OIO HOLDINGS LIMITED

Annual Report 2020

CONTENTS

2	Corporate Information
5	Chairman Statement
6	Operation and Financial Review
8	Financial Highlights
9	Directors and Key Executives
12	Corporate Governance report
31	Director’s Statement
35	Independent Auditor’s Report
40	Statements of Financial Position
41	Consolidated Statement of Comprehensive Income
42	Consolidated Statement of Change In Equity
43	Consolidated Statement of Cash Flows
45	Notes to the Financial Statement
101	Statistics of Shareholdings
103	Disclosure of Information on Directors Seeking Re-Election
108	Notice of Annual General Meeting
113	Appendix in relation to the Proposed Renewal of the Shareholders’ General Mandate For Interested Person Transactions
	Proxy Form

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

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

CORPORATE INFORMATION

Company Registration Number	201726076W
Registered Office	140 Paya Lebar Road #08-07 AZ @ Paya Lebar Singapore 409015 Tel: 69098155
Company website	https://oio.sg/
Investor Relations Contact	enquiry@oio.sg
Board of Directors	Fan Chee Seng (Executive Chairman) Yusaku Mishima (Executive Director) Foo Kia Juah (Lead Independent Non-Executive Director) Kok Cheang Hung (Independent Non-Executive Director) Tee Hian Chong (Independent Non-Executive Director)
Company Secretary	Pan Mi Keay See Kai Li (Appointed on 30 January 2020)

CORPORATE INFORMATION

Share Registrar and Share Transfer Office	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #11-02 Singapore 068898
Audit Committee	Kok Cheang Hung (Chairman) Tee Hian Chong Foo Kia Juah
Nominating Committee	Foo Kia Juah (Chairman) Tee Hian Chong Kok Cheang Hung
Remuneration Committee	Foo Kia Juah (Chairman) Tee Hian Chong Kok Cheang Hung
Principal Bankers	DBS Bank Limited Standard Chartered Bank (Singapore) Limited Maybank Singapore Limited

CORPORATE INFORMATION

Auditors	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place, #07-03 Clifford Centre Singapore 048621 Partner-in-charge: Ang Soh Mui (w.e.f financial year ended 31 December 2020)
Listing Information	Share Listing: Singapore Exchange Ltd Stock Code: SGXE73993458
Sponsor	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay, #10-00 Income at Raffles Singapore 049318

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "**Board**") of OIO Holdings Limited. ("**OIO**" or the "**Company**" and together with its subsidiaries, the "**Group**"), we are pleased to present to you the Group's annual report for the financial year ended 31 December 2020 ("**FY2020**").

In FY2020, the Group had expanded its business to the blockchain space and started blockchain agency and consulting services which relates to sales agency services to blockchain companies in respect of their blockchain-related products and services, software development outsource agency services to blockchain companies for their software development projects, consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related products. In FY2020, the revenue of the blockchain agency and consulting services segment exceeded S$1million and its gross profit was in the region of S$500k.

The Group is currently exploring acquisition of businesses in the blockchain space, to enhance its capabilities and accelerate growth, and such initiatives include the proposed acquisition of Moonstake Pte Ltd and Moonstake limited which the Group has announced on 20 January 2021.

I believe the Group is now poised to realize its long-term growth potential.

BUSINESS REVIEW

The Group's operating environment for the FY2020 makes up of 4 segments, namely in the blockchain agency and consulting services, M&E engineering services, project management and turnkey contracting services segments. No revenue was recorded from turnkey contracting services and project management services for FY2020.

Total revenue was approximately S$1.5 million in FY2020, an increase of 46.1% as compared to FY2019 because of the rapid growth of the revenue from the blockchain agency and consulting services segment.

The Group's gross profit was S$0.26 million for FY2020, compared with S$0.39 million for FY2019. The administrative expenses for FY2020 of S$1.81 million was 20.3% lower than in FY2019, mainly due to the Group's cost cutting measure. The Group's registered a S$0.91 million loss after tax in FY2020 as compared to S$3.68 million profit after tax in FY2019.

DIVIDENDS

In view of the loss position, the Board is not recommending a dividend for FY2020.

OUTLOOK FOR 2021

Due to the COVID-19 situations, there are some disruptions to the operations of the M&E engineering business such as quarantine of the Group's construction workers and slowdown of the projects. Although the Group has resumed its works at the construction sites with the approval from Building and Construction Authority (BCA), the order intakes are slowing down and the profitability of the projects are decreasing due to the COVID-19 impacts. The Group will continue to exercise prudence when managing its costs.

Other than this, COVID-19 has not been materially affecting the Group's operations or financial situations.

The Group is looking at bringing more orders, by proposing to acquire the entire shareholdings in Moonstake Pte Ltd and Moonstake Limited as announced on 20 January 2021. In addition to this proposed acquisition, we will continue to work on accelerating the growth of our blockchain business. We will work towards achieving organic growth of this segment, while we will also explore the opportunities to acquire businesses/assets in the blockchain industry which are attractive for the interests of our shareholders.

APPRECIATION

On behalf of the Board, I would like to thank our management and staff for their contribution, understanding and dedication in helping the Group to overcome the many obstacles. Despite the challenging FY2020 period, I would also like to express my gratitude to our customers and business partners for their support and faith in us. I look forward to working together with everyone to continue building on the trust and confidence of our business.

We appreciate all stakeholders and shareholders' trust towards a better future for OIO in the years to come.

OIO Holdings Ltd
Fan Chee Seng

OPERATION AND FINANCIAL REVIEW

Our Group is a Singapore-based blockchain services and M&E engineering services and solutions service provider. Our business are in the provisions of (1) blockchain agency and consulting services, (2) M&E engineering services, (3) Project Management Services; and (4) Turnkey Contracting Services.

Our Group operates as a provider of blockchain agency and consulting services and it relates to sales agency services to blockchain companies in respect of their blockchain-related products and services, software development outsource agency services to blockchain companies for their software development projects, consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related products, and commercialization of blockchain-related products.

Our Group also operates as a sub-contractor for our M&E engineering services, Project Management Services and also has the capabilities to undertake projects as a main-contractor, in particular, in relation to our Turnkey Contracting Services. We have developed extensive expertise as an M&E engineering services and solutions provider, and have built up a strong network with well-established customers who are often engaged in projects in Singapore and the region.

Total revenue was approximately S$1.5 million in FY2020, an increase of 46.1% as compared to FY2019 due to the rapid growth of the revenue from the blockchain agency and consulting services segment. No revenue was recorded from the Project Management Services and Turnkey Contacting Services for the FY2020 and FY2019.

The Group's cost of sales mainly comprised of the cost of outsourcing consulting services from the blockchain business. Cost of sales was S$1.2 million, approximately 82.6% of our total revenue for FY2020. Cost of sales increased by 97.8% as compared to FY2019, which was in line with the increase in total revenue and due to lower profit margins of the Group as explained as below.

The Group's gross profit was S$0.26 million for FY2020, which decreased by 34.9% from S$0.39 million for FY2019. The overall gross profit margin ("GPM") decreased from 39.0% in FY2019 to 17.4% in FY2020. The overall gross profit generated in FY2020 was mainly contributed by the blockchain business, of which the GPM was approximately 36.4% in FY2020. The cost of sales incurred by this business segment was mainly the cost of outsourcing consulting services. The M&E engineering services business generated a gross loss of approximately S$0.2 million in FY2020 in contrast to a gross profit and GPM of approximately S$0.4 million and approximately 39.0%, respectively in FY2019. This was mainly as a result of credit notes issued to customers as a result of cancellation of purchase order in FY2020 whereas the revenue was recognised in previous year, and most of the small projects undertaken incurred lower profit margins or losses in FY2020 compared to the similar size of projects in FY2019. The lower profit margin was mainly attributable to some projects' costs overran as a result of limited supplies for the projects and restrictions on foreign workers' activities due to the pandemic situation.

The administrative expenses comprised mainly staff salaries, directors' remuneration, professional fees, insurance premium and depreciation expenses. The administrative expenses for FY2020 of S$1.8 million was 20.3% lower than in FY2019, mainly due to (i) higher amount of professional fees incurred in FY2019 for the corporate actions undertaken by the Company; (ii) a lower depreciation of property, plants and equipment, and right-of-use assets in FY2020, mainly as a result of disposal of the motor vehicles, land and property; (iii) a lower amount of director remuneration; and (iv) a decrease in staff related costs, mainly due to a reduction in headcount in FY2020.

The Group's other operating income mainly arose from (i) a gain on disposal of approximately S$0.5 million arising from liquidation of two wholly owned subsidiaries, Acmes Power Buildings Services Pte Ltd and Acmes Properties Pte Ltd, which are under creditor-voluntary liquidation. The liquidation process is still on-going as at end of FY2020; (ii) government grants received in FY2020 which was primarily from the job support scheme for the pandemic situation; (iii) there was reversal of impairment on trade receivables in FY2020 as a result of a repayment from a customer and credit notes issued to customers; and (iv) reversal of impairment on right-of-use assets and property, plant and equipment was recognized in this financial year after the disposal of two motor vehicles, land and a leasehold property in FY2020.

The Group's selling and distribution expenses was approximately S$0.2 million in FY2020, increased from less than S$0.1 million in FY2019. The expenses arise from advertising, marketing and entertainment activities to promote the Group's blockchain business. These expenses increased in FY2020 because of the marketing expenses and sales staff costs in the blockchain agency and consulting services segments.

Other operating expenses comprised mainly loss on disposal of fixed assets. Other operating expenses in FY2020 were S$0.08 million which was lower as compared to FY2019 of S$1.9 million.

Finance costs comprised mainly interest expenses for bank loans, bank overdrafts and finance lease. The decrease was due to lower finance lease liability as a result of full repayment of the bank borrowings in the first half of the year.

The Group registered a lower loss of S$0.9 million after tax as compared to S$3.7 million loss after tax in FY 2019.

FINANCIAL HIGHLIGHTS

For the Year	2019 $	2020 $	% Change
Revenue			
1st Half	740,774	677,825	(8.5%)
2nd Half	263,784	789,735	199.4%
Total	1,004,558	1,467,560	46.1%
Profit / (Loss) After Tax			
1st Half	(5,685,553)	(378,674)	(93.3%)
2nd Half	2,007,317	(530,715)	Not meaningful
Total	(3,678,236)	(909,389)	(75.3%)
Equity			
Share Capital	9,499,017	9,499,017	
Reserves	(2,621,264)	(2,621,264)	
Accumulated losses	(9,817,924)	(10,656,842)	
Total Equity attributable to owners of the Company	(2,940,171)	(3,779,089)	
Borrowings	1,748,222	1,200,000[1]	
Total Asset	2,883,877	634,525	
Net Assets/ (Liabilities)	(2,914,071)	(3,823,460)	
Financial Ratio			
Basic and fully diluted basis (LPS) (cents)[2]	(2.96)	(0.69)	
Net Assets/ (Liabilities) Value Per Share (cents)	(2.41)	(3.16)	
Total Debt to Total Equity	Not meaningful	Not meaningful	

Notes:

1 Shareholders' loan of S$700,000 granted in FY2019 and S$500,000 granted in FY2020

2 The Company does not have potential dilutive instruments.

DIRECTORS AND KEY EXECUTIVES

Mr Fan Chee Seng is the Executive Chairman, Executive Director and founder of our Group. He was appointed as Director of our Company on 3 May 2018. Mr Fan is responsible for leading and implementing our Group's long-term strategy, vision and mission and the overall management, strategic planning and business development of our Group.

Mr Fan has been instrumental in the development of our Group over the years and he is responsible for the overall management and operations of the business of our Group. Mr Fan is also responsible for securing major mechanical and electrical engineering projects of our Group from customers including luxury hotels such as Sheraton Towers Singapore and hospitals such as Sengkang General Hospital.

Mr Fan had more than 15 years of experience in working for various multinational corporations which are in the business of manufacturing and/or the supply of pumps. Prior to establishing our Group, Mr Fan worked in Gadelius Pte Ltd from 1982 to 1986 as a sales executive and Grundfos Singapore Pte Ltd from 1986 to 1990 as a sales manager. From 1990 to 1993, he worked in STA-Rite Industries, LLC where he was in charge of establishing the Singapore branch office. From 1993 to 1998, he was with Ebara Corporation where he was in charge of sales of pumps in the regional markets.

Mr Fan holds a Graduate Diploma in Shipbuilding and Repair Technology from Ngee Ann Technical College.

Mr Yusaku Mishima is an Executive Director of our Group and he was appointed as the Non-Executive Director of the Company on 12 December 2019 and was redesignated as an Executive Director on 7 April 2021. Mr Mishima is responsible for monitoring and expanding the blockchain agency and consulting business.

Prior to joining the Group, Mr Mishima was working in the Embassy of Japan in Kingdom of Bahrain (2010 - 2012) as an Administrative Officer, Daiichi Seiko Co., Ltd. (2013 - 2014) as an Marketing Officer, Backoffice Co., Ltd. (2015 - 2018) as an Senior Consultant and several Infinity Blockchain Group of companies (2018-2021) as a Chief Executive Officer.

Mr Mishima graduated with a Bachelor of Science in Biochemistry with minor in Economics from McGill University.

DIRECTORS AND KEY EXECUTIVES

Mr Foo Kia Juah is the Lead Independent Non-Executive Director of our Group and he was appointed to our Company on 12 December 2019. He is the Chairman of both the Remuneration Committee and Nominating Committee and is a member of the Audit Committee.

Mr Foo is a retired senior police officer, who had contributed three decades of service to the Singapore Police Force. During his stint with the Singapore Police Force, he had served as Chief Investigating Officer in the Commercial Crime Division, CID and various other commander positions, which included Commander of Jurong Police Division and Central Police Division. He also held the positions of Director Training, Director Police Academy and Director of Public Affairs Department. One of the accolades he received was the Public Service Star for his role in the successful rescue of all the passengers and crew of a Singapore Airline plane hijacked in 1991.

Mr Foo is presently holding directorships of Bin Keow Brickworks Pte Ltd, Bin Keow Industrial Pte Ltd, Buildtah Industrial Pte Ltd, and Thomson Pacific Asset Management Pte Ltd. They are unlisted Singapore incorporated companies.

Mr Foo graduated from Nanyang University with an Honours degree in Government & Public Administration.

Mr Kok Cheang Hung is an Independent Non-Executive Director of our Group and he was appointed to our Company on 12 December 2019. He is the Chairman of the Audit Committee and is a member of the Remuneration Committee and Nominating Committee.

