service is recognised when the performance obligation as stipulated in the contract is satisfied over time based on stage of services completed as agreed and certified by the customers.

(c) *Interest income*

Interest income, including income arising from finance leases and other financial instruments, is recognised using the effective interest method.

(d) *Rental income*

Rental income from operating leases (net of any incentives given to the lessee) is recognised on a straight-line basis over the lease term.

2.3 Government grant

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 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 thereon when control is transferred to the Group. They are deconsolidated from the date thereon when 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 unless the transaction provides evidence of an impairment indicator of the transferred asset. 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 balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisition (continued)

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 acquire over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill 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 SFRS(l).

Any retained equity interest in the entity is remeasured at fair value. The differences 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 paragraph "Investments in subsidiary corporations" 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 differences 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 companies

Associated companies 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.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Group accounting (continued)

(c) Associated companies (continued)

(i) Acquisitions

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus cost directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

(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 associates' 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 associates are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associates equals to or exceeds its interest in the associates, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associates. If the associates subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associates includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

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

(iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is remeasured 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment

(a) *Measurement*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of 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.

(b) *Depreciation*

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Furniture and fitting and office equipment	3-5 years

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

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

(c) *Subsequent expenditure*

Subsequent expenditure relating to 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 an item of plant and equipment, the differences between the net disposal proceeds and its carrying amount is recognised in profit or loss within "Other income".

2.6 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's balance sheet.

On disposal of such investments, the differences 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 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets

Plant and equipment

Investments in subsidiary corporations and associated company

Plant and equipment, investments in subsidiary corporations and associated 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 unit ("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 differences between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, 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 other than goodwill is recognised in profit or loss.

2.8 Financial assets

(a) Classification and measurement

The Group classifies 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 asset.

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

At initial recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables and other current assets (excluding prepayments).

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 costs 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 financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 19(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, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables and deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12 months expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is significant increase in credit risk since initial recognition, lifetime credit loss will be calculated and recognised.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(c) *Recognition and derecognition* (continued)

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any differences between the carrying amount and sale proceeds amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.9 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.

2.10 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 recognises 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 liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use asset is 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Leases (continued)

(a) *When the Group is the lessee:* (continued)

- Lease liabilities

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 it 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 a 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 prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

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 is modification 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Leases (continued)

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

- Short term and low value leases

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

(b) When the Group is the lessor:

The Group leases office spaces under operating leases to a related party.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. The lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognises lease income from the sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

2.11 Income taxes

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising from investments in subsidiary corporations and associated companies, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences 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:

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

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

The Group accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where a 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 credits can be utilised.

2.12 Provisions

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

2.13 Employee compensation

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

(a) *Defined contribution plans*

Singapore and Malaysia

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Employee compensation (continued)

(a) *Defined contribution plans* (continued)

People of Republic of China ("PRC")

The subsidiary corporations, incorporated and operating in the PRC, are required to provide certain retirement plan contribution to their employees under the PRC regulations. Contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiary corporations' employees. The Group has no further payment obligations once the contributions have been paid. Contributions to defined contribution retirement plans are recognised as expenses in the period in which the related services are performed.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.14 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").

(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 translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. 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.

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 impacting profit or loss are presented in profit or loss within "Currency exchange (losses)/gains – net".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Currency translation (continued)

(b) *Transactions and balances* (continued)

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 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 on control of the foreign operation.

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

2.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the Executive Directors who makes strategic decisions.

2.16 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. 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.

2.17 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 31 DECEMBER 2022

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 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. Areas involving a higher degree of judgement or complexity, or area where estimates and assumptions are significant to the financial statements are disclosed below.

Revenue from contract with customers

The Group recognises revenue from contracts with customers when the outcome of a transaction involving the rendering of services can be estimated reliably. Significant judgement and estimation are required in determining the method and amount of revenue to recognise. Specifically, arrangements may require contract interpretation to determine appropriate accounting, including whether promised goods and services in an arrangement are distinct performance obligations and should be accounted for separately. Other judgements include determining whether performance obligations are satisfied over time or at a point in time.

Corporate advisory services

Corporate advisory services in People's Republic of China consist of a single performance obligation which is recognised at a point in time upon the lodgement of the funds with the authority by the customers in accordance with the investment plans advised by the Group, or when the customers provide a written acknowledgement confirming the services has been rendered.

Revenue from corporate advisory services in Singapore is recognised when the performance obligation as stipulated in contract is satisfied at a point in time based on services completed as agreed and certified by the customers.

Revenue from corporate advisory services in Malaysia is recognised when the performance obligation as stipulated in contract is satisfied at a point in time or over time based on services completed as agreed and certified by the customers or on the time elapsed over the contractual period as the customers simultaneously receives and consumes the benefits from the services provided by the Group respectively.

Management consultancy services

Management consultancy services consist of a single performance obligation, which is recognised over time as control is transferred continuously to customers. Revenue is recognised over time using an output measurement of progress towards completion which is agreed and certified by the customers.

The amount of revenue recognised for the financial year is disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

Expected credit losses ("ECL") on trade receivables

ECL are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions. The Group has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant judgements and assumptions.

The Group determines the ECL allowance of trade receivables by making debtor specific assessment for credit-impaired debtors. A considerable amount of judgement is required in assessing the ECL which are determined by referencing the Group's historical observed default rate, customers' ability to pay and adjusted with forward-looking information. Expected credit loss allowances on financial assets of SGD1,044,000 (2020: SGDNil) was recognised during the financial year. The carrying amount of trade receivables is disclosed in Note 10 to the financial statements.

4 REVENUE

Disaggregation of revenue from contracts with customers

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

	Group	
	2022 SGD'000	2021 SGD'000
Corporate advisory services		
At a point in time		
– PRC	39	396
– Malaysia	60	–
– Singapore	104	80
	203	476
Over time		
– Malaysia	4	–
Management consultancy services		
Over time		
– Singapore	109	1,145
– Denmark	–	31
– United Arab Emirates	–	34
	109	1,210
Total		
	316	1,686

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5 OTHER INCOME

	Group	
	2022 SGD'000	2021 SGD'000
Interest income on bank deposits	6	6
Rental income (Note 18)	14	–
Government grants – Job Support Scheme ^(a)	–	4
	20	10

(a) Job Support Scheme ("JSS") is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6 EMPLOYEE COMPENSATION

	Group	
	2022 SGD'000	2021 SGD'000
Salaries and bonuses	1,016	905
Employer's contribution to defined contribution plans, including Central Provident Fund ("CPF") and Employees Provident Fund ("EPF")	63	65
Other short-term benefits	–	8
	1,079	978

7 TAX EXPENSE

	Group	
	2022 SGD'000	2021 SGD'000
Tax expense attributable to (loss)/profit is made up of:		
Current income tax – Singapore	–	39
Under provision of income tax in prior financial years	1	32
	1	71

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries, in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7 TAX EXPENSE (CONTINUED)

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

	Group	
	2022 SGD'000	2021 SGD'000
(Loss)/profit before tax	(2,381)	194
Tax at domestic income tax rate of 17% (2021: 17%)	(405)	33
– Expenses not deductible for tax purpose	9	2
– Income not subject to tax	–	(7)
– Deferred tax assets not recognised	401	60
– Utilisation of deferred tax assets not recognised	–	(16)
– Statutory stepped income exemption	–	(21)
– Effect of different tax rates in other countries	(5)	(12)
– Under provision of taxation in prior years	1	32
	1	71

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. As at 31 December 2022, the Group's unutilised tax losses amounted to SGD3,434,000 (2021: SGD1,076,000) which can be carried forward to offset against future taxable income subject to compliance with the provisions of the income tax act and meeting certain statutory requirements in the respective jurisdictions in which the Group operates. The tax losses have no expiry date.