Mr Kok is currently the Managing Director of Stellans Capital Pte. Ltd.and also serves as an Independent Non-Executive Director of Kronologi Asia Berhad, a Bursa Malaysia listed company, where he is the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

He is also currently in the Finance Committee of the Singapore Institute of Directors (SID). With 26 years of global capital markets, investment, corporate governance and senior management experiences, he has served the interest of several investment, financial services institutions and stock exchanges. Mr Kok is experienced in international investments, fund raising (debt, mezzanine and equity) and private equity. He has lived and worked in ASEAN, the Middle East and Africa.

Mr Kok holds a Master of Finance from RMIT University in Australia. He also graduated with Bachelor of Science with Honours in Mathematics from the University of Malaya, Malaysia.

DIRECTORS AND KEY EXECUTIVES

Mr Tee Hian Chong is an Independent Non-Executive Director of our Group and he was appointed to our Company on 12 December 2019. He is a member of the Remuneration Committee, Nominating Committee and Audit Committee.

Mr Tee is currently the Managing Director of Eightyeight Solutions Pte Ltd and he is responsible to overseeing the operations and financial management of the company who is a provider of technical IT services for Small and Medium Enterprises. Mr Tee was previously working in Singapore Workforce Development Agency (WDA) from year 2008 to 2013 as a Senior Manager.

Mr Tee has an interesting blend of experiences and knowledge – from old school banking sector to new technologies like blockchain, AI, which is aligned with the new controlling shareholder's background as a technology company. In addition, Mr Tee has also previously been in the Singapore public sector (with the Singapore Workforce Development Agency).

Mr Tee holds a Bachelor of Business Administration from Monash University (Australia).

Mr Taku Edatsune is Head of Finance and Administration of our Group. He was appointed as Head of Finance and Administration of our Group on 12 March 2020. He is responsible for our Group's financial and accounting matters and its compliance with financial reporting and regulatory requirements. He also handles other general affairs and administrative matters of the Company.

Prior to joining our Group, Mr. Edatsune was working as Finance Manager at Infinity Blockchain Holdings Pte Ltd, Corporate Planning Manager at MIMS Pte Ltd and Assistant Manager at Deloitte LLP, UK.

Mr. Edatsune holds a Master of Business Administration, London Business School, Bachelor of Liberal Arts, University of Tokyo and has passed all the necessary examinations and working experience requirement for the Japanese Institute of Certified Public Accountants.

CORPORATE GOVERNANCE REPORT

The board of directors (the "Board" or "Directors") of OIO Holdings Limited (the "Company", together with its subsidiaries, the "Group") are strongly committed to high standards of corporate governance which are essential to the stability and sustainability of the performance of the Company and its subsidiaries (the "Group"), promotion of corporate transparency, accountability and integrity of the Group, protection of the interests of the Company's shareholders ("Shareholders") and maximisation of long–term shareholder value.

The Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (the "Catalist Rules") 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 dated 6 August 2018 (the "Code").

The Company is pleased to report on its corporate governance processes and activities as required by the Code ("Report"). For easy of reference, sections of the Code under discussion in this Report are specifically identified. However, this Report should be read as a whole as other sections of this Report may also have an impact on the specific disclosures.

The Board confirmed that for the financial year ended 31 December 2020 ("FY2020"), the Company has generally adhered to the principles and provisions as set out in the Code, save as otherwise explained below. The Company is also guided by the voluntary Practice Guidance which was issued to complement the Code and which sets out best practice standards for companies.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Our Policy and Practices:

The principal functions of the Board, apart from its statutory responsibilities, are:

- Reviewing and approving the corporate policies, strategies, budgets and financial plans of the Company;
- Monitoring financial performance, including approval of the full year and interim financial reports of the Company;
- Approving major investment and funding decisions;
- Reviewing the evaluation process on the adequacy of internal controls, risk management, financial reporting and compliance;
- Overseeing the business and affairs of the Company, establishing the strategies and financial objectives to be implemented by the Management and monitoring the performance of the Management;
- Identifying the key stakeholder groups whose perceptions affect the Company's reputation;
- Setting the Company's values and standards, and ensuring that obligations to shareholders and other stakeholders are understood and met;
- Considering sustainability issues such as environmental and social factors, as part of its strategic formulation;
- provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables the identification, assessment and management of risks, including safeguarding of Shareholders' interests and the Group's assets; and
- provide oversight of the proper conduct of the Group's business and assume responsibility for corporate governance.

More than one–third of the Board is made up of Independent Directors who are independent of the Management and substantial shareholders.

The Board recognises the importance of appropriate orientation training and continuing education for its Directors. Every Executive Director receives appropriate training to develop individual skills in order to discharge his duties. The Group also provides information about its history, mission and values to the Directors. The Directors may, at any time, visit the Group's construction sites and also being brief on the blockchain business in order to gain a better understanding of business operations. There are also update sessions to inform the Directors on new legislations and/or regulations which are relevant to the Group. Changes to regulations and accounting standards are monitored closely by the Management. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Directors' disclosure obligations, Directors are briefed at Board meetings.

All the Directors are informed and encouraged to attend seminars, courses and other programmes, particularly on relevant new laws, regulations and changing commercial risks, from time to time, in order to discharge their duties as directors. The training programmes are conducted by the SID, the SGX–ST, and business and financial institutions and consultants in areas such as accounting, legal and industry specific knowledge, where appropriate, in connection with their duties. They also attended briefings on the roles and responsibilities as directors of a listed company in Singapore. All the costs are borne by the Company.

Newly–appointed Directors will be briefed on the business and organisation structure of the Group and its strategic plans and objectives. Directors may, at any time, request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from the Management. The Company will also provide training within one year from the date of appointment for any Director who has no prior experience as a director of a Singapore public listed company as prescribed by the SGX–ST under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules.

As at the date of this Report, the Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

Fan Chee Seng	– Executive Chairman
Yusaku Mishima	– Executive Director
Foo Kia Juah	– Lead Independent Non–Executive Director
Kok Cheang Hung	– Independent Non–Executive Director
Tee Hian Chong	– Independent Non–Executive Director

Every company should be headed by an effective Board to lead and control the company. The Board understands the Group's business as well as its duties and is collectively responsible for the long–term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board. The Board oversees the Management of the Company. It focuses on strategies and policies, with particular attention paid to growth and financial performance. It delegates the formulation of business policies and day–to–day management to the Executive Director.

Every Director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively take decisions in the interest of the Company. Any Director facing a conflict of interests will recuse himself from discussions and decisions involving the issue of conflict.

To assist the Board in the execution of its responsibilities, various Board committees, namely, the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") that are headed by Independent Directors, have been established and delegated with certain functions. The chairman of the respective committees will report to the Board on the outcome of the committee meetings and their recommendations on the specific agendas mandated to the committees by the Board. Further details of the scope and functions of the various committees are provided below in this Report.

The Board holds at least two scheduled meetings each year to review and deliberate on the key activities and business strategies of the Group, including significant acquisitions and disposals, annual budget, financial performance and to endorse the release of the half–yearly and annual financial results. Where necessary, additional meetings are held to address significant transactions or issues arising from the business operations of the Group.

CORPORATE GOVERNANCE REPORT

The Constitution of the Company provides for Directors to conduct meetings by teleconferencing, videoconferencing, audio–visual or other electronic means of communication. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The attendance of the Directors at meetings of the Board and the Board committees during FY2020 is tabulated below:–

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	3	3	1	1
Number of meetings attended by respective directors				
Executive Directors				
Mr Fan Chee Seng	3	3*	1*	1*
Yusaku Mishima [(1)]	3	3	1	1
Independent Directors				
Mr Foo Kia Juah	3	3*	1	1
Mr Kok Cheang Hung	3	3	1*	1*
Mr Tee Hian Chong	3	3	1	1

* By Invitation

[(1)] Mr Yuksaku Mishima has been re–designated as an Executive Director with effect from 7 April 2021.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. In support of their candidature for directorship or re–election, Directors are to provide the NC with details of their other commitments and an indication of the time involved. In addition, Directors should consult the NC before accepting any new appointments as directors. The NC has addressed the competing time commitments faced by Directors serving on multiple boards and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations. The Board has determined that a Director may hold up to 5 listed company board representations. None of the Directors of the Company sits on the boards of more than 5 listed companies.

The profile of each Director and other relevant information as at the date of this Report are set out on pages 9 to 11 of the Annual Report. All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interest of the Company.

Material matters which specifically require the Board's decision or approval are clearly communicated with the Management in writing which include the following corporate matters:

(i) Announcement of financial statements;

(ii) Interested persons transactions;

(iii) Declaration of interim dividends and proposal of final dividends;

(iv) Convening of shareholders' meetings;

(v) Change in business direction;

(vi) Share issuance and corporate or financial re–structuring;

(vii) Authorisation of merger and acquisition transactions; and

(viii) Authorisation of major transactions.

The Board is provided with adequate and timely information prior to Board meetings and on an on–going basis and Board papers are distributed in advance of each meeting to enable the Directors to make informed decisions and discharge their duties and responsibilities. The Company circulates copies of the minutes of the meetings of all board committees to all members of the Board to keep them informed of on–going developments within the Group.

The Directors have separate and independent access to the Company's Senior Management, the Company Secretary, and external advisers (where necessary) at the Company's expense. Should the Directors, whether as a group or individually, require independent professional advices, such professionals (who will be selected with the approval of the Board Chairman or the Chairman of the Committees requiring such advice) will be appointed at the Company's expenses.

The Company Secretary attends the Company's Board, AC, RC and NC meetings and is responsible for ensuring that Board procedures are followed. The Company Secretary's role is also to advise the Board on governance matters and to assist the Board in ensuring that the Company complies with rules and regulations which are applicable to the Company. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

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

The Board currently has five (5) Directors comprises two (2) executive Directors and three (3) independent non–executive Directors.

The Board is supported by various board committees, namely, the NC, AC and RC whose functions are described below. The non–executive directors have been able to exercise objective judgement independently from Management and substantial shareholders and no individual or small group of individuals dominate the decisions of the Board.

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

In addition, the NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. There is no Director who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

As such, the Board has a strong and independent element with majority of the Board being made up of independent and non–executive Directors.

As the Chairman of the Board is not independent, the Company fulfils the Code's requirements with a majority of the Board being made up of Independent Non–executive Directors. The Company also believe that the Independent Directors should be selected for their diverse expertise so that they can provide a balance of views.

The independence of each Independent Director will be reviewed annually by the NC and the Board. Each independent director is required to complete a checklist annually to confirm his independence based on the provisions as set out in the Code. The independence of any director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review. The NC and the Board are of the view that all its Independent Non–executive Directors have satisfied the criteria of independence as a result of its review.

There are no Independent Directors who has served on the Board beyond nine (9) years from the date of his first appointment.

CORPORATE GOVERNANCE REPORT

The Board of the Company comprises the following Directors: –

Name of Director	Position held on the Board	Date of first appointment to the Board	Date of last re–election as Director	Nature of appointment
Fan Chee Seng	Chairman	03.05.2018	26.06.2020	Executive/Non–independent
Yusaku Mishima	Director	12.12.2019	26.06.2020	Executive/Non–Independent
Foo Kia Juah	Lead Independent Director	12.12.2019	26.06.2020	Non–executive/Independent
Kok Cheang Hung	Director	12.12.2019	26.06.2020	Non–executive/Independent
Tee Hian Chong	Director	12.12.2019	26.06.2020	Non–executive/Independent

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Group's business. Collectively, they have competencies in areas which are relevant and valuable to the Group, such as accounting, corporate finance, business development, management, sales and strategic planning. In particular, the Executive Director who has more than 20 years of experience in the M&E industry including business and management, engineering and industry as well as in the government and public sectors. Some Directors have relevant financial management experiences while other Directors have in–depth experiences and knowledge in new technologies such as in the blockchain industry. The NC considers that the Board's present size is adequate for effective debate, strategic decision–making and in exercising accountability to Shareholders and delegating authority to the Management, taking into account the nature and scope of the Group's operations. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective. The NC will further consider other aspects of diversity such as gender and age, and assist the Board to put in place a board diversity policy and progress for implementation of such policy, so as to avoid groupthink and foster constructive debate.

The profiles of each of the Directors are provided on pages 9 to 11 of this Annual Report. Accordingly, the current Board comprises persons who as a group, have core competencies necessary to lead and oversee the Company.

The non–executive Directors are also involved in reviewing the corporate strategies, business operations and practices of the Group, as well as reviewing and monitoring the performance of Management in achieving agreed goals and objectives. The non–executive Directors do confer with the external auditors at least once a year and whenever necessary to discuss issues without the presence of Management.

The Independent Directors will meet or communicate amongst themselves without the presence of the Management and provide feedback to the management following the meeting. The current Independent Directors have met without the presence of Management once during FY2020.

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.

Mr Fan Chee Seng, the Executive Chairman of the Company, is responsible for formulating corporate strategies, oversee the overall management of the Group, leading the Group's marketing and business development activities as well as ensuring the smooth operation of the Group. There is no chief executive officer being appointed currently.

The Board is of the view that as all major decisions are made in consultation with the Board and with the establishment of the three Board Committees, there are adequate safeguards in place to ensure accountability and unfettered decision–making, as well as to prevent an uneven concentration of power and authority in a single individual.

The Chairman, in consultation with the Board, ensures:

(i) leading the Board to ensure its effectiveness on all aspects of its role;

(ii) setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(iii) promoting a culture of openness and debate at the Board;

(iv) ensuring that the Directors receive complete, adequate and timely information;

(v) ensuring effective communication with Shareholders;

(vi) encouraging constructive relations within the Board and between the Board and the management;

(vii) facilitating the effective contribution of Non–Executive Directors;

(viii) encouraging constructive relations between Executive Directors and Non–Executive Directors; and

(ix) promoting high standards of corporate governance.

In view that the Executive Chairman is not being regarded as independent, Mr Foo Kia Juah as Lead Independent Director will be available to Shareholders where they have concerns for which contact through normal channels of communication with the Executive Chairman or management are inappropriate or inadequate. In addition to the above, when it is necessary, the Independent Directors shall meet without the presence of the other Directors and the Lead Independent Director shall provide feedback to the Chairman after such meetings. Shareholders can send their enquiries through email at fookj@oio.sg.

To enhance and encourage communication, Shareholders and investors can send their enquiries through email at enquiry@oio.sg.

BOARD MEMBERSHIP

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

The NC comprises the following members, all of whom are Non–Executive and Independent.