8 LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. For the purpose of calculating diluted loss per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all potential dilutive ordinary shares.

	Group	
	2022 SGD'000	2021 SGD'000
Net loss attributable to equity holders of the Company (SGD'000)	(1,625)	(18)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share ('000)	42,599	42,599
Basic and diluted loss per share (SGD cents)	(3.81)	(0.04)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000
Cash at bank balances	1,128	378	1,014	344
Short-term bank deposits	296	488	—	—
Fixed deposits	—	1,400	—	1,400
	1,424	2,266	1,014	1,744

Disposal of subsidiary corporation

On 22 November 2022, the Group disposed of its subsidiary corporation, Raffles Neobank Solutions Pte. Ltd. The effects of the disposal on the cash flows of the Group were:

	Group
	At 22 November 2022 SGD'000
<i>Carrying amount of assets and liabilities as at the date of disposal:</i>	
Trade and other receivables	164
Other current assets	—*
Total assets	164
Trade and other payables	(62)
Net assets derecognised	102
Less: Non-controlling interests	(50)
Net assets disposed of	52
<i>Cash inflow arising from disposal:</i>	
Net assets disposed of (as above)	52
Non-cash consideration – Other payables written off	(51)
Net cash inflows on disposal	1

* Amount less than SGD1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000
Trade receivables				
– Non-related parties	67	114	63	–
– Related party	1,016	1,392	–	–
	1,083	1,506	63	–
Less: Expected credit loss allowance (Note 19(b)(iii))	(1,016)	–	–	–
	67	1,506	63	–
Other receivables				
– Non-related parties	29	52	–	–
– Related parties	56	1	1	–
– Subsidiary corporations	–	–	936	882
	85	53	937	882
Less: Expected credit loss allowance (Note 19(b)(iv))	(55)	–	(899)	–
	30	53	38	882
Loans to an associated company	–	4,095	–	–
Less: Expected credit loss allowance (Note 19(b)(iv))	–	(4,095)	–	–
	–	–	–	–
Total trade and other receivables	97	1,559	101	882

The non-trade receivables from subsidiary corporations and a related party are unsecured, interest-free and are repayable on demand.

The loans to an associated company by one of the subsidiary corporations were unsecured, bore interest rates ranging from 8% to 9% per annum and were due on 30 November 2019. In the previous financial year ended 31 December 2019, the Group had provided an expected credit loss allowance of SGD4,095,000 relating to the loans to an associated company and in the current financial year ended 31 December 2022, management did not reasonably expect the Group to recover the loans to an associated company and consequently, the allowance of SGD4,095,000 has been written off as disclosed in Note 19(b)(iv) to the financial statements.

11 OTHER CURRENT ASSETS

	Group		Company	
	2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000
Refundable deposits	17	42	15	8
Prepayments	10	13	10	11
	27	55	25	19

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 INVESTMENT IN AN ASSOCIATED COMPANY

	Group	
	2022 SGD'000	2021 SGD'000
Cost		
Beginning and end of financial year	243	243
Allowance for impairment		
Beginning and end of financial year	243	243
Carrying amount		
End of financial year	-	-

Set out below is the associated company of the Group as at 31 December 2022 and 2021. The associated company as listed below has a share capital consisting solely of ordinary shares, which are held directly by the Group; its country of incorporation is also its principal place of business.

Name of entity	Principal activity	Country of business/ incorporation	% of ownership interest	
			2022 %	2021 %
Held by Tianjin				
Forise Corporation				
Management				
Consultancy Limited				
Le Rong Corporation	Provision of commercial factoring services	The PRC	40	40
Management (Shenzhen) Co., Ltd				

The Group accounts for its investment in Le Rong as an associated company as the Group holds more than 20% of the issued share of Le Rong and the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding and its representation on the Board).

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

Summarised financial information of associated company

Summarised statement of comprehensive income

	2022 SGD'000	2021 SGD'000
Revenue	-	-
Loss after income tax	(13)	(56)
Other comprehensive income/(loss), net of tax	346	(189)
Total comprehensive income/(loss)	333	(245)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 INVESTMENT IN AN ASSOCIATED COMPANY (CONTINUED)

Summarised financial information of associated company (continued)

Summarised balance sheet

	2022 SGD'000	2021 SGD'000
Current assets	2	1
Current liabilities	(3,823)	(4,155)
Net liabilities	(3,821)	(4,154)

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

Reconciliation of summarised financial information

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

Summarised balance sheet

	2022 SGD'000	2021 SGD'000
Net liabilities	(3,821)	(4,154)
Group's equity interest	40%	40%
Group's share of net liabilities	(1,528)	(1,662)
Unrecognised share of loss ^(a)	1,528	1,662
Carrying value of Group interest in associated company	-	-

(a) The Group's cumulative share of losses exceeds its interest in the associated company and the Group has no further obligation in respect of those accumulated losses beyond their total investment amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2022 SGD'000	2021 SGD'000
<i>Equity investments at cost</i>		
Beginning of financial year	187	187
Addition ^(a)	83	–
Disposal ^(b)	(51)	–
End of financial year	219	187
<i>Allowance for impairment</i>		
Beginning of financial year	187	187
Allowance made ^(c)	–*	–
End of financial year	187	187
<i>Carrying amount</i>		
End of financial year	32	–*

* Amount less than SGD1,000.

- (a) On 1 April 2022, the Group had incorporated a subsidiary corporation in Singapore, Raffles Neobank Solutions Pte. Ltd. ("Raffles Neobank") with an issued and paid-up capital of SGD100,000 comprising of 100,000 ordinary shares. The Company holds 51,000 ordinary shares, representing 51% of its issued and paid-up capital of Raffles Neobank. The other 49,000 ordinary shares, or 49% of the issued and paid-up share capital of Raffles Neobank are held by non-controlling interests.
- On 8 August 2022, the Company had incorporated a wholly-owned subsidiary in Malaysia, Forise International (M) Sdn. Bhd. ("Forise Malaysia") with an issued and paid-up capital of approximately SGD32,000 (equivalent to RM100,000) comprising 100,000 ordinary shares.
- (b) On 7 November 2022, the Company entered into a sale and purchase agreement to dispose of its entire shareholding interest of 51,000 ordinary shares representing 51% of the equity interest in Raffles Neobank to the non-controlling interests of Raffles Neobank for a total consideration of SGD52,000, of which SGD1,000 is cash consideration. The disposal was completed on 22 November 2022 (Note 9). Subsequent to the completion, Raffles Neobank has ceased to be a subsidiary corporation of the Company.
- (c) During the financial year ended 31 December 2022, the Company carried out a review on the recoverable amounts of its investments in subsidiary corporations. The management is of the view that considering Prisma Technologies Pte. Ltd. is in net liabilities position, the recoverable amount of the investment in subsidiary corporation is deemed as nil. Consequently, an impairment loss of SGD500 (2021: SGDNil) was recognised during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group had the following subsidiary corporations as at 31 December 2022 and 2021:

Name	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the parent and the Group		Proportion of ordinary shares held by non-controlling interests	
			2022 %	2021 %	2022 %	2021 %
Held by the Company						
Forise Management Limited ^(a)	Investment holding	Hong Kong	100	100	–	–
Prisma Technologies Pte. Ltd. ^(b)	Provision of management consultancy services	Singapore	50.1	50.1	49.9	49.9
Forise International (M) Sdn. Bhd. ^(c)	Provision of corporate advisory and management consultancy services	Malaysia	100	–	–	–
Held by Forise Management Limited						
Tianjin Forise Corporation Management Consultancy Limited ^(d)	Provision of corporate advisory and management consulting services	PRC	100	100	–	–
Held by Tianjin Forise Corporation						
Management Consultancy Limited						
Tianjin Forise Corporation Management Consultancy Limited, Beijing Branch ^(d)	Provision of corporate advisory and management consulting services	PRC	100	100	–	–

- (a) Audited by SBC International, Hong Kong. Audit procedures performed for significant line items by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), Singapore, for consolidation purposes. In accordance with Rule 716 of the SGX-ST Listing Rules, the Audit Committee and Board of Directors of the Company are of the opinion that the appointment of different auditors for its subsidiary would not compromise the standard and effectiveness of the audit of the Group and of the Company.
- (b) Audited by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), Singapore.
- (c) The Company is newly incorporated on 8 August 2022 and management is still in the process of appointing an auditor. Audit procedures performed for significant line items by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation), Singapore, for consolidation purposes.
- (d) Audited by Shanghai CLA Global TS Certified Public Accountants. Reviewed by CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) for consolidation purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

Significant restrictions

Cash and short-term deposits of SGD340,000 (2021: SGD509,000) are held in the PRC and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

	2022 SGD'000	2021 SGD'000
<u>Carrying value of non-controlling interest</u>		
Prisma Technologies Pte. Ltd., representing total carrying value of non-controlling interest	<u>(243)</u>	<u>498</u>

Summarised financial information of subsidiary with material non-controlling interest

Set out below is the summarised financial information for the subsidiary corporation that has non-controlling interest which is material to the Group. These are presented before inter-company eliminations.

Summarised balance sheet

	2022 SGD'000	2021 SGD'000
Current		
Assets	1	1,508
Liabilities	(487)	(509)
Net (liabilities)/assets	<u>(486)</u>	<u>999</u>
Net (liabilities)/assets attributable to NCI	<u>(243)</u>	<u>498</u>

Summarised income statements

	2022 SGD'000	2021 SGD'000
Revenue	109	1,210
(Loss)/profit before tax	(1,519)	354
Income tax expense	(1)	(71)
Post-tax (loss)/profit from continuing operations	<u>(1,520)</u>	<u>283</u>
Other comprehensive income, net of tax	35	16
Total comprehensive (loss)/income	<u>(1,485)</u>	<u>299</u>
Total comprehensive (loss)/profit attributable to non-controlling interest	<u>(741)</u>	<u>149</u>

Summarised cash flows

	2022 SGD'000	2021 SGD'000
Net cash used in operating activities	<u>(-*)</u>	<u>(398)</u>

* Amount less than SGD1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 PLANT AND EQUIPMENT

	Furniture and fitting and office equipment SGD'000
Group	
2022	
Cost	
Beginning of financial year	11
Additions	2
End of financial year	13
Accumulated depreciation	
Beginning of financial year	11
Depreciation charge	-*
End of financial year	11
Net book value	
End of financial year	2
2021	
Cost	
Beginning of financial year and end of financial year	11
Accumulated depreciation	
Beginning of financial year and end of financial year	11
Net book value	
End of financial year	-

* Amount less than SGD1,000

	Furniture and fitting and office equipment SGD'000
Company	
2022	
Cost	
Beginning of financial year and end of financial year	10
Accumulated depreciation	
Beginning of financial year and end of financial year	10
Net book value	
End of financial year	-
2021	
Cost	
Beginning of financial year and end of financial year	10
Accumulated depreciation	
Beginning of financial year and end of financial year	10
Net book value	
End of financial year	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000
Accrued operating expenses				
– Directors' fees	42	42	42	42
– Others	251	146	79	80
	293	188	121	122
Non-trade payables				
– Non-related parties	106	105	–	–
	399	293	121	122

16 SHARE CAPITAL

Group and Company	2022	No. of ordinary shares	
		Amount SGD'000	
		42,599,999	33,347
2021			
Beginning of financial year and end of financial year		42,599,999	33,347

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.

17 CURRENCY TRANSLATION RESERVE

	Group		Company	
	2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000
Beginning of the financial year	(206)	(4,121)	–	(3,944)
Net currency translation difference of financial statements of foreign subsidiary corporation	86	(29)	–	–
Effect of change in functional currency	–	3,944	–	3,944
End of the financial year	(120)	(206)	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18 LEASES – THE GROUP AS A LESSOR

Nature of the Group's leasing activities – Group as an intermediate lessor

Sublease – classified as operating lease

The Group acts as an intermediate lessor under an arrangement in which it subleases its office space to a related party for monthly lease payments. The sublease periods do not form a major part of the remaining lease terms under the head lease and accordingly, the sub-lease is classified as an operating lease.

Income from subleasing the office space recognised during the financial year ended 31 December 2022 was SGD14,000 (2021: SGDNil) (Note 5).

The sublease has been terminated on 31 December 2022 and the Group will not receive any lease payments subsequent to the reporting date.

19 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

(a) Market risk

(i) Currency risk

The Group has currency exposures arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of the Group. The Group transacts business in various foreign currencies, including Renminbi ("RMB"), United States Dollar ("USD") and Malaysia Ringgit ("MYR"), therefore there is exposed to foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

Group	SGD SGD'000	USD SGD'000	RMB SGD'000	RM SGD'000	Total SGD'000
2022					
Financial assets					
Cash and cash equivalents	1,026	–	340	58	1,424
Trade and other receivables	64	–	29	4	97
Receivables from subsidiary corporations	37	–	–	–	37
Other financial assets	16	–	1	–	17
	1,143	–	370	62	1,575
Financial liabilities					
Trade and other payables	(275)	–	(118)	(6)	(399)
Payables to subsidiary corporations	(37)	–	–	–	(37)
	(312)	–	(118)	(6)	(436)
Net financial assets					
Add: Net non-financial assets	831	–	252	56	1,139
	10	–	1	1	12
Net assets	841	–	253	57	1,151
Less: Financial liabilities denominated in the respective entities' functional currencies	(982)	–	(253)	(57)	(1,292)
Currency exposure of financial liabilities, net of those denominated in the respective entities' functional currencies	(141)	–	–	–	(141)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD SGD'000	USD SGD'000	RMB SGD'000	HKD SGD'000	Total SGD'000
Group					
2021					
Financial assets					
Cash and cash equivalents	1,757	–	509	–	2,266
Trade and other receivables	1	1,506	52	–	1,559
Receivables from subsidiary corporations	882	–	–	–	882
Other financial assets	8	–	34	–	42
	<u>2,648</u>	<u>1,506</u>	<u>595</u>	<u>–</u>	<u>4,749</u>
Financial liabilities					
Trade and other payables	(149)	–	(143)	(1)	(293)
Payables to subsidiary corporations	(882)	–	–	–	(882)
	<u>(1,031)</u>	<u>–</u>	<u>(143)</u>	<u>(1)</u>	<u>(1,175)</u>
Net financial assets/(liabilities)					
	1,617	1,506	452	(1)	3,574
Add: Net non-financial (liabilities)/assets	(145)	–	2	–	(143)
Net assets/(liabilities)	1,472	1,506	454	(1)	3,431
(Less)/add: Financial (liabilities)/assets denominated in the respective entities' functional currencies	(1,640)	(1,506)	(454)	1	(3,599)
Currency exposure of financial liabilities, net of those denominated in the respective entities' functional currencies					
	<u>(168)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(168)</u>

The Company's business operation is not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) *Cash flow and fair value interest rate risks*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group has cash balances placed with reputable banks and financial institutions which generate interest income for the Group. The Group manages its interest rate risk by placing such balances on varying maturities and interest rate terms. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rates.