Mr Foo Kia Juah	(Chairman of NC and Lead Independent Non–Executive Director)
Mr Tee Hian Chong	(Member and Independent Non–Executive Director)
Mr Kok Cheang Hung	(Member and Independent Non–Executive Director)

The NC's key terms of reference, describing its responsibilities, include:–

(a) Reviewing and recommending the appointment and re–appointment of the Directors having regard to the Director's contribution and performance, including attendance, preparedness and participation;

(b) Determining on an annual basis whether or not a Director is independent in accordance to the Code;

(c) Reviewing the training and professional development programs for the Board;

(d) Reviewing a Director's multiple board representations on various companies and deciding whether or not such Director is able to and has been adequately carrying out his duties as director;

(e) Deciding on how the Board's performance is to be evaluated and proposing objective performance criteria subject to the approval by the Board; and

(f) The review of succession plans for the Company's Directors, in particular, the appointment and/or replacement of the Executive Chairman and key management personnel.

The NC leads the process and makes recommendations to the Board for the selection and approval of appointment of new Directors as follows:

(i) reviewing and approving key executive employment of related persons and proposed terms of their employment;

(ii) evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with the management, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(iii) while existing Directors and the management may make suggestions, seeks external help where necessary to source for potential candidates;

(iv) meets with short–listed candidates to assess their suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and

(v) makes recommendations to the Board for approval.

At present, no alternative Director has been appointed to the Board.

The NC's assessment of the independence of a Director is guided by the Code and takes into account factors such as relationship with the Company, its related corporations, its substantial shareholders or its officers and whether these relationships interfere with his business judgements. The NC has reviewed the independence of Mr Foo Kia Juah, Mr Kok Cheang Hung and Mr Tee Hian Chong and is satisfied that there are no relationships which would deem any of them not to be independent.

Regulations 104 and 106 (1) of the Constitution of the Company provide that one–third of the Directors (or, if their number is not three or a multiple of three, the number nearest one–third) shall retire from office by rotation and are eligible for re–election at each annual general meeting ("**AGM**"). All Directors are required to retire from office at least once in every three (3) years. Newly appointed Directors shall hold office only until the next AGM and are eligible for re–election at the AGM pursuant to Regulation 114 of the Constitution of the Company. Shareholders approve the election and re–election of Board members at the AGM.

The NC also determines whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment undertaken in relation to the effectiveness of the individual Director and the respective Director's actual conduct on the Board. The NC is satisfied that all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations.

The NC and the Board are of the view that there should not be any restriction to the number of board representations that each Director may take up as multiple board representations do not necessarily hinder the Directors from carrying out their duties. The NC and the Board are of the view that multiple board representations may be beneficial as these widen the experience of the Directors and broaden the perspective of the Directors and the Board.

The NC assesses and recommends to the Board the retiring directors to be re–elected at the forthcoming AGM, having regard to their contribution and performance.

The NC has recommended and the Board has agreed for the following directors to retire and seek for re–election at the forthcoming AGM:

a) Mr Foo Kia Juah (retiring under Regulation 104 of the Constitution of the Company); and

b) Mr Kok Cheang Hung (retiring under Regulation 104 of the Constitution of the Company).

Mr Foo Kia Juah (Lead Independent Non–Executive Director) will, upon re–election as Director of the Company, continue to serve as the Chairman of the Remuneration Committee and Nominating Committee and a member of the Audit Committee. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX–ST.

Mr Kok Cheang Hung (Independent Non–Executive Director) will, upon re–election as Director of the Company, continue to serve as Chairman of the Audit Committee and is a member of the Nominating Committee and Remuneration Committee. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX–ST.

Each member of the Nominating Committee will not participate and shall abstain from voting on any resolutions in respect of the assessment of his performance or re–nomination as director of the Company. In the event that any member of the Nominating Committee has an interest in a matter being deliberated upon by the Nominating Committee, he will abstain from participating in the review and approval process relating to that matter.

Particulars of Directors pursuant to the Code:

Name of Director	Professional Membership/ Qualifications	Board Appointment Executive/ Non–Executive	Board Committees as Chairman or Member	Directorship/ Chairmanship in other listed companies in Singapore	Other Principal Commitments
Fan Chee Seng	Diploma in Shipbuilding and Repair Technology and Diploma in Marketing from the Marketing Institute of Singapore.	Chairman and Executive	–	–	–
Yusaku Mishima	International Baccalaureate and Bachelor of Science in Biochemistry with minor in Economics	Executive	–	–	–
Foo Kia Juah	Honours degree in Government & Public Administration	Independent Non–Executive	Chairman: Remuneration Committee and Nominating Committee Member: Audit Committee	–	– Bin Keow Brickworks Pte. Ltd. – Bin Keow Industrial Pte. Ltd. – Buildtah Industrial Pte. Ltd. – Thomson Pacific Asset Management Pte Ltd
Kok Cheang Hung	Bachelor of Science in Mathematics and Master of Finance	Independent Non–Executive	Chairman: Audit Committee Member: Remuneration Committee and Nominating Committee	Directorship: Kronologi Asia Berhad	Stellans Capital Pte Ltd
Tee Hian Chong	Bachelor of Business Administration	Independent Non–Executive	Member: Audit Committee as well as Remuneration Committee and Nominating Committee	–	– Eightyeight Solutions Pte Ltd – Eightyeight Consultancy Pte Ltd

BOARD PERFORMANCE

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

The NC is responsible for assessing the effectiveness of the Board as a whole and its Board Committees, as well as the contribution of each individual Director to the effectiveness of the Board, and has adopted the guidelines for formal annual assessment of such. The NC has performed this formal annual assessment for FY2020. All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance

The NC has also established a review process and proposed performance criteria set out in assessment checklists which are approved by the Board. These performance criteria will not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the onus will be on the Board to justify such changes.

The NC takes into consideration the following measures and evaluation tools in its assessment of competing time commitments of Directors:

- Declarations by individual Directors of their other listed company board directorships and principal commitments;
- Annual confirmations by each Director on his/her ability to devote sufficient time and attention to the Company's affairs, having regard to his/her other principal commitments; and
- Periodic assessment of the individual Directors' performance based on the criteria set out in assessment checklists for the Board evaluation

The NC has reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, and the individual Directors' performance, for FY2020 and is of the view that the performance of the Board as a whole, the Board Committees and each individual Director, have been satisfactory and the Board has met its performance objectives.

The NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process, if the need arises. The NC has not appointed any external facilitator in the evaluation process in FY2020.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

The RC comprises entirely of non–executive Directors, all of whom, including the Chairman, are independent:–

Mr Foo Kia Juah	(Chairman of RC and Lead Independent Non–Executive Director)
Mr Tee Hian Chong	(Member and Independent Non–Executive Director)
Mr Kok Cheang Hung	(Member and Independent Non–Executive Director)

The principal functions of the RC, regulated by written terms of reference and undertaken by the RC during FY2020, include the following:

(a) To recommend to the Board all matters relating to the specific remuneration packages, including but not limited to directors' fees, salaries, allowances, bonuses and benefits–in–kind, of the Directors and key management personnel as well as to ensure the termination terms are fair;

(b) To review and ensure that the remuneration framework of the Directors and key management personnel should be aligned with the long–term interest and risk policies of the Company;

(c) To structure a significant and appropriate proportion of Executive Director's and key management personnel's remuneration so as to link rewards to corporate and individual performances. Such remuneration should also be aligned with the interests of shareholders and promote the long–term success of the Company; and

(d) To review and ensure that the remuneration of Non–executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the directors and they should not be over–compensated to the extent that their independence may be compromised.

The RC is responsible for ensuring a formal and transparent procedure for developing an appropriate executive remuneration policy and a competitive framework. The RC has recommended to the Board a framework of remuneration which covers various aspects of remuneration, including but not limited to, directors' fees, salaries, allowances, bonuses, and benefits–in–kind, and the specific remuneration packages for each Executive Director and key management personnel in order to retain and motivate each of them to run the business and operations successfully.

The RC's recommendations are submitted for endorsement by the entire Board. No Director is involved in deciding his own remuneration. The Company has not engaged any remuneration consultants to seek advice on matters during FY2020. External remuneration consultant's advice will be sought, where necessary, when a major remuneration review is conducted.

Each member of the RC will abstain from voting on any resolutions in respect of his remuneration package.

LEVEL AND MIX OF REMUNERATION

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

In recommending a remuneration framework, the RC takes into account the performance of the Group as well as the Directors and key management personnel, aligning their interests with those of Shareholders and linking rewards to corporate and individual performance as well as industry benchmarks.

The remunerations of the Non–Executive Directors and Independent Directors are set out in accordance with a framework comprising basic directors fees and Board Committees' fees. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. Directors' fees are paid subject to approval of Shareholders at each Annual General Meeting.

There are no contractual provisions to allow the Company to reclaim incentive components of remunerations from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

The Company had entered into separate service agreement with the Executive Chairman, Mr Fan Chee Seng in which the terms of his employment is stipulated. His initial term of employment is for a period of three (3) years from the date of admission of the Company to the Catalist (being 25 July 2018) and thereafter, his employment is renewed annually subject to termination clauses in the service agreement. The service agreement may be terminated by either party by giving not less than six (6) months' prior written notice. Under the service agreement, he will also be entitled to an annual performance bonus based on the consolidated profit before tax for each financial year of the Group's Mechanical and electrical services business segment.

The Company had also entered into separate service agreement with the Executive Director, Mr. Yusaku Mishima in which the terms of his employment is stipulated. His initial term of employment is for a period of three (3) years from the date of his appointment, being 7 April 2021, and thereafter, his employment is renewed annually subject to termination clauses in the service agreement. The service agreement may be terminated by either party by giving not less than six (6) months' prior written notice.

The Non–Executive Directors (including the Independent Directors) are paid a base fee. An additional fee can be paid to Non–Executive Directors for serving on any of the board committees. Such fees are pro–rated if a Director serves for less than one (1) year. The Directors' fees are subject to approval by Shareholders at the AGM.

The Company has adopted the Employee Share Option Scheme (the "ESOS") on 19 June 2018 prior to its listing on the Catalist board of the SGX–ST. The ESOS is administered by the RC. The purpose of the ESOS is to provide an opportunity for full–time employees of the Group and Directors (excluding Independent Directors) who have met performance targets (the "Selected Person") to participate in the equity of the Company (in addition to cash bonuses) so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. The ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain employees whose services are vital to the success of the Group. Provided always that the aggregate number of the shares arising from ESOS shall not exceed 15% of the total number of issued Shares of the Company from time to time, the Selected Person would receive the same benefit from a contingent award under the scheme ("Award") in respect of fewer shares as they would receive if share options were granted instead of a larger number of shares. The ESOS would therefore allow the Company to provide the incentive to employees while reducing the dilutive effect on shareholders.

Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the RC's discretion, set at the price ("Market Price") equal to the average of the last dealt prices for the Company's ordinary shares ("Shares") on the Catalist for the five consecutive trading days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20% or such other percentage or amount as may be determined by the RC and as permitted by the SGX–ST).Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten (10) years. The options may be exercisable in whole or in part, on payment of the exercise price. Since its adoption till the date of this report, no option has been granted under the ESOS.

In addition to the ESOS, the Company has adopted the Performance Share Plan (the "PSP") on 19 June 2018 prior to its listing on the Catalist board of the SGX–ST. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to promote higher performance, goals and recognise exceptional performance. The purpose of adopting the PSP is to give the Company greater flexibility to align the interests of employees, especially key executives, with the interests of Shareholders. The PSP is managed by the RC. The awards granted under the PSP allow a participant to receive fully–paid Shares free of consideration upon achieving the performance target(s) prescribed by the RC at its absolute discretion. The selection of a participant and the number of Shares which are the subject of each award granted to a participant in accordance with the PSP shall be determined at the absolute discretion of the RC. RC plans to exercise this discretion judiciously, taking into account criteria such as his rank, job performance, years of service and potential for further development, his contribution to the success and development of the Company and the extent of effort required to achieve the performance target within the performance period.

Performance shares which have been granted under the PSP since its adoption up to the date of report to the following employees of the Company are as below.

Name	Number of shares	Grant date	Vesting date
Taku Edatsune (Head of Finance and Administration)	186,415	1 April, 2021	1 April 2022
Yusaku Mishima (Executive Director)	186,415	7 April, 2021	7 April 2022

In setting remuneration packages, the Company keeps in mind the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration should be aligned with the Company's long–term interest and risk policies and appropriate to attract, retain and motivate the Directors and the key management personnel to respectively provide good stewardship of the Company and manage the Company effectively. If required, the Company will engage professional advice to provide guidance on remuneration matters.

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.

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

A breakdown showing the level and mix of the remuneration of the Directors paid or payable in respect of FY2020 is as follows:

	Base/ Fixed Salary	Performance-related income	Directors' Fees 2020[1]	Benefit-in -Kind	Total
Mr Fan Chee Seng	285,000	–	–	–	285,000
Mr Foo Kia Juah	–	–	36,000	–	36,000
Mr Kok Cheang Hung	–	–	36,000	–	36,000
Mr Tee Hian Chong	–	–	36,000	–	36,000
Mr Yusaku Mishima	–	–	36,000	–	36,000

Note:

1. In respect of FY2021, the amount of Directors' Fees proposed to be payable to the Non–Executive Directors (including the Independent Directors) are subject to the approval of Shareholders at the forthcoming AGM.

No Director has been granted share–based award during FY2020.

The remuneration of the Key Management Personnel for the financial year 31 December 2020 are as follows:

Name of Key Executives	Salary	Bonus	Fees
Mr Teow Lin Chew[(1)]	32,689	–	–
Mr Taku Edatsune	98,602	–	–

Note:

(1) Mr Teoh Lin Chew, who was appointed on 22 January 2020 has ceased as the Group's Provisional Financial Controller on 17 April 2020.

(2) Mr Taku Edatsune was appointed as the Group's Head of Finance and Administration on 12 March 2020.

The aggregate amount of remuneration paid to Key Management Personnel was approximately S$131,291 in FY2020.

The Executive Director and key management personnel are not entitled to any benefits upon termination, retirement or post–employment.

Save as disclosed above there are no employees who are substantial shareholders of the Company, or are immediate family members of a Director or a substantial shareholder and whose remuneration exceeds S$100,000 during FY2020.

No options or shares have been issued under the ESOS and Performance Share Plan respectively during FY2020.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

The Company does not have a separate risk management committee. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

The internal auditors conduct annual reviews of the effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non–compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The Company has appointed the internal auditor, Wensen Consulting Asia (S) Pte. Ltd., to conduct internal audit review based on an agreed scope of review for FY2020.