(b) Credit risk

(i) *Risk management*

The Group and the Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Group mitigates its credit risks by transacting only with counterparties who have high credit quality and appropriate credit standing and history.

For customers, the Group performs credit reviews on new customers before acceptance and undertakes an annual review for existing customers. Credit reviews take into account customers' financial strength, the Group's past experiences with the customers and other relevant factors.

As the Group and the Company do not hold any 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 balance sheet.

The trade receivables of the Group comprised 1 debtor (2021: 1 debtor) that individually represented 60% (2021: 92%) of trade receivables.

(ii) *Credit rating*

The expected credit losses for debts which are estimated based on the customers' ability to pay and adjusted with forward-looking information by reference to historical credit loss experience of the different segments, adjusted as appropriate to reflect current conditions and estimates of future economic conditions as applicable. The expected credit losses for debts which are individually assessed are based on an analysis of the debtor's current financial position and are adjusted for factors that are specific to the debtors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(b) Credit risk (continued)

(iii) *Trade receivables*

The Group has applied the simplified approach to measure the lifetime expected credit losses for all trade receivables.

To measure the expected credit losses, the Group has made debtor specific assessment for credit impaired debtors. The Group considers historical loss experience for the respective customers, its transactions, and receipts with the Group during the financial year and estimates of the amount and timing of the collectability of respective customers. The management has separately identified a group of specific receivables which is either with repayment plan with the Group or those which the Group do not expect to receive future cash flows.

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 categorises a receivable for write off when a debtor fails to make contractual payment greater than 365 days past due based on historical loss rates for each category of customers and adjust to reflect current and forward-looking information. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

As at reporting date, the Group has recognised an expected credit loss allowance of SGD1,044,000 (2021: SGDNil) against trade receivables over 365 days past due, because historical experience and forward-looking information has indicated that these group of receivables generally has a greater potential risk on the recoverability. No other loss allowance is recognised as the management believes that the amounts that are past due are collectible, based on historical payment behaviour and credit-worthiness of the customers.

The movement of ECL on trade receivables are as follows:

	Group	
	2022 SGD'000	2021 SGD'000
Beginning of financial year	-	-
Allowance made	1,044	-
Currency translation differences	(28)	-
End of financial year (Note 10)	1,016	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(b) Credit risk (continued)

(iv) *Other financial assets, at amortised cost*

The Group and the Company's other financial assets recognised at amortised cost mainly consisted of cash and cash equivalents, non-trade receivables, loan to an associated company and deposits. These other financial assets are subject to immaterial credit loss, except for loan to an associated company and other receivables due from subsidiary corporations.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets.

For the purpose of impairment assessment, loss allowance is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

Other financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of other receivables to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments.

As at the reporting date, the movements in credit loss allowances on other receivables and loans to associated company are as follows:

	Other receivables SGD'000	Loan to an associated company SGD'000	Total SGD'000
Beginning of financial year	–	4,095	4,095
Allowance made	58	–	58
Written-off	–	(4,095)	(4,095)
Currency exchange difference	(3)	–	(3)
End of financial year (Note 10)	<u>55</u>	<u>–</u>	<u>55</u>

	Other receivables SGD'000	Total SGD'000
Beginning of financial year	–	–
Allowance made	899	899
End of financial year (Note 10)	<u>899</u>	<u>899</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management includes by maintaining sufficient cash and cash equivalents (Note 9) to enable them to meet their normal operating commitments.

The Group's and the Company's financial liabilities are all due within the next 12 months from the balance sheet date and approximate the contractual undiscounted payments.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group and the Company are not required by the banks to maintain financial ratios. The Group's and the Company's strategies, which were unchanged from 2021, are to maintain gearing ratios of not more than 100%. Management will review the gearing ratios regularly based on operations and performance of the Group.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as any borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000
Net debt	-	-	-	-
Total equity	1,151	3,431	1,051	2,523
Total capital	1,151	3,431	1,051	2,523
Gearing ratio	NM	NM	NM	NM

* NM = Not meaningful

The Group and the Company have no externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2022 SGD'000	2021 SGD'000	2022 SGD'000	2021 SGD'000
Financial assets, at amortised cost	1,538	3,867	1,130	2,634
Financial liabilities, at amortised cost	399	293	121	122

20 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 sublease to related party*

	Group	
	2022 SGD'000	2021 SGD'000
Sales from related party	109	1,145
Sublease to related party	14	-

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

Outstanding balances arising from sale of services, are unsecured and receivable within 12 months from balance sheet date are disclosed in Note 10 to the financial statements.

(b) *Key management personnel compensation*

Key management personnel compensation, representing compensation to directors and executive officers of the Group is as follows:

	Group	
	2022 SGD'000	2021 SGD'000
Salaries and bonus	693	700
Directors' fees	92	109
Employer's contribution to defined contribution plans including CPF	59	26
	844	835

The above total compensation includes compensation to Directors of the Company amounted to SGD287,000 (2021: SGD281,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21 SEGMENT INFORMATION

The Group's chief operating decision-makers ("CODM") consists of the Executive Directors. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources, and assess performance.

The CODM considers the business from both geographical and business segment perspectives. Geographically, management manages and monitors the business mainly in Singapore, PRC, India and Malaysia. From a business segment perspective, the Group's operations derive its revenue from corporate advisory and management consultancy businesses. Other services within Singapore mainly relate to investment holding and are not included within the reportable operations segments. The result of its operations is included under "All other segments".

The segment information provided to the CODM for the reportable segments is as follows:

	Corporate advisory, and management consultancy SGD'000	All other segments SGD'000	Total SGD'000
2022			
Revenue			
Other income	–	14	14
Interest income	2	4	6
Currency exchange (losses)/gains – net	(112)	8	(104)
Employee compensation	(774)	(305)	(1,079)
Directors' fee	–	(92)	(92)
Expected credit loss allowance on financial assets	(1,102)	–	(1,102)
Professional fees	(24)	(230)	(254)
Rental on short-term leases	(8)	(39)	(47)
Other operating expenses	(8)	(31)	(39)
Loss before income tax	(1,710)	(671)	(2,381)
Income tax expense	(1)	–	(1)
Total loss	(1,711)	(671)	(2,382)
Segment assets	446	1,104	1,550
Segment liabilities	278	121	399

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21 SEGMENT INFORMATION (CONTINUED)

The segment information provided to the CODM for the reportable segments are as follows (continued):

	Corporate advisory, and management consultancy SGD'000	All other segments SGD'000	Total SGD'000
2021			
Revenue	1,686	–	1,686
Other income	–	4	4
Interest income	6	–	6
Currency exchange gains/(losses) – net	93	(25)	68
Consultancy charges	(58)	–	(58)
Employee compensation	(669)	(309)	(978)
Directors' fee	–	(109)	(109)
Professional fees	(171)	(149)	(320)
Rental on short-term leases	(15)	(24)	(39)
Other operating expenses	(23)	(43)	(66)
Profit/(loss) before income tax	849	(655)	194
Income tax expense	(71)	–	(71)
Total profit/(loss)	778	(655)	123
Segment assets	2,117	1,763	3,880
Segment liabilities	327	122	449

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

The CODM assesses the performance of the operating segments based on gross profit. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

(a) Reconciliations

(i) Segment assets

The amounts reported to CODM with respect to total assets are measured in a manner consistent with that of the financial statements and all assets are allocated to reportable segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21 SEGMENT INFORMATION (CONTINUED)

(a) *Reconciliations* (continued)

(i) Segment assets (continued)

Segment assets are reconciled to total assets as follows:

	2022 SGD'000	2021 SGD'000
Segment assets for reportable segments	446	2,117
Other segment assets	<u>1,104</u>	<u>1,763</u>
Total assets	<u>1,550</u>	<u>3,880</u>

(ii) Segment liabilities

The amounts provided to CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment and all liabilities are allocated to the reportable segments.

Segment liabilities are reconciled to total liabilities as follows:

	2022 SGD'000	2021 SGD'000
Segment liabilities for reportable segments	278	327
Other segment liabilities	<u>121</u>	<u>122</u>
Total liabilities	<u>399</u>	<u>449</u>

(b) *Revenue from major products and major customers*

Revenue of SGD109,000 (2021: SGD1,145,000) was derived from a single related party and attributable to the rendering of services under corporate advisory and management consultancy segment as disclosed in Note 4 to the financial statements.

(c) *Geographical information*

The Group's business segments operate in the following main geographical areas:

- Corporate advisory – domiciled and operates mainly in the PRC, Singapore and Malaysia.
- Management consultancy – domiciled in Singapore and operates mainly in India.
- All other segments – domiciled and operates mainly in Singapore.

The Group's revenue by geographical areas is disclosed under Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22 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 January 2023 and which the Group has not adopted early.

(a) 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.

(b) Amendments to SFRS(I) 1-12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

The amendments to SFRS(I) 1-12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. SFRS(1) 1-12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23 EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 9 February 2023, the Company announced that its subsidiary corporation, Prisma Technologies Pte. Ltd. ("Prisma Tech") has through its legal advisors issued a Letter of Demand (the "Letter") against Prisma AI Corporation Pte. Ltd. ("Prisma AI") in respect of claims on unpaid amounts owing to Prisma Tech for various management and administration services provided by Prisma Tech to Prisma AI.

Prisma Tech has in its Letter demanded that Prisma AI repay the outstanding sum of approximately SGD1,016,000 (equivalent to USD758,000), by no later than noon of 15 February 2023.

On 30 March 2023, the Company announced that following the issue of the Letter, Prisma AI had proposed an offer to settle the outstanding sum which was turned down by the Company and Prisma Tech after careful consideration. Therefore, Prisma Tech stands by the outstanding sum as originally demanded in its Letter on 9 February 2023 and has through its legal advisors issued another letter of demand against Prisma AI on 30 March 2023 to this effect (the "Second Letter"). Pursuant to this Second Letter, the deadline for payment of the outstanding sum is noon of 15 April 2023.

Consequently, the Group has made an expected credit loss allowance amounting to SGD1,044,000 (2021: SGDNil) on the receivables due from Prisma AI as disclosed in Note 19(b)(iii) to the financial statements.

STATISTICS OF SHAREHOLDINGS

AS AT 27 MARCH 2023

SHARE CAPITAL

Issued and fully-paid capital	S\$33,346,902	Class of shares	Ordinary shares
Total number of shares in issue	42,599,999	Voting rights	1 vote per share
Number of treasury shares and subsidiary holdings held	Nil		

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 – 99	61	9.90	1,758	0.00
100 – 1,000	217	35.23	96,800	0.23
1,001 – 10,000	218	35.39	1,018,444	2.39
10,001 – 1,000,000	113	18.34	7,774,257	18.25
1,000,001 AND ABOVE	7	1.14	33,708,740	79.13
TOTAL	616	100.00	42,599,999	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	UOB KAY HIAN PRIVATE LIMITED	9,037,094	21.21
2	KGI SECURITIES (SINGAPORE) PTE. LTD	7,883,560	18.51
3	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	7,295,400	17.13
4	DBS NOMINEES (PRIVATE) LIMITED	3,594,926	8.44
5	WAN JINN WOEI	3,197,900	7.51
6	LYE WEIZHI (LAI WEIZHI)	1,689,500	3.97
7	HSBC (SINGAPORE) NOMINEES PTE LTD	1,010,360	2.37
8	PHILLIP SECURITIES PTE LTD	982,473	2.31
9	CITIBANK NOMINEES SINGAPORE PTE LTD	479,234	1.12
10	WENG WENJU	313,600	0.74
11	WENG JINDAO	305,600	0.72
12	HUANG QINGHUA	282,100	0.66
13	TEOH TEIK KEE	250,000	0.59
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	246,880	0.58
15	HUANG FANGXUE	238,400	0.56
16	TEO BOON CHYE	200,000	0.47
17	TIGER BROKERS (SINGAPORE) PTE. LTD.	180,218	0.42
18	ABN AMRO CLEARING BANK N.V	167,808	0.39
19	LOH LOK KIT	150,000	0.35
20	ONG SOON LIONG @ONG SOON CHONG	140,000	0.33
	TOTAL	37,645,053	88.38

STATISTICS OF SHAREHOLDINGS

AS AT 27 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 27 March 2023 are as follows:

Name	Direct Interest	%	No. of Ordinary Shares	
			Indirect Interest	%
Wan Jinn Woei	3,197,900	7.51	–	–
Goh Kui Lian ⁽¹⁾	–	–	8,946,000	21.00
Healing Spring Group Limited ⁽²⁾	–	–	4,686,000	11.00
Weng Wenwei ⁽³⁾	–	–	3,230,000	7.58

Notes:

- (1) The 7,242,000 ordinary shares are held by Goh Kui Lian's nominee, CIMB Securities (Singapore) Pte Ltd. Goh Kui Lian is also deemed to be interested in the 1,704,000 ordinary shares held by Kendek Products Co., Ltd, a company incorporated in the British Virgin Islands and wholly-owned by Ms Goh Kui Lian, and registered under its nominee, UOB Kay Hian Pte Ltd.
- (2) The 4,686,000 are held by Healing Spring Group Limited's nominee, KGI Securities (Singapore) Pte Ltd.
- (3) Weng Wenwei is deemed to be interested in the 2,000,000 Shares held by G&W Investment Management Co., Ltd ("G&W") by virtue of his interest in 100% of the shares in G&W and 1,230,000 shares held by his spouse, Cai An'e. Registered in the name of DBS Nominees (Private) Limited.

FREE FLOAT

As at 27 March 2023, approximately 52.91% of the issued ordinary shares of the Company were held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("AGM") of **Forise International Limited** (the "Company") will be held by way of electronic means on Thursday, 27 April 2023 at 2.30 p.m. Please refer to the notes below for further details.

This Notice of AGM and accompanying Proxy Form have been made available on SGXNET. Printed copies of these documents will NOT be despatched to members of the Company.