The Board has received assurance from the Executive Chairman and the Head of Finance and Administration (a) that the financial records have been properly maintained and the financial statements for the financial year ended 31 December 2020 give a true and fair view of the Company's operations and finances, and (b) regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the assurance from the Executive Chairman and the Head of Financial Administration referred to in the preceding paragraph, the various internal controls put in place by the Group, the work performed and reports submitted by the external and internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is satisfied with the adequacy and effectiveness of the Group's the risk management and internal control systems (including financial, operational, compliance and information technology controls and risk management systems) as at 31 December 2020.

AUDIT COMMITTEE

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

The AC comprises three members, all of whom are Non–Executive Directors:–

Mr Kok Cheang Hung	(Chairman of AC and Independent Non–Executive Director)
Mr Tee Hian Chong	(Member and Independent Non–Executive Director)
Mr Foo Kia Juah	(Member and Lead Independent Non–Executive Director)

All of the AC, including the chairman of the AC, is independent. No former partner or director of the Company's existing audit firm or auditing corporation is a member of the AC. Most of the members of the AC have sufficient accounting or financial management expertise, as interpreted by the Board in its business judgment, to discharge the AC's functions. The AC holds at least two meetings in each financial year.

The written terms of reference of the AC have been approved and adopted, and they include the following:–

(a) reviewing the audit plans and scope of work of the external auditors and the internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls, the management letters on the internal controls and the Management's response, and monitoring the implementation of the internal control recommendations made by the external and internal auditors;

(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls and risk management systems, prior to the incorporation of such results in the Company's annual report;

(c) reviewing the interim financial results and annual consolidated financial statements and the external auditors' report on the annual consolidated financial statements, and discussing any significant adjustments, major risk areas, changes in accounting policies and practices, significant financial reporting issues and judgements, compliance with Singapore Financial Reporting Standards (International) as well as compliance with the Catalist Rules and other statutory or regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management to ensure the integrity of the financial statements of the Group and any announcements relating to the Company's financial performance, where necessary, before submission to the Board for approval;

(d) reviewing and discussing with the external and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) reviewing and ensuring the co–ordination between internal auditors, external auditors and the Management, including the assistance given by the Management to the auditors;

(f) reviewing the audit plan of the external auditor and the result of the external auditor's review and evaluation of the Group's system of internal accounting controls that are relevant to the statutory audit;

(g) making recommendations to the Board on the proposals to the Shareholders with regard to the appointment, re–appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(h) reviewing the audit plan of the internal auditor, including the results of the internal auditor's review and evaluation of the Group's system of internal controls;

(i) reviewing and ratifying any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules, and approving interested person transactions where the value thereof amount to 3% or more of the latest audited NTA of the Group, where the NTA is positive, or based on the Company's latest market capitalization, where the NTA is negative, or whichever is the appropriate benchmark,(either individually or as part of a series or are aggregated with other transactions involving the same interested person during the same financial year), or any agreement or arrangement with an interested person that is not in the ordinary course of business of the Group, prior to the Group's entry into the transaction, agreement or arrangement;

(j) reviewing potential conflicts of interests (if any);

(k) reviewing the policy and arrangements by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC, concerns about possible improprieties in financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be safely raised and independently investigated, and for appropriate follow–up action to be taken;

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

(m) recommending to the Board on the proposals to shareholders on the appointment and removal of external auditor and reviewing the scope and results of the external audit and its cost effectiveness and the independence and objectivity of the external auditor, and where the external auditor also provides a substantial volume of non–audit services to the Company, keeping the nature and extent of such services under review, seeking to maintain objectivity;

(n) reviewing the assurance from the Managing Director and the Head of Finance and Administration on the financial records and financial statements; and

(o) undertaking such other reviews and projects as may be requested by the Board and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC.

The AC has full authority to investigate any matter within its terms of reference, full access to and cooperation from the Management, and full discretion to invite any Director, executive officer or other employee of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The AC and the Board have in place a whistle–blowing policy which allows employees to raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow–up action, all whistle–blowing reports will be addressed to the AC members. Details of the whistle–blowing policy have been made available to all employees of the Group.

The AC has met with the external auditors and internal auditors without the presence of the Company's management to review any matter that might be raised.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences. Significant matters that were discussed with the Management and the external auditors have been included as key audit matters in the Auditors' Report for FY2020 on pages 34 to 38 of this Annual Report.

The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non–audit fees paid to them. The annual audit fee of S$83,000 was paid during FY2020 and there were no non–audit services rendered by the external auditors to the Company in FY2020.

AC has reviewed the objectivity and independence of the external auditors and recommended to the Board that Foo Kon Tan LLP be nominated for re–appointment as external auditors at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The Company outsources the internal audit function to an external professional firm to perform the review and test of controls of the Group's processes.

The AC approves the appointment of the internal auditors, with the primary reporting line of the internal audit function to the AC. The internal auditors have full access to the Company's documents, records, properties and personnel. The AC is satisfied that the internal audit firm is staffed by suitably qualified and experienced persons.

The internal auditors plan its internal audit schedules in consultation with, but independent of, the Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC will review the activities of the internal auditors, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified. The internal auditors carry out their work in accordance with International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The AC has reviewed and is satisfied with the independence, adequacy and effectiveness of the Company's internal audit function.

SHAREHOLDER RIGHTS and engagement

Shareholder Rights and Conduct of General Meetings

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

Shareholders are informed of the general meetings through notice contained in the Company's annual report or circulars sent to all Shareholders. These notices are also posted onto the SGXNet within the mandatory period. For FY2020, due the COVID–19 outbreak, the Company's AGM and extraordinary general meeting ("EGM") on 26 June 2020 were held by way of electronic means, through "live webcast" and "audio–only means". The notices of AGM and EGM were not published on the newspaper, but were instead disseminated to Shareholders through publication on SGXNet and the Company's website. The Company had also published a letter to Shareholders, together with the notices of AGM and EGM, detailing the alternative arrangements for the AGM and EGM held on 26 June 2020, during the COVID–19 pandemic. Shareholders participated in the AGM and EGM via electronic means, and were given the opportunities to raise queries in relation to any resolutions set out in the notices of AGM and EGM prior to the meetings. However, there were no questions raised by Shareholders. In view of the continuing COVID–19 situation, the Company will be conducting the forthcoming annual general meeting in similar manner.

All resolutions are put to vote by poll and Shareholders are entitled to vote in accordance with established voting rules and procedures. An announcement of the detailed results is made after the conclusion of the AGM. The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principles as regards "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will provide reasons and material implications.

All Directors attend the general meetings of shareholders, and the external auditors will also be present to assist in addressing queries from Shareholders relating to the conduct of audit and the preparation and content of the auditor's report. For FY2020, all Directors were present at the last AGM and EGM held on 26 June 2020. Save for the aforementioned AGM and EGM, there was no other general meeting held during FY2020.

For the AGM for FY2019 as well as the EGM held in year 2020, minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, if any, have been released on the SGXNET and the Company's website within one month from the respective general meeting. The Company will be publishing the meeting minutes in similar manner for its upcoming general meetings.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. There was no dividend declared for FY2020 as the Group incurred a net loss for the year.

ENGAGEMENT WITH SHAREHOLDERS

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

The Company strives for timeliness and consistency in its disclosures to Shareholders. The Company has an internal investor relations function to facilitate communications with all stakeholders and to keep stakeholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable. Shareholders are provided with an update on the Group's performance, position and prospects through the Company's annual report.

To enable the stakeholders to contact the Company easily, the contact details of the investor relations function have been set out in page 2 of this Annual Report as well as on the Company's website. The Company have put in place procedures to respond to investors' queries.

Shareholders are given the opportunity to pose questions to the Board or the Management at the general meetings. The members of the AC, NC and RC will be present at the AGM to answer questions relating to matters overseen by the respective committees.

The Company currently does not have a formal investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to Shareholders via SGXNet. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company maintains a website at https://www.oio.sg/ to communicate and engage with stakeholders.

DEALINGS IN SECURITIES

The Group has implemented appropriate guidelines on dealings in the Company's securities in compliance with the best practices as set out in Rule 1204(19) of the Catalist Rules. All Directors and staff of the Group are not allowed to trade in the Company's securities during the periods commencing one month before the announcement of the Company's half year and full year financial results respectively. To facilitate compliance, reminders are issued to all Directors and staff prior to the applicable trading black–outs. Our Directors and staff, who are expected to observe insider trading laws at all times, are also discouraged from dealing in the Company's securities on short–term considerations.

NON–SPONSOR FEES

No non–sponsor fees were paid/payable to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. during FY2020.

INTERESTED PERSON TRANSACTIONS

The Group has procedures governing all Interested Persons Transactions ("IPT") to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The interested person transactions during FY2020 are as follows:–

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Infinity Blockchain Holdings Pte. Ltd. – Revenue from providing Block chain	Controlling shareholder's associate[1]	S$150,000	–
Infinity Blockchain Holdings Pte. Ltd. – Outsourcing IT consulting services	Controlling shareholder's associate[1]	S$856,000	–

Note 1: Mr. Hiroyuki Enomoto holds 100% interest in North Ventures Pte Ltd (formerly known as QRC Pte Ltd) and 90% interest in Infinity Blockchain Holdings Pte Ltd. North Ventures Pte Ltd is a controlling shareholder of OIO Holdings Limited holding 64.13% interest in the Company at the date of this announcement.

MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its Directors or controlling shareholders which are either still subsisting at the end of FY2020 or if not then subsisting, entered into by the Company during FY2020. The particulars of the relevant material contract is set out below:–

(1) On 28 February 2020, the Company entered into a loan agreement with North Ventures Pte Ltd (Formerly known as QRC Pte, Ltd.) for an interest free loan amounting to S$500,000, repayable only after 1 May 2022.

USE OF PROCEEDS

On 29 March 2021, the Company announced that it had entered into subscription agreements with several investors (the "**Subscribers**") (the "**Subscription Agreements**") for the issuance by the Company to the Subscribers of 8.00% convertible notes due 2021 (the "**Notes**") up to an aggregate principal amount of US$2,400,000 ("**Proposed Subscription**"). Subsequently, on 9 April 2021, the Company announced that the issuance by the Company of the Notes with an aggregate principal amount of US$2,400,000 to the Subscribers had been completed in accordance with the terms and conditions of the Subscription Agreements.

The principal amount of Notes will also be automatically converted into the ordinary shares of the Company if the Company's proposed acquisition of Moonstake Pte Ltd. and Moonstake Limited (refer to the Company's announcement dated 20 January 2021) (the "**Acquisition**") is completed before the maturity date of 30 September, 2021.

After deducting the estimated expenses of US$31,000 in relation to the Proposed Subscription, the net proceeds received was US$2,369,000 (the "**Net Proceeds**").

CORPORATE GOVERNANCE REPORT

As at the date of this report, the Net Proceeds have been utilised as follows:

Purposes	Allocation of Net Proceeds received (US$)	Amount Utilized (US$)	Balance (US$)
Working capital for Moonstake Pte Ltd and Moonstake Limited (in the event of an entry of a definitive agreement and upon completion of the Acquisition) including sales and marketing expenses and software development/ maintenance expenses[1]	$1,500,000	$0	$1,500,000
Working capital (including working capital required by the Group's newly set-up blockchain subsidiary, OIO Singapore Pte. Ltd.) and general corporate purposes (including the repayment of the Company's liabilities including recurring professional fees)	$869,000	$122,105	$746,895
Total	**$2,369,000**	**$122,105**	**$2,246,895**

A breakdown on the Net Proceeds utilised for working capital and general corporate purposes is as follows:

Purposes	US$'000
Repayment of the Company's liabilities including emoluments and professional fee	$122,105
Total	**$122,105**

The above utilisation is in accordance with the intended use of the Net Proceeds, as stated in the Company's announcement dated 29 March 2021.

[1] *The Company shall update shareholders re-allocation of the proceed, if any, as and when appropriate on the SGXNet.*

DIRECTORS' STATEMENT

The directors submit this statement to the members together with the audited consolidated financial statements of the OIO Holdings Limited (Formerly known as DLF Holdings Limited) (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2020.

In our opinion:

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to the information as disclosed in Note 2(a) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Names of directors

The directors in office at the date of this report are:

Fan Chee Seng	(Executive Chairman)
Yusaku Mishima	(Executive Director)
Foo Kia Juah	(Lead Independent Non-Executive Director)
Kok Cheang Hung	(Independent Non-Executive Director)
Tee Hian Chong	(Independent Non-Executive Director)

Change of Company name

Following the Extraordinary General Meeting of the Company held on 26 June 2020, the name of the Company was changed from "DLF Holdings Limited" to "OIO Holdings Limited".

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares, debentures, warrants or options of the Company or any other corporate body, other than as disclosed in this report.

Directors' interest in shares or debentures

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in the shares of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Shares registered in the name of director	
The Company -	**As at**	**As at**
OIO Holdings Limited	**1.1.2020**	**31.12.2020**
Fan Chee Seng	26,778,260	26,778,260

Directors' interest in shares or debentures (Cont'd)

Mr Fan Chee Seng, who by virtue of his interest in not less than 20% of the issued share capital of the Company, is deemed to have an interest in the shares of the wholly-owned subsidiaries held by the Company and in the following subsidiary that is not wholly-owned by the Group.

	As at 1.1.2020 No.of shares	As at 31.12.2020 No.of shares
DLF Prosper Venture Pte Ltd	100,000	100,000

There are no changes to the above shareholdings or debentures between the end of the financial year and 21 January 2021.

Share options

Employee Share Option Scheme (the "ESOS")

The Company has adopted the Employee Share Option Scheme (the "ESOS") on 19 June 2018 prior to its listing on the Catalist board of the SGX–ST. The ESOS shall be administered by the RC. The purpose of the ESOS is to provide an opportunity for full–time employees of the Group and Directors (excluding Independent Directors) who have met performance targets (the "Selected Person") to participate in the equity of the Company (in addition to cash bonuses) so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. The ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain employees whose services are vital to the success of the Group. Provided always that the aggregate number of the shares arising from ESOS shall not exceed 15% of the total number of issued Shares of the Company from time to time, the Selected Person would receive the same benefit from a contingent award under the scheme ("Award") in respect of fewer shares as they would receive if share options were granted instead of a larger number of shares. The ESOS would therefore allow the Company to provide the incentive to employees while reducing the dilutive effect on shareholders.

Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the RC's discretion, set at the price ("Market Price") equal to the average of the last dealt prices for the Company's ordinary shares ("Shares") on the Catalist for the five consecutive trading days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20% or such other percentage or amount as may be determined by the RC and as permitted by the SGX–ST).Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten (10) years. The options may be exercisable in whole or in part, on payment of the exercise price. Since its adoption till the date of this report, no option has been granted under the ESOS.

Performance Share Plan (the "PSP")

In addition to the ESOS, the Company has adopted the Performance Share Plan (the "PSP") on 19 June 2018 prior to its listing on the Catalist board of the SGX–ST. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing eff orts to reward, retain and motivate employees to promote higher performance, goals and recognise exceptional performance. The purpose of adopting the PSP is to give the Company greater flexibility to align the interests of employees, especially key executives, with the interests of Shareholders. The PSP is managed by the RC. The awards granted under the PSP allow a participant to receive fully-paid Shares free of consideration upon achieving the performance target(s) prescribed by the RC at its absolute discretion. The selection of a participant and the number of Shares which are the subject of each award granted to a participant in accordance with the PSP shall be determined at the absolute discretion of the RC. RC plans to exercise this discretion judiciously, taking into account criteria such as his rank, job performance, years of service and potential for further development, his contribution to the success and development of the Company and the extent of effort required to achieve the performance target within the performance period. No shares were issued under the PSP plan from the agreement date to 31 December 2020.

Share options (Cont'd)

No options were granted during the financial year to take up unissued shares of the Company or any subsidiary.

No shares were issued during the financial year to which this report related by virtue of the exercise of options to take up unissued shares of the Company or any subsidiary.

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

Audit Committee

The audit committee at the end of the financial year comprises the following members:

Kok Cheang Hung (Chairman)
Tee Hian Chong
Foo Kia Juah

The audit committee performs the functions set out in Section 201B (5) of the Singapore Companies Act, Cap.50, the Catalist Rules of the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the audit committee reviewed the following:

- overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

- effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;

- met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the audit committee;

- reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- reviewed the nature and extent of non-audit services provided by the external auditor;

- reviewed statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2020 as well as the auditor's report thereon; and

- reviewed interested person transactions (as defined in Chapter 9 of the Catalist Rules of the Listing Manual of the Singapore Exchange).

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

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to The Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing our auditors for the Company and its subsidiaries, we have complied with Catalist Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Independent auditor

The independent auditor, Foo Kon Tan LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors

FAN CHEE SENG	KOK CHEANG HUNG

Dated: 14 April, 2021

INDEPENDENT AUDITORS' REPORT

To The Members of OIO Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OIO Holdings Limited (Formerly known as DLF Holdings Limited) (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) to the financial statements. The Group incurred a net loss of $909,389 (2019: $3,678,236) and reported net operating cash outflows of $492,603 (2019: $1,423,971) for the financial year ended 31 December 2020. As at 31 December 2020, the Group and the Company had a deficit in equity of $3,779,089 (2019: $2,940,171) and $4,379,900 (2019: $2,784,886), and net current liabilities of $2,419,940 (2019: $3,790,396) and $2,833,099 (2019: $2,284,886), respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and for its listing status to be maintained.

If the Group and the Company were unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may need to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

To The Members of OIO Holdings Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<u>Accounting for projects - Revenue recognition (Note 3 to the financial statements)</u>

Risk:

Revenue recognition of projects requires management's use of estimates in identification of performance obligations, assessment of the number of performance obligations and whether they are satisfied over time or a point in time, determination of an appropriate method to measure progress of the project for revenue recognition.

Revenue from performance obligations satisfied over time is recognised using the percentage of completion ("POC") method. The stage of completion is certified by third party quantity surveyors and measured by reference to the value of the project value incurred to date to the estimated total project value to complete the project. Significant judgements are required to determine the total project value which include estimation for variation works and any other claims from contractors. Any changes to the estimated total project value will impact the POC method and consequently the revenue recognised.

Our response:

We read the contracts signed with customers for significant contracts and engaged management to obtain an understanding of the performance obligations of the Group and its contractual rights. We discussed with management to assess whether the criteria for recognising revenue over time or a point in time are met, taking into consideration the contractual terms.

We evaluated the Group's estimated total project value, taking into consideration costs incurred to date, estimated costs to completion, project progress and any deviation in project cost components which could lead to cost overruns.

We tested the arithmetic accuracy of project revenues and profits based on the stage of completion calculations.

We also considered the adequacy of the disclosures in the financial statements.

<u>Assessment of impairment of property, plant and equipment (Note 7 to the financial statements)</u>

Risk:

The property, plant and equipment are significant items in the financial statements as at 31 December 2020 and 2019. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. These estimates include adjustments made for differences between the subject properties and comparables.

Our response:

We evaluated the competence, qualification and objectivity of the management's valuer, obtained an understanding of the work of the management's valuer and evaluated the appropriateness of work of the management's valuer as audit evidence for the relevant assertion.

We considered the valuation methodology used by management's valuer against those applied by other valuers for similar asset types. With regards to plant and equipment, we corroborated the inputs such as the replacement cost and physical and economic obsolescence factors used in the valuation by comparing them against available industry data, taking into consideration comparability and market factors.

We also considered the adequacy of the disclosures in the financial statements.

Key Audit Matters (Cont'd)

Impairment assessment of trade receivables (Note 8 to the financial statements)

Risk:

Significant judgements and assumptions, including the credit risks of customers and the timing and amount of realisation of debts, are used in performing an assessment and measurement of the impairment loss on trade receivables.

Our response:

We analysed the aging of trade receivables, requested trade receivables balance confirmations, and tested subsequent receipts of trade receivables post balance sheet date.

We tested the accuracy and completeness of underlying data used in the expected credit loss (ECL) model and the arithmetical accuracy of the computation of ECL. We tested key assumptions and judgment used in assessing the likelihood of default. We considered the appropriateness of forward looking factors used to determine ECL.

We also assessed the recoverability of the trade receivables on a sample basis through our evaluation of management's assessment with reference to, amongst others, the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers.

We also considered the adequacy of the disclosures in the financial statements.

Assessment of impairment of right-of-use assets (Note 6 to the financial statements)

Risk:

The Group assessed the recoverable amount of right-of-use assets based on valuations. The valuation process involved significant judgement in determining the appropriate valuation methodology to be used, and the underlying assumptions to be applied.

Our response:

We considered the valuation methodologies used by management and management's valuer. We examined the valuation assumptions with regards to the market conformity. We reviewed the mathematical correctness of fundamental calculation steps.

We evaluated the competence, capabilities and objectivity of the auditor's expert. Through our appointed auditor's expert, we assessed the appropriateness and reasonableness of the methodology, inputs and assumptions used or relied on by management, including determination of an incremental borrowing rate from a market participant's perspective related to computation of fair value of office lease.

We also considered the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

To The Members of OIO Holdings Limited

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Soh Mui.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
14 April 2021

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2020

	Note	The Group 31 December 2020 $	The Group 31 December 2019 $	The Company 31 December 2020 $	The Company 31 December 2019 $
ASSETS					
Non-Current Assets					
Subsidiaries	4	**–**	–	**1**	–
Deferred tax assets	5	**96,489**	189,885	**–**	–
Right-of-use assets	6	**57,850**	348,172	**–**	–
Property, plant and equipment	7	**30,188**	1,241,221	**3,198**	–
Total non-current assets		**184,527**	1,779,278	**3,199**	–
Current Assets					
Trade and other receivables	8	**111,629**	918,647	**20,257**	392,974
Contract assets	9	**–**	112,000	**–**	–
Cash and bank balances	10	**338,369**	73,952	**94,084**	6,386
Total current assets		**449,998**	1,104,599	**114,341**	399,360
Total assets		**634,525**	2,883,877	**117,540**	399,360
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	11	**9,499,017**	9,499,017	**9,499,017**	9,499,017
Reserves	12	**(2,621,264)**	(2,621,264)	**–**	–
Accumulated losses		**(10,656,842)**	(9,817,924)	**(13,878,917)**	(12,283,903)
Total equity attributable to owners of the Company		**(3,779,089)**	(2,940,171)	**(4,379,900)**	(2,784,886)
Non-controlling interests		**(44,371)**	26,100	**–**	–
Total equity		**(3,823,460)**	(2,914,071)	**(4,379,900)**	(2,784,886)
Non-Current Liabilities					
Borrowings	13	**–**	300,345	**–**	–
Lease liabilities	14	**38,047**	102,608	**–**	–
Trade and other payables	15	**850,000**	–	**850,000**	–
Loan from shareholder	16	**700,000**	500,000	**700,000**	500,000
Deferred tax liabilities	5	**–**	–	**–**	–
Total non-current liabilities		**1,588,047**	902,953	**1,550,000**	500,000
Current Liabilities					
Borrowings	13	**–**	747,877	**–**	–
Lease liabilities	14	**36,583**	88,228	**–**	–
Trade and other payables	15	**1,795,286**	2,713,628	**2,447,440**	2,484,246
Loan from shareholder	16	**500,000**	200,000	**500,000**	200,000
Current tax liabilities		**538,069**	1,145,262	**–**	–
Total current liabilities		**2,869,938**	4,894,995	**2,947,440**	2,684,246
Total liabilities		**4,457,985**	5,797,948	**4,497,440**	3,184,246
Total equity and liabilities		**634,525**	2,883,877	**117,540**	399,360

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2020

	Note	**2020**	2019
		$	$
Revenue	3	**1,467,560**	1,004,558
Cost of sales		**(1,212,533)**	(613,035)
Gross profit		**255,027**	391,523
Other operating income	17	**799,307**	55,467
Selling and distribution expenses		**(207,965)**	(11,718)
Administrative expenses		**(1,807,449)**	(2,267,384)
Other operating expenses	18	**(82,179)**	(1,908,615)
Finance costs	19	**(58,729)**	(93,081)
Loss before taxation	20	**(1,101,988)**	(3,833,808)
Tax credit	22	**192,599**	155,572
Loss for the financial year, representing total comprehensive loss for the year		**(909,389)**	(3,678,236)
Total comprehensive loss attributable to:			
Owners of the Company	4	**(838,918)**	(3,583,218)
Non-controlling interests	4	**(70,471)**	(95,018)
		(909,389)	(3,678,236)
		Cents	Cents
Loss per share			
Basic and diluted	23	**(0.69)**	(2.96)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2020

	Share capital	Reserves	Accumulated losses	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	$	$	$	$	$	$
At 1 January 2019	9,499,017	(2,621,264)	(6,234,706)	643,047	121,118	764,165
Loss for the year	–	–	(3,583,218)	(3,583,218)	(95,018)	(3,678,236)
Total comprehensive loss for the year	–	–	(3,583,218)	(3,583,218)	(95,018)	(3,678,236)
At 31 December 2019	9,499,017	(2,621,264)	(9,817,924)	(2,940,171)	26,100	(2,914,071)
Loss for the year	**–**	**–**	**(838,918)**	**(838,918)**	**(70,471)**	**(909,389)**
Total comprehensive loss for the year	**–**	**–**	**(838,918)**	**(838,918)**	**(70,471)**	**(909,389)**
At 31 December 2020	9,499,017	(2,621,264)	**(10,656,842)**	**(3,779,089)**	**(44,371)**	**(3,823,460)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2020

	Note	**2020** **$**	2019 $
Cash Flows from Operating Activities			
Loss before income tax		**(1,101,988)**	(3,833,808)
Adjustment for:			
Depreciation of property, plant and equipment	7	**54,348**	76,547
Depreciation of right-of-use assets	6	**61,898**	126,265
Impairment loss on property, plant and equipment	7	**5,700**	120,583
Impairment loss on right-of-use assets	6	**–**	54,323
Impairment loss on trade receivables	8	**–**	501,430
Impairment loss on other receivables	8	**–**	24,650
Impairment loss on contract assets	9	**–**	567,582
Reversal of impairment loss on property, plant and equipment	7	**(120,583)**	–
Reversal of impairment loss on right-of-use assets	6	**(54,323)**	–
Reversal of impairment loss on trade receivables	8	**(12,919)**	–
Loss on disposal of property, plant and equipment		**27,087**	–
Loss on disposal of right-of-use assets		**49,392**	62,684
Gain on liquidation of subsidiaries	4	**(474,716)**	–
Interest income	17	**–**	(38)
Finance costs	19	**58,729**	84,295
Operating loss before working capital changes		**(1,507,375)**	(2,215,487)
Change in contract assets and liabilities		**112,000**	(100,221)
Change in trade and other receivables		**(1,981,859)**	791,556
Change in trade and other payables		**2,906,109**	(276,522)
Cash used in operations		**(471,125)**	(1,800,674)
Income tax paid		**(21,478)**	–
Income tax refunded		**–**	376,703
Net cash used in operating activities		**(492,603)**	(1,423,971)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment (Note A)		**(5,515)**	(16,450)
Proceeds from disposal of property, plant and equipment		**1,249,996**	–
Proceeds from disposal of right-of-use assets		**233,355**	–
Liquidation of subsidiaries		**(358)**	–
Interest received	17	**–**	38
Net cash generated from / (used in) investing activities		**1,477,478**	(16,412)
Cash Flows from Financing Activities			
Proceeds from bank loans		**–**	216,000
Repayment of bank loan		**(576,756)**	(239,646)
Proceeds from shareholders loan		**500,000**	700,000
Repayment of lease liabilities		**(113,507)**	(82,468)
Interest paid		**(58,729)**	(84,295)
Net cash (used in)/ generated from financing activities		**(248,992)**	509,591
Net increase / (decrease) in cash and cash equivalents		**735,883**	(930,792)
Cash and cash equivalents at beginning of the year		**(397,514)**	532,951
Effect of exchange rate changes on balances held in foreign currencies		**–**	327
Cash and cash equivalents at end of the year	10	**338,369**	(397,514)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 December 2020

Note:

A. Property, plant and equipment

During the financial year ended 31 December 2020, the Group acquired property, plant and equipment with an aggregate cost of $5,515 (2019 - $16,450). Cash payments of $5,515 (2019 - $16,450) were made to purchase property, plant and equipment.

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

		Cash flows			**Non-cash changes**		
	As at 1 January 2020	**Proceeds received**	**Principal repayment**	**Interest paid**	**Interest expense**	**Over provision of lease liability**	**As at 31 December 2020**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Lease liabilities (Note 14)	**190,836**	**–**	**(113,507)**	**(5,088)**	**5,088**	**(2,699)**	**74,630**
Loan from shareholders (Note 16)	**700,000**	**500,000**	**–**	**(29,181)**	**29,181**	**–**	**1,200,000**
Bank loans (Note 13)	**576,756**	**–**	**(576,756)**	**(24,460)**	**24,460**	**–**	**–**

		Cash flows			Non-cash changes		
	As at 1 January 2019	Proceeds received	Principal repayment	Interest paid	Interest expense	Over provision of lease liability	As at 31 December 2019
	$	$	$	$	$	$	$
Lease liabilities (Note 14)	273,304	–	(82,468)	(12,406)	12,406	–	190,836
Loan from shareholders (Note 16)	–	700,000	–	(43,611)	43,611	–	700,000
Bank loans (Note 13)	600,402	216,000	(239,646)	(28,278)	28,278	–	576,756

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1 General information

The financial statements of the Group and of the Company for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a private company and domiciled in the Republic of Singapore. The Company was listed on 25 July 2018 in the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and place of business is located at 140 Paya Lebar Road, #08-07 AZ @ Paya Lebar, Singapore 409015.