The AGM will be held for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and, if approved, adopt the Audited Accounts for the financial year ended 31 December 2022 together with the Directors' Statement and Independent Auditors' Report thereon. **Resolution 1**
2. To approve the payment of Directors' fees of S\$99,000 for the financial year ending 31 December 2023, to be paid half-yearly in arrears. (2022: S\$99,000) **Resolution 2**
3. To re-elect Mr. Wan Jinn Woei in accordance with Regulation 117 of the Company's Constitution, as Director of the Company.
[See Explanatory Note (i)] **Resolution 3**
4. To re-elect Mr. Lee Ah Too in accordance with Regulation 117 of the Company's Constitution, as Director of the Company.
[See Explanatory Note (ii)] **Resolution 4**
5. To elect Mr. Heng Chee Song as a Director of the Company, to hold office from the date of the AGM.
[See Explanatory Note (iii)] **Resolution 5**
6. To re-appoint CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as the Independent Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
7. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution (with or without amendments) as Ordinary Resolution:-

8. **General mandate to allot and issue new shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act 1967 (the "Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Listing Manual"), authority be and is hereby given to the Directors of the Company to:-

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

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (B) (notwithstanding the authority conferred by this Resolution may have been ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided 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) shall not exceed fifty per cent (50%) of the total issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraphs (i) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
 - (b) new Shares arising from the exercise of share options or vesting of share awards, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments for (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and Constitution of the Company; and
- (iv) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (iv)]

Resolution 7

BY ORDER OF THE BOARD

PENG WEILE (LEO)
EXECUTIVE DIRECTOR
12 APRIL 2023
SINGAPORE

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:-

- (i) If re-elected under Ordinary Resolution 3, Mr. Wan Jinn Woei will remain as an Executive Director of the Company.
- (ii) If re-elected under Ordinary Resolution 4, Mr. Lee Ah Too will remain as an Independent Non-executive Director of the Company, the Chairman of the Remuneration Committee and the Nominating Committee, as well as a member of the Audit Committee.
- (iii) If elected under Ordinary Resolution 5, Mr. Heng Chee Song Peter will be an Independent Non-Executive Director of the Company, as well as a member of the Audit Committee, the Remuneration Committee and the Nominating Committee, with effect from the date of the AGM.
- (iv) Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors of the Company, effective from the date of this AGM until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares and/or convertible securities in the Company up to a maximum of fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total issued Shares (excluding treasury shares and subsidiary holdings).

Notes:-

1. **Printed copies of this Notice of AGM and the accompanying Proxy Form will not be sent to Members.** Instead, these documents are electronically disseminated to Members and may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements>.
2. The AGM will be convened and held by electronic means.
3. Alternative arrangements are put in place to allow Members to participate in the AGM by:
 - a. attending, asking questions and communicating "live" in real-time at the virtual AGM via electronic means. Members who wish to participate in the AGM proceedings as such will have to pre-register in the manner outlined in Note 5 below;
 - b. submitting questions to the Company in advance of or "live" at the virtual AGM. Please refer to Note 6 below for further details; and
 - c. voting by proxy or "live" in real-time at the virtual AGM via electronic means. Please refer to Note 7 below for further details.
4. In the case of Shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Members may participate at the AGM by taking note of the following steps:

5. Registration for Virtual AGM

A Member will be able to follow the proceedings of the AGM by watching and/or listening to the proceedings of the AGM through a "live" real-time webcast via mobile phone, tablet, computer or any such electronic device. Members will also be able to ask questions and communicate "live".

In order to do so, a Member must pre-register at the URL <https://conveneagm.com/sg/foriseinternational2023> by **no later than 2.30 p.m. on 25 April 2023** (that is, not less than 48 hours before the time fixed for holding the AGM) (the "**Registration Deadline**") for authentication of their status as Members.

Members who have been authenticated will receive email instructions to access the virtual AGM by **2.30 p.m. on 26 April 2023**. Members who have registered by the Registration Deadline but did not receive email instructions by 2.30 p.m. on 26 April 2023 should contact the Company by email at contact@foriseinternational.com for assistance, including details of their particulars (comprising full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held).

Members must not forward the abovementioned email instructions to other persons who are not Members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the AGM platform.

Members are reminded that the AGM proceedings are private, and recording of the proceedings in whatever form is strictly prohibited.

Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), may attend and cast their votes at the AGM by pre-registering. If they would like to vote but are unable to attend the AGM, they should approach their respective agents, including SRS operators, as soon as possible, so that the necessary arrangements can be made by the relevant agents to appoint the Chairman to act as their proxy, in which case, the investor shall be precluded from attending the AGM personally.

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6. Members' Queries

Members of the Company are encouraged to submit questions relating to the resolutions tabled for approval at the AGM in advance:

- (a) **via the pre-registration website** at the URL <https://conveneagm.com/sg/foriseinternational2023>;
- (b) **by email** to contact@foriseinternational.com; or
- (c) in hard copy **by post** to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08, Suite 22, Singapore 228218,

in any case, by **2.30 p.m. on 19 April 2023** (the "**Cut-off Time**").

For verification purpose, when submitting any questions by post or via email, Members **MUST** provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held).

The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) as soon as possible and in any case, no later than **2.30 p.m. on 23 April 2023** (that is, no later than 48 hours before the closing date and time for the lodgement of the Proxy Forms).

Any subsequent clarifications sought by Members after the Cut-off Time will be addressed at the AGM. Members may also ask questions during the AGM.

The minutes of the AGM will be published on SGXNet within one (1) month after the date of the AGM.

Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including SRS Investors, can submit their questions in relation to any resolution set out in the Notice of AGM upon pre-registration. They should also inform their respective agents including SRS operators, as soon as possible, so that the necessary arrangements can be made by the relevant agents for their participation in the AGM.

7. Proxy Voting or Voting "live" at the AGM

A Member may personally attend and vote "live" at the AGM.

Alternatively:

- (a) a member of the Company entitled to attend and vote at the AGM and who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote in his/her stead; and
- (b) a member of the Company entitled to attend and vote at the AGM and who is a relevant intermediary may appoint more than two (2) proxies provided that each proxy is appointed to exercise the rights attached to different shares held by such member.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

A proxy need not be a Member.

If a proxy is to be appointed, the instrument appointing the proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The Proxy Form has been uploaded together with this Notice of AGM on SGXNET on the same day.

Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

Members (whether individual or corporate) appointing a proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment may be treated as invalid.

The Proxy Form must be submitted to the Company in the following manner:

- (a) **by email** to contact@foriseinternational.com; or
- (b) in hard copy **by post** to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08, Suite 22, Singapore 228218,

in any case, **not less than 48 hours** before the time appointed for holding the AGM (and at any adjournment thereof), i.e. **by no later than 2.30 p.m. on 25 April 2023**.

NOTICE OF ANNUAL GENERAL MEETING

A Member who wishes to submit a Proxy Form must first download the Proxy Form, which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>, complete and sign the Proxy Form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. Members are strongly encouraged to submit completed proxy forms electronically via email.

Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including SRS Investors, who wish to appoint a proxy, should approach their respective agents, including SRS operators, to submit their votes at least seven (7) working days before the AGM, i.e. **by 5.00 p.m. on 17 April 2023**.

The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument of proxy).

In the case of Shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy.

8. COVID-19 Measures

The Company will continue to monitor the ongoing COVID-19 situation and reserves the right to take further measures as appropriate and at short notice, in order to comply with the various government and regulatory advisories from time to time. Any changes to the manner of conduct of the AGM will be announced on SGXNET at the URL <https://www.sgx.com/securities/company-announcements>. Members are advised to check SGXNET regularly for updates on the AGM.

Personal Data Privacy:

"**Personal data**" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes, *inter alia*, the Member's name and its proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Mr Wan Jinn Woei and Mr Lee Ah Too are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on **27 April 2023** ("AGM") under Ordinary Resolutions 3 and 4 respectively as set out in the Notice of AGM dated 12 April 2023 (the "Retiring Directors").

Mr Heng Chee Song Peter is the Proposed New Director who is proposed to be appointed for the first time at the forthcoming AGM under Ordinary Resolution 5 as set out in the Notice of AGM dated 12 April 2023.

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to each of the Retiring Directors and the Proposed New Director as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is as follows:

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
Date of Appointment	1 August 2022	1 December 2022	27 April 2023, subject to the approval of shareholders at the forthcoming AGM
Date of Last Re-Appointment	N/A	N/A	N/A
Age	41	64	67
Country of principal residence	Malaysia	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has assessed Mr Wan Jinn Woei's qualifications and experience, and is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as an Executive Director of the Company.	The Board has assessed Mr Lee Ah Too's qualifications and experience, considers him to be independent, and is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as an Independent Non-executive Director of the Company.	The Board has assessed Mr Heng Chee Song Peter's qualifications and experience, considers him to be independent, and is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as an Independent Non-executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive Director. Mr Wan Jinn Woei will be responsible for the formulation and implementation of strategies to improve overall corporate performance and to lead corporate planning to further the Company's goals.	No.	No.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director	Independent Non-executive Director, the Chairman of the Remuneration Committee and the Nominating Committee and a member of the Audit Committee.	Independent Non-executive Director and a member of the Audit Committee, Remuneration Committee and Nominating Committee.
Professional Qualifications	Malaysian Public Auctioneer Basic Practice Programme, Bachelor of Business Administration	Chartered Accountant (Member of the Malaysian Institute of Accountants)	Fellow, Society of Naval Architects and Marine Engineers, Singapore (SNAMES) Certificate of Competency, 1st Class (Motor) Engineer and 2nd Class (Motor) Engineer, Department of Trade and Industry, Singapore Marine Department
Any relationship (including immediate family relationships) with any existing director, existing executive director, 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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
Working experience and occupation(s) during the past 10 years	<p>January 2011 to June 2013 – Real Estate Negotiator of Ding Feng Realty Sdn Bhd</p> <p>December 2013 to July 2016 – Director of Business Development of Megaharta Real Estate Sdn Bhd</p> <p>August 2016 to January 2018 – Executive Chairman and Chief Executive Officer of Imperium Crown Limited</p> <p>September 2018 to April 2019 – Independent Non-Executive Director of PUC Berhad</p> <p>January 2021 to July 2022 – Director of Monterey Asia Sdn Bhd</p> <p>October 2019 to present – Director of Helenium Asia Sdn Bhd</p> <p>July 2021 to July 2022 – Director of CleanBot Sdn Bhd</p>	<p>October 1998 to June 2019 – Audit Partner of Ernst & Young, Malaysia</p> <p>July 2019 to present – Corporate Finance Advisor of Top Glove Sdn Bhd</p> <p>April 2022 to present – Independent Director of Poh Huat Resources Holdings Berhad</p>	<p>November 2006 to April 2016 – Vice President, Technical. Seacastle Singapore Pte Ltd.</p> <p>May 2016 to April 2018 – Executive Vice President. Meratus Line, Surabaya and Banjarmasin</p> <p>April 2018 to November 2019 – General Manager, Technical. Meratus Advance Maritim, Jakarta, Surabaya and Banjarmasin, Indonesia</p> <p>October 2020 to October 2021 – Technical Director, Integrated Maritime Management Pte Ltd, Singapore</p>
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
Past (for the last 5 years) Principal Commitments*, including directorships	<p>August 2016 to January 2018 – Executive Chairman and Chief Executive Officer of Imperium Crown Limited</p> <p>January 2021 to July 2022 – Director of CleanBot Sdn Bhd</p> <p>September 2018 to April 2019 – Independent Non-Executive Director of PUC Berhad</p> <p>January 2021 to July 2022 – Director of Monterey Asia Sdn Bhd</p>	<p>October 1998 to June 2019 – Audit partner of Ernst & Young, Malaysia</p>	<p>April 2018 to November 2019 – General Manager, Technical. Meratus Advance Maritim, Jakarta, Surabaya and Banjarmasin, Indonesia</p> <p>October 2020 to October 2021 – Technical Director, Integrated Maritime Management Pte Ltd, Singapore</p>
Present Principal Commitments*, including directorships	Nil	<p>July 2019 to present – Corporate Finance Advisor of Top Glove Sdn Bhd</p> <p>April 2022 to present – Independent Director of Poh Huat Resources Holdings Berhad</p>	Nil

* “Principal Commitments” has the same meaning as defined in the Code

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
(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	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION OR NEW APPOINTMENT PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

NAME OF DIRECTOR	WAN JINN WOEI	LEE AH TOO	HENG CHEE SONG PETER
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).	Yes. Mr Wan Jinn Woei was, from August 2016 to January 2018, the Executive Chairman and Chief Executive Officer of Imperium Crown Limited	No. Mr Lee Ah Too has been an Independent Non-executive Director of the Company since 1 December 2022 and has completed attending the necessary training courses prescribed by SGX on the listing requirement on roles and responsibilities of a director of a listed company in Singapore in March 2023.	No. Subject to Mr Heng Chee Song Peter's appointment being approved by shareholders at the upcoming AGM, the Group will thereafter send him for the necessary training as per the listing requirements on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST.

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FORISE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200804077W)

PROXY FORM ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this form)

This Proxy Form has been made available on SGXNET. A printed copy of this proxy form will **NOT** be despatched to members.

IMPORTANT

1. A relevant Intermediary may appoint more than two proxies to attend and vote at the AGM (please see Note 2 for the definition of "Relevant Intermediary").
2. Investors who hold shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and cast their votes at the virtual AGM personally. If they are unable to attend personally but would like to vote, they should inform their SRS operators to appoint the Chairman of the AGM to act as their proxy, in which case, the SRS Investor shall be precluded from attending the AGM.
3. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.

I/We* _____ (Name) _____ (NRIC/Passport/Company Registration Number*)

of _____ (Address)
being a member of **Forise International Limited** (the "Company"), hereby appoint:

Name	NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			

and/or*:

Name	NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			

or, if no proxy is named, the Chairman of the annual general meeting ("AGM"),

as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM to be convened and held by way of electronic means on **Thursday, 27 April 2023 at 2.30 p.m.** and at any adjournment thereof. Appointed proxy(ies) will be prompted via email (within one (1) business day after the Company's receipt of a validly completed and submitted Proxy Form) to pre-register at the pre-registration website which is accessible from the URL <https://conveneagm.com/sg/foriseinternational2023> in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings.

I/We* direct the aforesaid appointed proxy to vote for, or against, or abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder.