The principal activities of the Company are those of investment holding. The principal activities of the subsidiaries are disclosed in Note 4.

Its immediate and ultimate holding company is North Ventures Pte Ltd (Formerly known as QRC Pte Ltd), a company incorporated in Singapore.

With effect from 7 July 2020, following the Extraordinary General Meeting of the Company held on 26 June 2020, the name of the Company was changed from "DLF Holdings Limited" to "OIO Holdings Limited".

2(a) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars, unless otherwise stated.

<u>Going concern assumption</u>

The Group incurred a net loss of $909,389 (2019: $3,678,236) and reported net operating cash outflows of $492,603 (2019: $1,423,971) for the financial year ended 31 December 2020. As at 31 December 2020, the Group and the Company had a deficit in equity of $3,779,089 (2019: $2,940,171) and $4,379,900 (2019: $2,784,887), and net current liabilities of $2,419,940 (2019: $3,790,396) and $2,833,099 (2019: $2,284,886), respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern and for its listing status to be maintained.

Notwithstanding the above, it was considered appropriate to prepare these financial statements on a going concern basis after considering the following:

(a) The controlling shareholder of the Company, North Ventures Pte Ltd ("North Ventures") (formerly known as QRC Pte Ltd), has provided a letter of financial support to ensure that the Group maintains capital and liquidity levels to enable it to at all times meet its financial obligations;

(b) The payable to a company associated with the controlling shareholder (S$0.85 million) arising from the fee for blockchain agency services and the loans borrowed from the controlling shareholder (S$0.7 million) are due only after 1 May 2022;

(c) The Group is looking at bringing in more orders by proposing to acquire the entire shareholdings in Moonstake Pte Ltd and Moonstake Limited as announced on 20 January 2021 ("Proposed Acquisition");

(d) The controlling shareholder of the Company, North Ventures, has entered into a loan agreement (the "Loan Agreement") dated 7 April 2021 with the Company pursuant to which North Ventures has agreed to grant the Company an interest-free loan of US$2,000,000, repayable within 7 days after 1 May 2022; and

(e) The Company's issuance of convertible notes of US$2,400,000 to the subscribers was completed on 9 April 2021.

2(a) Basis of preparation (Cont'd)

Going concern assumption (Cont'd)

If the Group and the Company were unable to continue in operational existence, the Group and the Company may be unable to discharge their liabilities in the normal course of business, and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may need to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to the financial statements. Our opinion is not modified in respect of this matter.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

Judgments made in applying accounting policies

Determination of operating segments (Note 27)

Management will first identify the Chief operating decision maker ("CODM"). Then it should identify their business activities (which may not necessarily earn revenue or incur expenses). Management will further determine whether discrete financial information is available for the business activities and whether that information is regularly reviewed by the CODM. Judgment is applied by management of the aggregation criteria to operating segments.

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Income taxes (Note 22)

Significant judgement is involved in determining the Group provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(a) Basis of preparation (Cont'd)

Key sources of estimation uncertainty

Revenue recognition (Note 3)

With regards to projects for which performance obligations are satisfied over time, the Group recognises revenue as the project progresses using the percentage-of-completion method. The percentage of completion is estimated by reference to the stage of completion based on the value of the contract sum as certified by third party quantity surveyors and the estimated total project value to complete. Significant judgement is required in determining the estimated total contract value which include contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

Impairment of financial assets (Note 8)

The Group uses a provision matrix to calculate ECL for the trade receivables. The provision matrix is based on the Group's historical default rates taking into consideration reasonable and supportable forward-looking information that is available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables which are credit impaired are assessed for ECL individually. The provision of ECL is sensitive to changes in estimates.

Depreciation of property, plant and equipment and right-of-use assets (Note 6, 7)

Property, plant and equipment and right of use assets are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

A 5% (2019 - 5%) difference in the expected useful lives of these assets from management's estimates would not have any material effect on the financial statements.

Impairment of non-financial assets (Note 4, 6, 7)

Property, plant and equipment, investments in subsidiaries and right-of use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash generating units, have been determined based on the higher of fair value, reflecting market conditions less costs to sell and value-in-use. Estimating the recoverable amount requires the Group to make estimates of the expected future cash flows from the cash-generating unit and use estimates and assumptions such as future market growth, forecast revenue and costs, utilisation period of the assets, discount rates and other factors. The determination of the fair value less cost to sell of the Group's property, plant and equipment include use of unobservable inputs. Because of the inherent valuation uncertainty, those estimated fair values may differ significantly from actual results, and those differences could be material.

Determination of incremental borrowing rate for leases (Note 6, 14)

The Group recognises a lease liability at the present value of the remaining lease payments using the Group's incremental borrowing rate for the underlying lease asset; and recognises a right-of-use asset, on a lease-by-lease basis at an amount equal to the lease liability. Management applies significant estimates and assumptions in determining the incremental borrowing rate, with key inputs to the computation comprising the term of the lease, nature and quality of the security, economic environment and credit spread.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2020, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 3	*Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*	1 January 2020
Revised Conceptual Framework for Financial Reporting		1 January 2020

Amendments to SFRS(I) 3 Definition of a Business

The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence;
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SFRS(I) 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform

The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships that are directly affected by the global reform initiative with respect to the inter-bank offered rate ("IBOR"). The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing IBOR reform.

Any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from the IBOR reform are no longer present. The amendments also introduce new disclosure requirements in SFRS(I) 7 for hedging relationships that are subject to the exceptions introduced by the amendments to SFRS(I) 9 and SFRS(I) 1-39. The amendments are mandatory for all hedges within scope and are to be applied retrospectively for annual reporting periods beginning on or after 1 January 2020.

The Group has adopted the amendments with effect from 1 January 2020 retrospectively to hedging relationships that existed at the start of the reporting period or were designated thereafter, and to the amount accumulated in the cash flow hedging reserve at that date. The amendments are relevant for the following types of hedging relationships and financial instruments of the Group, all of which extend beyond 2021, the date by which the reform is expected to be implemented:

- cash flow hedges where IBOR-linked derivatives are designated as a cash flow hedge of IBOR-linked cash flows (in SGD);
- fair value hedges where IBOR-linked derivatives are designated as a fair value hedge of fixed rate debt in respect of the IBOR risk component (in SGD);
- net investment hedge where an IBOR-linked derivative hedges the foreign currency risk of its net investment in foreign operations in China; and
- loans to joint ventures, bank borrowings and lease liabilities which reference IBOR and are subject to the IBOR reform.

The application of the amendments impacts the Group's accounting in the following ways.

- Hedge accounting relationships shall continue despite the following:
    - for cash flow hedge of IBOR cash flows: there is uncertainty about the timing and amount of the hedged cash flows due to the IBOR reform;
    - for IBOR fair value hedge: the benchmark interest rate component may not be separately identifiable; and
    - for net investment hedge: there is uncertainty about the replacement of the IBOR reference rate included in the hedging derivative.
- The Group shall not discontinue hedge accounting even if the retrospective assessment of hedge effectiveness for a hedging relationship that is subject to the IBOR reform falls outside the range of 80% to 125% in accordance with SFRS(I) 1-39.
- The Group shall retain the cumulative gain or loss in the cash flow hedging reserve for designated IBOR cash flow hedges that are subject to the IBOR reform even though there is uncertainty arising with respect to the timing and amount of the cash flows of the hedged items.

There is no impact to the Group's and the Company's financial statements.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Revised Conceptual Framework for Financial Reporting

The purpose of the Conceptual Framework is to assist in developing financial reporting standards. The Conceptual Framework is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the Conceptual Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the Conceptual Framework in the absence of specific SFRS(I) requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in SFRS(I), issued together with the revised Conceptual Framework, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised Conceptual Framework. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

2(c) New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions*	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2023

Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 3 Reference to the Conceptual Framework

The amendments update SFRS(I) 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. According to the amendments, for obligations within the scope of SFRS(I) 1-37, the acquirer shall apply SFRS(I) 1-37 to determine whether a present obligation exists at the acquisition date as a result of past events, and for a levy within the scope of SFRS(I) INT 21 Levies, the acquirer shall apply SFRS(I) INT 21 to determine whether the obligating event giving rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer shall not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if the entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(d) Summary of significant accounting policies

Consolidation

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and investees (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company or its subsidiary:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company or its subsidiary reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company or its subsidiary has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company or its subsidiary considers all relevant facts and circumstances in assessing whether or not the Company's or its subsidiary's voting rights in an investee are sufficient to give it power, including:

- size of the Company's or its subsidiary's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company or its subsidiary, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances which indicate that the Company or its subsidiary has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company or its subsidiary obtains control over the subsidiary or investee and ceases when the Company or its subsidiary loses control of the subsidiary or investee. Specifically, income and expenses of a subsidiary or an investee acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation(Cont'd)

(ii) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Business combinations

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

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

The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Business combinations (Cont'd)

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and
- disposal groups that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

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

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

Business combinations involving businesses or entities under common control

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- Assets, liabilities, reserves, revenue and expenses of consolidated business or entities are reflected at their existing amounts;
- The retained earnings recognised in the consolidated financial statements are the retained earnings of the combining entities or businesses immediately before the combination; and
- No additional goodwill is recognised as a result of the combination.

The statement of comprehensive income reflects the results of the combining entities or businesses for the full year, irrespective of when the combination took place. Comparatives are presented as if the entities or businesses had always been combined since the date the entities or businesses had come under common control.

2(d) Summary of significant accounting policies (Cont'd)

Currencies

Functional and presentation currency

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

The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore Dollars. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

Foreign currency 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 date of the transactions. Currency translation differences 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 end of reporting period are recognised in the profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

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.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transactions.

Group entities

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

(i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

The Group as lessee (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to Nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office premises	1.75 years
Motor vehicles	2 to 4 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Property	20 years
Motor vehicles	1 to 10 years
Computers	2 to 3 years
Office equipment	2 to 5 years
Furniture, fixture and fittings	2 to 3 years
Air conditioners	5 years
Renovations	2 to 3 years

The Group's 999-year leasehold land is not depreciated.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the

standard of performance of the asset before that expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

2(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

- **Financial assets**

  Initial recognition and measurement

  Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments.

  The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

  In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

  Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

<u>Financial assets at amortised cost (debt instruments)</u>

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process. The financial instruments at amortised costs comprised trade and other receivables, excluding prepayments and goods and services tax recoverable.

<u>Fair value through other comprehensive income (FVOCI)</u>

Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

The Group and the Company do not have this investment.

<u>Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments)</u>

The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument - by - instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment. The Group and the Company do not have this investment.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Subsequent measurement (Cont'd)

Financial assets fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established.

The Group and the Company do not have this investment.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of

the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables and contract assets, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses as at the reporting date, the credit risk has not increased significantly since initial recognition. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The internal credit ratings have been mapped to external credit ratings determined by credit rating agencies such as Moody's and Fitch, so as to determine the appropriate expected credit loss rates.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

<u>Significant increase in credit risk</u>

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely real estate, industrial construction and engineering materials.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost);

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Impairment of financial assets (Cont'd)

Significant increase in credit risk (Cont'd)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an external (if any) or internal credit rating of "investment grade" as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition, (i) for a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; (ii) for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

2(d) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

- **Financial assets (Cont'd)**

Impairment of financial assets (Cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty,
- having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts (if any). Bank overdrafts (if any) are included within borrowings in current liabilities in the statement of financial position.

Borrowing costs

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

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due.

2(d) Summary of significant accounting policies (Cont'd)

Contract balances (Cont'd)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Group transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Non-derivative financial liabilities

Initial recognition and measurement

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

Financial liabilities include trade and other payables, lease liabilities, bank loans, bank overdraft and loans from shareholders.

Subsequent measurement

They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

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

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

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

Impairment losses recognised for cash-generating units, are charged pro rata to the assets in the cash-generating unit.

Any impairment loss is charged to the profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

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.

Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

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 end of reporting period.

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 or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

2(d) Summary of significant accounting policies (Cont'd)

Income taxes

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(b) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

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

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Executive Chairman who makes strategic resources allocation decisions.

2(d) Summary of significant accounting policies (Cont'd)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Project revenue

With regards to projects for which performance obligations are satisfied over time, the Group recognises revenue as the project progresses using the percentage-of-completion method. The percentage of completion is estimated by reference to the stage of completion based on the value of the contract sum as certified by third party quantity surveyors and the estimated total project value to complete. Significant judgement is required in determining the estimated total contract value which include contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

2(d) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Revenue from sale of goods/services rendered

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods and acceptance by customers. Revenue from services is recognised when services are rendered and accepted by customers.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated cost or the possible return of goods.

3 Revenue

The Group	2020 $	2019 $
Mechanical and electrical engineering services	**121,019**	1,004,558
Blockchain agency and consulting services	**1,346,541**	–
	1,467,560	1,004,558
Timing of revenue recognition		
At a point in time	**–**	346,011
Over time	**1,467,560**	658,547
	1,467,560	1,004,558
Geographical segments		
Singapore	**1,467,560**	1,004,558
	1,467,560	1,004,558

4 Subsidiaries

The Company	2020 $	2019 $
Unquoted equity investments, at cost	**1,246,914**	4,993,204
Less: impairment of investment in subsidiaries	**(1,246,913)**	(4,993,204)
	1	–

The Company	2020 $	2019 $
Impairment on the investment in subsidiaries		
At 1 January	**4,993,204**	–
Impairment recognised in profit and loss	**–**	4,993,204
Reclassification	**(3,746,291)**	–
At 31 December	**1,246,913**	4,993,204

4 Subsidiaries (Cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Percentage of interest held		Principal activities
		2020	2019	
Held by the Company				
DLF Pte. Ltd. (1)	Singapore	**100%**	100%	Procurement of equipment and components such as offloading hoses and the provision of logistic services to offshore oil rigs
DLF Prosper Venture Pte Ltd ("DLFPV") (1)	Singapore	**80%**	80%	Installation of industrial machinery and equipment, mechanical engineering works
OIO Singapore Private Limited (1),(3)	Singapore	**100%**	–	Sales agency services, software development agency services and consulting services
DLF Engineering Pte Ltd (1)	Singapore	**100%**	100%	Provision of building and construction services
Held by the subsidiary - DLF Engineering Pte Ltd				
ACMES-Kings Corporation Pte. Ltd. (1)	Singapore	**100%**	100%	Provision of plumbing, non-electric heating and air-conditioning services
ACMES Properties Pte Ltd(2)	Singapore	**–**	100%	Property owning
ACMES-Power Building Services Pte Ltd(2)	Singapore	**–**	100%	General contractors (building construction including major upgrading works)

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Applied for voluntary creditors' liquidation on 24 November 2020

(3) Incorporated on 5 August 2020

Creditors' liquidation of subsidiaries

For the financial year ended 31 December 2020, the Company has applied for voluntary liquidation for 2 subsidiaries. These subsidiaries are consolidated until the date they cease to be subsidiaries of the Company. There is a gain of $474,716 recorded at the Group level.