* Delete as appropriate

No.	Resolutions relating to:	No. of Votes For [#]	No. of Votes Against [#]	No. of Votes Abstain [#]
Ordinary Business				
1.	Adoption of Audited Accounts, Directors' Statement and Independent Auditors' Report for financial year ended 31 December 2022			
2.	Payment of Directors' Fees amounting to S\$99,000 for financial year ending 31 December 2023, to be paid half-yearly in arrears			
3.	Re-election of Mr. Wan Jinn Woei as a Director of the Company			
4.	Re-election of Mr. Lee Ah Too as a Director of the Company			
5.	Election of Mr. Heng Chee Song Peter as a Director of the Company			
6.	Re-appointment of CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) as Independent Auditors of the Company			
Special Business				
7.	Authority to Directors to allot and issue new shares pursuant to Section 161 of the Companies Act 1967 of Singapore			

If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. **If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the AGM is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific direction in respect of a resolution, the appointment of the Chairman of the AGM as my/our proxy for that resolution will be treated as invalid.**

Dated this _____ 2023.

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) and
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
2. **The AGM will be convened and held by electronic means.** A member of the Company (whether individual or corporate) ("Member") may personally attend and vote at the AGM, or:
 - a. a Member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead at the AGM of the Company. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy; and
 - b. a Member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. In appointing a proxy, if no specific direction as to voting is given by a Member, the proxy/proxies (except where the Chairman of the AGM is appointed as the Member's proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the AGM and at any adjournment thereof. In the absence of specific direction as to voting is given by a Member, the appointment of the Chairman of the AGM as the Member's proxy for the relevant resolutions will be treated as invalid.
4. SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS operators to submit their votes by 5:00 p.m. on 17 April 2023 (that is, at least seven (7) working days before the date of the AGM) in order to allow sufficient time for their respective SRS operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
5. A proxy need not be a member of the Company.
6. The duly executed Proxy Form must be submitted to the Company in the following manner:
 - (a) **by email** to contact@foriseinternational.com; or
 - (b) in hard copy **by post** to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08, Suite 22, Singapore 228218,in any case, **not less than 48 hours** before the time appointed for holding the AGM (and at any adjournment thereof). Members of the Company are strongly encouraged to submit the completed and signed Proxy Forms by email.
7. This instrument of proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
8. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
9. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.
10. The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument of proxy).
11. In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy. Otherwise, the Company shall be entitled to reject the instrument of proxy.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Peng Weile (Leo)

Wan Jinn Woei

Non-Executive & Independent Directors

Siow Chee Keong

Lee Ah Too

AUDIT COMMITTEE

Siow Chee Keong (*Chairman*)

Lee Ah Too

REMUNERATION COMMITTEE

Lee Ah Too (*Chairman*)

Siow Chee Keong

NOMINATION COMMITTEE

Lee Ah Too (*Chairman*)

Siow Chee Keong

REGISTERED AND SINGAPORE OFFICE

15 Scotts, 15 Scotts Road

#04-08, Suite 22

Singapore 228218

Tel no: 6716 9780

COMPANY SECRETARY

Ong Wei Jin, LL.B. (*Hons*)

SHARE REGISTRAR AND SHARE TRANSFER

In.Corp Corporate Services Pte. Ltd.

(formerly known as RHT Corporate Advisory Pte. Ltd.)

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

INDEPENDENT AUDITOR

CLA Global TS Public Accounting Corporation

(formerly Nexia TS Public Accounting Corporation)

80 Robinson Road #25-00

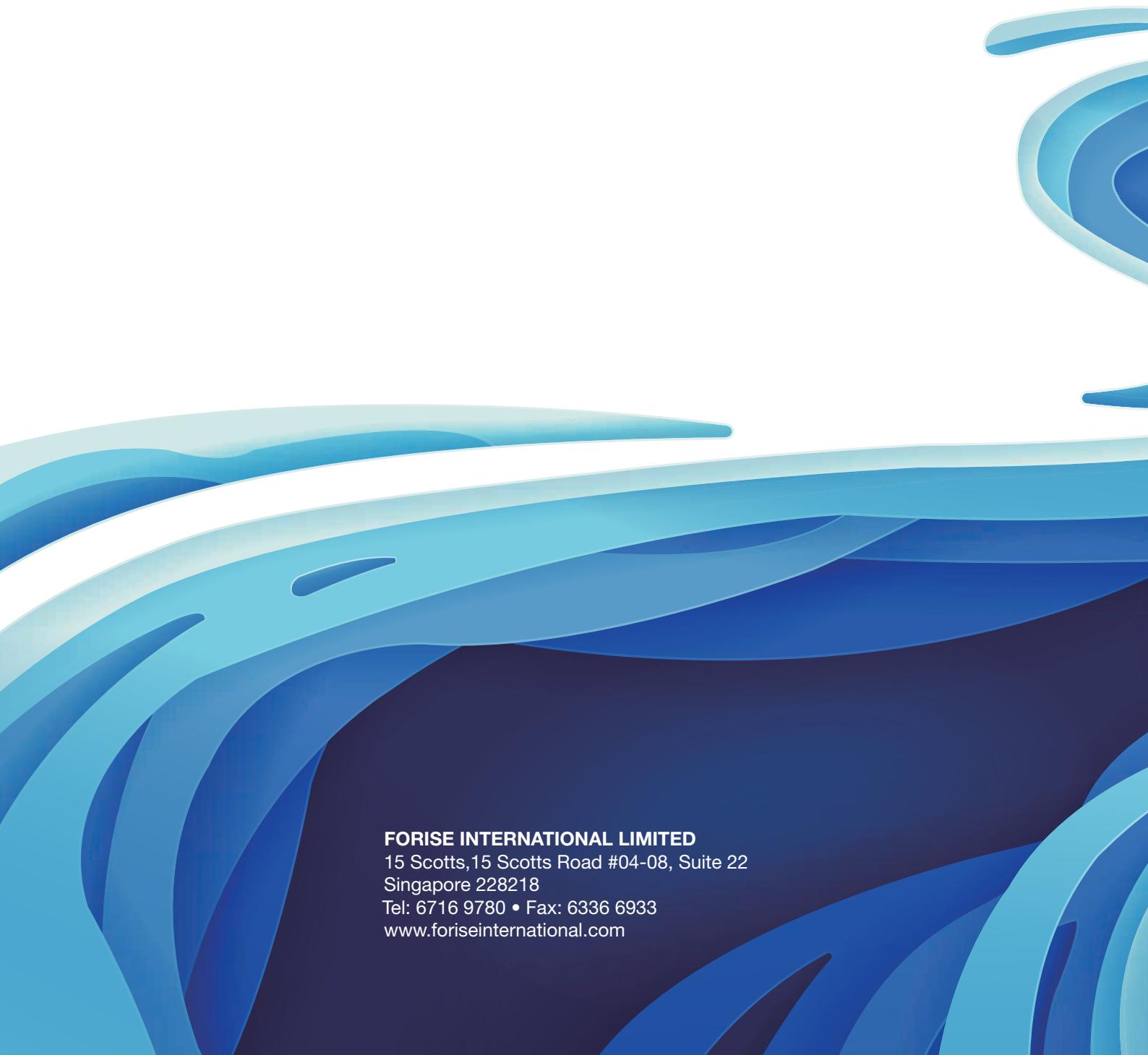
Singapore 068898

Director-in-charge: Hock Xiu Min, Sandy

(appointed since financial year ended 31 December 2022)

PRINCIPAL BANKER

United Overseas Bank



FORISE INTERNATIONAL LIMITED
15 Scotts, 15 Scotts Road #04-08, Suite 22
Singapore 228218
Tel: 6716 9780 • Fax: 6336 6933
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