Impairment testing of investments in subsidiaries

For the financial year ended 31 December 2020, management of the Company had carried out an impairment assessment over the investments in subsidiaries and identified the following significant cash generating units ("CGUs"). These were considered to have indications of possible impairment issues at 31 December 2020 and 2019 as they were in a loss-making position and having negative net worth for the past few years. The review led to an accumulated impairment loss of $1,246,914 (2019: $4,993,204).

4 Subsidiaries (Cont'd)

Impairment testing of investments in subsidiaries

As at 31 December 2019, the recoverable amounts of subsidiaries were determined based on the higher of fair value less cost to sell and value-in-use. The fair value less cost to sell was determined based on the financials of the subsidiaries which comprised mainly cash balances, trade and other receivables and trade and other payables which were current and approximated fair value at the reporting date. Based on the impairment testing, the Company recognised an impairment loss of $4,993,204 in the profit or loss for the financial year ended 31 December 2019.

As at 31 December 2020, the carrying amount of the investments in subsidiaries amounted to $1. As at 31 December 2020, as part of the liquidation process of the subsidiaries, the Company reclassified its cost of investments in its subsidiaries and related impairment loss in the subsidiaries totalling $3,746,291 out of the respective impairment and cost of investment.

Summarised financial information

Carrying value of non-controlling interests ("NCI") in DLF Prosper Venture Pte Ltd

The Group	**2020**	2019
	$	$
Total assets	**126,489**	586,489
Total liabilities	**(348,348)**	(455,991)
Net (liabilities)/ assets	**(221,859)**	130,498
Net (liabilities)/ assets attributable to NCI	**(44,371)**	26,100
Revenue	**–**	–
Loss for the year	**(352,357)**	(475,093)
Revenue	**1,467,560**	1,0004,558
Other comprehensive income ("OCI")	**–**	–
Total comprehensive (loss)	**(352,357)**	(475,093)
Attributable to NCI:		
- (Loss)	**(70,471)**	(95,018)
- OCI	**–**	–
Total comprehensive (loss)	**(70,471)**	(95,018)
Dividend paid to NCI	**–**	**–**
Cash flows used in operating activities	**–**	**–**
Cash flows used in investing activities	**–**	**–**
Net (decrease)/ increase in cash and cash equivalents	**–**	**–**

5 Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

Deferred tax assets are attributable to the following:

	The Group	
	31 December 2020	31 December 2019
	$	$
Deferred tax assets		
Trade receivables	**96,489**	189,885

Movement in temporary differences during the year:

	The Group	
	31 December 2020	31 December 2019
	$	$
Deferred tax assets		
At beginning of year	**189,885**	9,789
(Reversal)/ recognised in profit or loss	**(93,396)**	180,096
At end of year	**96,489**	189,885
Deferred tax liabilities		
At beginning of year	**–**	5,111
Recognised in profit or loss	**–**	(5,111)
At end of year	**–**	–

Settlement of deferred tax assets and liabilities is as follows:

	The Group	
	31 December 2020	31 December 2019
	$	$
To be settled within one year		
Deferred tax assets	**96,489**	189,885
To be settled after one year		
Deferred tax liabilities	**–**	–

6 Right-of-use assets

The Group	Motor vehicles $	Office premises $	Total $
Cost			
At 1 January 2019	672,349	94,847	767,196
At 31 December 2019	**672,349**	**94,847**	**767,196**
Disposal	(593,569)	–	(593,569)
At 31 December 2020	**78,780**	**94,847**	**173,627**
Accumulated depreciation			
At 1 January 2019	238,436	–	238,436
Depreciation	90,698	35,567	126,265
At 31 December 2019	**329,134**	**35,567**	**364,701**
Depreciation	**26,331**	**35,567**	**61,898**
Disposal	**(310,822)**	**–**	**(310,822)**
At 31 December 2020	**44,643**	**71,134**	**115,777**
Accumulated impairment			
At 1 January 2019	**–**	**–**	**–**
Impairment loss for the year	**54,323**	**–**	**54,323**
At 31 December 2019	**54,323**	**–**	**54,323**
Reversal of impairment loss for the year	**(54,323)**	**–**	**(54,323)**
At 31 December 2020	**–**	**–**	**–**
Carrying amount			
At 31 December 2020	**34,137**	**23,713**	**57,850**
At 31 December 2019	288,892	59,280	348,172

Motor vehicles are pledged as securities for the lease arrangements (Note 14).

Impairment testing

The recoverable amount of the Group's right-of-use assets related to motor vehicles acquired under lease arrangements are based on fair value less costs to sell, which are higher than value-in-use, as determined by a valuation expert. The fair value are based on the market value, being the estimated amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on direct comparison method which involves the analysis of comparable assets and adjusting the sale prices to that reflective of the subject assets. During the financial year ended 31 December 2019, the Group recognised an impairment loss of $54,323 on motor vehicles funded by finance leases.

The fair value of the office lease is based on the present value of the remaining lease payments using the incremental borrowing rate from a market participant's perspective.

During the year ended 31 December 2020, the Group recorded a reversal of impairment loss of $54,323 to the income statement as the assets were disposed.

7 Property, plant and equipment

The Group	999-year leasehold land	Property	Motor vehicles	Computers	Office equipment	Furniture, fixture and fittings	Air conditioner	Renovations	Total
	$	$	$	$	$	$	$	$	$
Cost									
At 1 January 2019	**1,130,000**	**200,000**	**179,289**	**135,187**	**87,217**	**213,924**	**6,500**	**66,636**	**2,018,753**
Additions	–	–	–	–	**15,800**	**650**	–	–	**16,450**
Disposal	–	–	**(145,215)**	–	–	–	–	–	**(145,215)**
At 31 December 2019	**1,130,000**	**200,000**	**34,074**	**135,187**	**103,017**	**214,574**	**6,500**	**66,636**	**1,889,988**
Additions	–	–	–	**5,515**	–	–	–	–	**5,515**
Disposal	**(1,130,000)**	**(200,000)**	–	–	–	–	–	–	**(1,330,000)**
At 31 December 2020	–	–	**34,074**	**140,702**	**103,017**	**214,574**	**6,500**	**66,636**	**565,503**
Accumulated depreciation									
At 1 January 2019	–	**35,417**	**102,376**	**101,998**	**70,116**	**190,679**	**6,500**	**27,080**	**534,166**
Depreciation for the year	–	**10,000**	**14,227**	**22,633**	**7,210**	**8,516**	–	**13,961**	**76,547**
Disposals	–	–	**(82,529)**	–	–	–	–	–	**(82,529)**
At 31 December 2019	–	**45,417**	**34,074**	**124,631**	**77,326**	**199,195**	**6,500**	**41,041**	**528,184**
Depreciation for the year	–	**7,500**	–	**14,518**	**9,700**	**8,669**	–	**13,961**	**54,348**
Disposals	–	**(52,917)**	–	–	–	–	–	–	**(52,917)**
At 31 December 2020	–	–	**34,074**	**139,149**	**87,026**	**207,864**	**6,500**	**55,002**	**529,615**
Accumulated impairment									
At 1 January 2019	–	–	–	–	–	–	–	–	–
Impairment loss for the year	–	120,583	–	–	–	–	–	–	**120,583**
At 31 December 2019	–	**120,583**	–	–	–	–	–	–	**120,583**
Impairment loss for the year	–	–	–	–	**5,700**	–	–	–	**5,700**
Reversal of impairment	–	**(120,583)**	–	–	–	–	–	–	**(120,583)**
At 31 December 2020	–	–	–	–	**5,700**	–	–	–	**5,700**
Carrying amount									
At 31 December 2020	–	–	–	**1,553**	**10,291**	**6,710**	–	**11,634**	**30,188**
At 31 December 2019	1,130,000	34,000	–	10,556	25,691	15,379	–	25,595	1,241,221

7 Property, plant and equipment (Cont'd)

The Company	Computers	Total
	$	$
Cost		
At 1 December 2020	–	–
Additions	4,124	4,124
Disposals		
At 31 December 2020	**4,124**	**4,124**
Accumulated depreciation		
At 1 January 2020	–	–
Depreciation for the year	926	926
Disposals	–	–
At 31 December 2020	**926**	**926**
Carrying amount		
At 31 December 2020	**3,198**	**3,198**
At 31 December 2019	–	–

Impairment testing

The recoverable amount of the Group's property, plant and equipment are determined based on the higher of fair value less costs to sell and value-in-use. The recoverable amounts of the Group's property, plant and equipment are based on the fair value less costs to sell, which are higher than value-in-use, as determined by a valuation expert. Level 3 fair value hierarchy.

During the financial year ended 31 December 2020, the Group recognised an impairment loss of $5,700 (2019:$120,583) and reversal of impairment loss of $120,583 (2019: Nil) on property, plant and equipment.

Impairment of $5,700 was on office equipment as the equipment was not in working order as at the valuation date and was disposed of. Hence, management has decided to impair the amount equivalent of its net book value.

8 Trade and other receivables

	The Group		The Company	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	$	$	**$**	$
Trade receivables	**111,333**	2,206,676	**–**	–
Impairment of trade receivables	**(104,644)**	(2,033,449)	**–**	–
	6,689	173,227	**–**	–
Other receivables	**1,809,688**	148,275	**1,679,345**	24,650
Amount due from subsidiaries (non-trade)	**–**	–	**1,928,052**	3,429,445
Loan to non-controlling interest	**130,000**	280,388	**–**	–
Loan to non-controlling interest's holding company	**300,000**	190,000	**–**	–
Deposits	**30,234**	138,495	**–**	–
	2,276,611	930,385	**3,607,397**	3,454,095
Impairment of other receivables	**(2,184,463)**	(24,650)	**(3,589,532)**	(3,062,084)
	92,148	905,735	**17,865**	392,011
Goods and services tax receivables	**11,720**	–	**–**	–
Prepayments	**7,761**	12,912	**2,392**	963
	111,629	918,647	**20,257**	392,974

The non-trade amounts and loan due from related parties are unsecured, interest-free and repayable on demand.

Trade receivables have credit terms of between 30 and 90 (2019 - 30 and 90) days.

Trade and other receivables are denominated in Singapore Dollars.

The Group's credit risk exposure in relation to debtors as at 31 December 2020 and 2019 are set out as follows:

	The Group				
	Current	**1 to 3 months**	**3 to 6 months**	**More than 6 months**	**Total**
31 December 2020	**$**	**$**	**$**	**$**	**$**
Expected loss rate	**–**	**–**	**–**	**100%**	**100%**
Trade receivables	**3,699**	**2,333**		**105,301**	**111,333**
Loss allowance	**–**	**–**	**–**	**(104,644)**	**(104,644)**
31 December 2019					
Expected loss rate	1%	–	–	99%	100%
Trade receivables	97,607	55,124	15,645	2,038,300	2,206,676
Loss allowance	(12,269)	–	–	(2,021,180)	(2,033,449)

8 Trade and other receivables (Cont'd)

Movements in allowance for impairment loss on trade receivables

	The Group		The Company	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	$	$	**$**	$
Allowance for impairment				
At 1 January	**2,033,449**	1,536,724	**–**	–
Net impairment / Reversal during the year	**(12,919)**	504,310	**–**	–
Reclassification to (Note A)	**(1,915,886)**	–	–	–
Write off during the year	**–**	(7,585)	**–**	–
At 31 December	**104,644**	2,033,449	**–**	–

Note A: Amount reclassified due to liquidation of 2 subsidiaries.

Movements in allowance for impairment loss on other receivables

	The Group				
	Current	**1 to 3 months**	**3 to 6 months**	**More than 6 months**	**Total**
31 December 2020	**$**	**$**	**$**	**$**	**$**
Expected loss rate	**–**	**–**	**–**	**100%**	**100%**
Other receivables	**–**	**–**	**–**	**2,276,611**	**2,276,611**
Loss allowance	**–**	**–**	**–**	**(2,184,463)**	**(2,184,463)**
31 December 2019					
Expected loss rate	–	–	–	100%	100%
Other receivables	–	–	–	930,385	930,385
Loss allowance	–	–	–	(24.650)	(24,650)

Movements in allowance for impairment loss on other receivables

	The Group		The Company	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	$	$	**$**	$
Allowance for impairment				
At 1 January	**24,650**	–	**3,062,084**	–
Allowance made	**–**	24,650	**527,448**	3,062,084
Reclassification	**2,159,813**	–	**–**	–
At 31 December	**2,184,463**	24,650	**3,589,532**	3,062,084

The Group recorded a reversal of impairment loss of $12,919 (2019: $527,960) on trade and other receivables in the profit or loss for the financial year ended 31 December 2020.

The Company recorded an impairment loss of $527,448 (2019: $3,062,084) in the profit or loss for the year ended 31 December 2020.

9 Contract assets

	The Group	
	31 December 2020	31 December 2019
	$	$
Contract assets		
Analysed as:		
Current	**567,582**	679,582
Less: Impairment for contract assets	**(567,582)**	(567,582)
	–	112,000

Contract assets

The contract assets relate primarily to the Group's right to recognise revenue for percentage of work completed but not billed before the end of the reporting period on its projects performed that is recognised over time.

There are changes in the contract asset balances amounting to $112,000 (2019: $579,361) during the reporting period.

Analysis of credit risk is set out in Note 25.

10 Cash and bank balances

	The Group		The Company	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	$	$	**$**	$
Cash at bank	**338,030**	73,529	**94,084**	6,386
Cash on hand	**339**	423	**–**	–
	338,369	73,952	**94,084**	6,386

Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	$	$	**$**	$
Singapore dollar	**337,224**	67,675	**92,939**	4,842
United States dollar	**1,145**	6,277	**1,145**	1,544
	338,369	73,952	**94,084**	6,386

10 Cash and bank balances (Cont'd)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	**2020** **$**	2019 $
Cash and bank balances	**338,369**	73,952
Less: Bank overdraft (Note 13)	**–**	(471,466)
	338,369	(397,514)

11 Share capital

The Group and The Company	**31 December 2020**	31 December 2019	**31 December 2020**	31 December 2019
	No. of ordinary shares		**$**	$
Ordinary shares issued and fully paid, with no par value:				
Balance at beginning of year	**121,108,700**	121,108,700	**9,499,017**	9,499,017
Balance at end of year	**121,108,700**	121,108,700	**9,499,017**	9,499,017

12 Reserves

The Group	**2020** **$**	2019 $
Merger reserve – At beginning and end of year	**(2,888,997)**	(2,888,997)
Foreign currency translation reserve – At beginning and end of year	**267,733**	267,733
	(2,621,264)	(2,621,264)

Merger reserve represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interest method.

Foreign currency translation reserve records exchange differences arising from the translation of the financial statements of a subsidiary whose functional currencies is different from that of the Group's presentation currency.

13 Borrowings

The Group	2020 $	2019 $
Non-current liabilities		
Bank loans	–	300,345
Current liabilities		
Bank overdraft	–	471,466
Bank loans	–	276,411
	–	747,877
	–	1,048,222

The fair value of non-current borrowings at the reporting date is as follows:

The Group	Carrying amount 2019 $	Fair value 2019 $
Non-current liabilities		
Bank loans	**576,756**	636,785

At the reporting date, bank loans comprise Nil (2019: $456,474) and Nil (2019: $120,282) bearing variable interest and weighted average fixed interest rate of Nil (2019: 7.8%) and Nil (2019: 2.25%) per annum, respectively.

In 2019, the loans were secured by the Group's leasehold property and leasehold land (Note 7), and personal guarantee of a director of a subsidiary. The bank loans were fully paid in 2020.

Borrowings were denominated in Singapore dollars.

14(A) Lease liabilities

The Group	2020 $	2019 $
Undiscounted lease payments due:		
- Year 1	**37,615**	96,048
- Year 2	**38,047**	110,629
	75,662	206,677
Less: Unearned interest cost	**(1,032)**	(15,841)
Lease liabilities	**74,630**	190,836
Presented as:		
- Non-current	**38,047**	102,608
- Current	**36,583**	88,228
	74,630	190,836

14(A) Lease liabilities (Cont'd)

Interest expense on lease liabilities of $5,088 (2019: $12,406) is recognised within "finance costs" in profit or loss.

There were no short-term leases nor leases of low-value assets during the financial years ended 31 December 2020 and 2019.

Leases liabilities of $50,062 are secured by the lessor's charge over the leased assets (Note 6).

14(B) Leases

(i) The Group as lessee

(a) Office premise

The Group leases office for operation purposes.

This office is recognised within the Group's right-of-use assets (Note 6).

The Group makes monthly lease payments for the use of office.

There are no externally imposed covenants on this office lease arrangement.

(b) Motor vehicle

These plant and equipment are recognised as the Group's right-of-use assets (Note 6).

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Notes 6 and 14(A), respectively.

15 Trade and other payables

	The Group		The Company	
Current	**31 December 2020**	31 December 2019	**31 December 2020**	31 December 2019
	$	$	**$**	$
Trade payables	**209,040**	546,400	**–**	–
Other payables	**767,041**	–	**375,464**	19,612
Amount due to director (non-trade)	**125,122**	28,152	**125,122**	16,372
Amount due to subsidiary (non-trade)	**–**	–	**1,514,346**	1,378,669
Accrued expenses	**616,412**	2,030,581	**432,508**	1,069,593
	1,717,615	2,605,133	**2,447,440**	2,484,246
Goods and services tax payable	**77,671**	108,495	**–**	–
Current	**1,795,286**	2,713,628	**2,447,440**	2,484,246
Non-current				
Loan	**850,000**	–	**850,000**	–
Total	**2,645,286**	2,713,628	**3,297,440**	2,484,246

15 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	$	$	**$**	$
Singapore dollar	**2,645,286**	2,361,565	**3,297,440**	2,484,246
United States dollar	**–**	352,063	**–**	–
	2,645,286	2,713,628	**3,297,440**	2,484,246

Included in non-current liability as at 31 December 2020 is a trade payable of $850,000 to a company associated with the controlling shareholder, which is repayable up to 1 May 2022.

16 Loans from shareholders

The $500,000 loan classified as current liability is from the executive chairman, who is also a shareholder of the Company. It is repayable within sixteen months from the repayment date of 31 December 2019.

The $700,000 loan classified as non-current liability is from North Ventures Pte Ltd ("NVPL") (Formerly known as QRC Pte Ltd), the holding company. It is repayable up to or after 1 May 2022.

The loans from shareholders are interest-free and unsecured.

17 Other operating income

	2020	2019
The Group	**$**	$
Government grants	**122,906**	–
Reversal of impairment loss on property, plant and equipment	**120,583**	–
Reversal of impairment loss on right-of-use asset	**54,323**	–
Reversal of impairment loss on trade and other receivables	**12,919**	–
Gain on liquidation of subsidiaries	**474,716**	–
Bad debt recovered	**4,496**	–
Foreign currency exchange gain, net	**103**	–
Interest income	**–**	38
Sundry income	**9,261**	55,429
	799,307	55,467

18 Other operating expenses

The Group	2020 $	2019 $
Bad debt written off (trade)	–	438,736
Exchange loss	–	2,085
Loss on disposal of right-of-use assets	**49,392**	62,684
Loss on disposal of property, plant and equipment	**27,087**	–
Impairment loss on property, plant and equipment	**5,700**	120,583
Impairment loss on right-of-use assets	–	54,323
Impairment loss on trade and other receivables	–	528,960
Impairment loss on contract assets	–	567,582
Trade and other receivables written off	–	133,662
	82,179	1,908,615

19 Finance costs

The Group	2020 $	2019 $
Interest expense on:		
- Lease liabilities	**5,088**	12,406
- Bank overdraft	**24,460**	28,278
- Bank loan	**29,181**	43,611
	58,729	84,295
Bank service charge	–	8,786
	58,729	93,081

20 Loss before taxation

The following items have been included in arriving at loss for the year:

The Group	Note	2020 $	2019 $
Audit fees paid to auditors of the Company		**83,000**	114,000
Depreciation of right-of-use assets	6	**61,898**	126,265
Depreciation of property, plant and equipment	7	**54,348**	76,547
Directors' fee		**144,000**	106,572
Operating lease expense		–	85,650
Cost of sales		**1,212,533**	613,035

Depreciation of right of use assets and property, plant and equipment of $61,898 and $54,348 and directors' fee amount of $144,000 and staff salaries of $297,884 were recorded under administrative expenses.

21 Employee benefits expense

The Group	2020 $	2019 $
Key management personnel's remuneration		
- Short term benefits	**285,000**	396,000
- Defined contribution plan	**6,480**	12,120
	291,480	408,120
Other than key management personnel		
- Short term benefits	**671,284**	827,929
- Defined contribution plan	**33,501**	29,133
	704,785	857,062
	996,265	1,265,182

Employee benefits expense were included within:		
Cost of sales	**–**	341,528
Selling and distribution expenses	**153,899**	–
Administrative expenses	**842,366**	923,654
	996,265	1,265,182

22 Taxation

The Group	2020 $	2019 $
Current tax expense		
Current year	**(97,246)**	–
Adjustment for prior years	**(1,957)**	29,635
	(99,203)	29,635
Deferred tax expense		
Origination and reversal of temporary differences	**(93,396)**	(185,207)
Tax Expense	**(192,599)**	(155,572)

22 Taxation (Cont'd)

Reconciliation of tax expense

The Group	2020 $	2019 $
Loss before taxation	**(1,101,988)**	(3,833,808)
Tax at statutory rate of 17% (2019 - 17%)	**(187,338)**	(651,747)
Tax effect on non-deductible expenses	**295,532**	61,593
Non-taxable income	**(182,031)**	(6,440)
Deferred tax assets on tax losses previously not recognised	**(93,396)**	–
Adjustment for prior years	**(1,957)**	29,635
Deferred tax assets on losses not recognised	**–**	411,387
Group tax relief	**(23,409)**	–
	(192,599)	(155,572)

The following have not been recognised:

The Group	2020 $'000	2019 $'000
Tax losses	**–**	3,142
Effect of deferred tax assets	**–**	534

Deferred tax assets have not been recognised in respect of the tax losses due to unpredictability of future profit streams. As there was a substantial change of the Group's ultimate shareholders on 24 September 2019 the unutilised tax losses of $2,544 arising from the financial years prior to 24 September 2019 was forfeited.

23 Loss per share

The Group	2020 $	2019 $
Loss attributable to ordinary shareholders of the Company	**(838,918)**	(3,583,218)
Weighted average number of ordinary shares in issue during the year	**121,108,700**	121,108,700
Basic and diluted loss per share (cents per share)	**(0.69)**	(2.96)

24 Related party transactions

There were transactions with the following related parties during the financial year ended 31 December 2020

The Group	2020 $	2019 $
<u>Transactions with related party</u>		
Revenue from providing blockchain service	150,000	–
Cost from outsourcing IT consulting services	856,000	–

Related parties are those entities which have common controlling shareholder as the Company.

25 Financial risk management

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include: credit risk, liquidity risk, interest rate risk, and foreign currency risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	$	$	$
31 December 2020			
Financial assets			
Trade and other receivables **	**92,148**	**–**	**92,148**
Cash and bank balances	**338,369**	**–**	**338,369**
	430,517	**–**	**430,517**
Financial liabilities			
Trade and other payables **	**–**	**2,567,615**	**2,567,615**
Lease liabilities	**–**	**74,630**	**74,630**
Loans from shareholders	**–**	**1,200,000**	**1,200,000**
	–	**3,842,245**	**3,842,245**
31 December 2019			
Trade and other receivables*	905,735	–	905,735
Cash and bank balances	73,952	–	73,952
	979,687	–	979,687
Financial liabilities			
Trade and other payables**	–	2,605,133	2,605,133
Borrowings	–	1,048,222	1,048,222
Lease liabilities	–	190,836	190,836
Loan from shareholders	–	700,000	700,000
	–	4,544,191	4,544,191

* excluded prepayments and goods and services tax receivable

** excluded goods and services tax payable

25 Financial risk management (Cont'd)

The Company	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	$	$	$
31 December 2020			
Financial assets			
Trade and other receivables*	**17,865**	**–**	**17,865**
Cash and bank balances	**94,084**	**–**	**94,084**
	111,949	**–**	**111,949**
Financial liabilities			
Trade and other payables**	**–**	**3,297,440**	**3,297,440**
Loans from shareholders	**–**	**1,200,000**	**1,200,000**
	–	**4,497,440**	**4,497,440**
31 December 2019			
Financial assets			
Trade and other receivables*	392,011	–	392,011
Cash and bank balances	6,386	–	6,386
	398,397	–	398,397
Financial liabilities			
Trade and other payables**	–	2,484,246	2,484,246
Loans from shareholders	–	700,000	700,000
	–	3,184,246	3,184,246

* excluded prepayments and goods and services tax receivable

** excluded goods and services tax payable

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. The Group has adopted the policy of dealing only with creditworthy counterparties. Receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

At the reporting date, other than as disclosed in Notes 8 no allowances for impairment is necessary in respect of trade and other receivables past due and not past due.

<u>Significant concentrations of credit risk</u>

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. As at 31 December 2020, 1 (2019 - 2) customer collectively accounted for approximately 93% (2019 - 91%) of the Group's total trade receivables. Except as disclosed, there were no other significant concentrations of credit risk at the reporting date.

Cash is held with banks of high credit ratings.

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk

The tables below detail the credit quality of the Group's and the Company's financial assets and other items, as well as maximum exposure to credit risk by internal credit rating grades:

The Group	Note	12-month/ Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			$	$	$
31 December 2020					
Trade receivables	(1)	Lifetime ECL	**111,333**	**(104,644)**	**6,689**
Other receivables	(2)	Lifetime ECL	**2,276,611**	**(2,184,463)**	**92,148**
Contract assets	(3)	Lifetime ECL	**567,582**	**(567,582)**	**–**
31 December 2019					
Trade receivables	(1)	Lifetime ECL	2,206,676	(2,033,449)	173,227
Other receivables	(2)	Lifetime ECL	148,275	(24,650)	123,625
Contract assets	(3)	Lifetime ECL	679,582	(567,582)	112,000
The Company					
31 December 2020					
Amount due from subsidiaries	(4)	12-month ECL	**1,928,052**		
Other receivables	(4)	12-month ECL	**1,679,345**		
			3,607,397	**(3,589,532)**	**17,865**
31 December 2019					
Amount due from subsidiaries	(4)	12-month ECL	3,429,445	(3,037,434)	392,011

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

(1) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date. At the reporting date, no loss allowance for trade receivables was required except as disclosed.

25 Financial risk management (Cont'd)

Credit risk (Cont'd)

(2) Other receivables

Loss allowance for other receivables is measured at an amount equal to lifetime expected credit losses (ECL), which is consistent with the approach adopted for trade receivables. The ECL on other receivables are estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the reporting date, no loss allowance for other receivables was required except as disclosed.

(3) Contract assets

Loss allowance for contract assets is measured at an amount equal to lifetime expected credit losses, similar to that for trade receivables. Consideration receivable for work performed (net of progress billings to be billed to customers) is recognised as contract assets. At the reporting date, no loss allowance for contract assets was required except as disclosed.

(4) Amount due from subsidiaries

The use of advances to assist with the related parties' cash flow management is in line with the Group's capital management. In determining the ECL, management has taken into account the finances and business performance of the related parties, and a forward-looking analysis of the financial performance of investments and projects undertaken by the related parties.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

The Group and the Company do not have investments in equity instruments and are not exposed to such risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank loans, bank overdraft and amounts due to director.

25 Financial risk management (Cont'd)

Interest rate risk (Cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (bp) in interest rates on variable rate bank loans and a change of 10 basis points (bp) in interest rate on bank overdraft at the reporting date would have increased/(decreased) profit or loss before tax and equity by the amounts shown below

	31 December 2020		31 December 2019	
	Increase/(Decrease)			
	Loss before tax	**Equity**	Loss before tax	Equity
	$	**$**	$	$
Interest rate increase				
- bank loans - 50 bp (2019 - 50 bp); bank overdraft: 10 bp (2019 - 10 bp)	**–**	**–**	2,800	(2,800)
Interest rate decrease				
- bank loans - 50 bp (2019 - 50 bp); bank overdraft: 10 bp (2019 - 10 bp)	**–**	**–**	(2,800)	2,800

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are dominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the functional currencies of the respective Group entities. The currencies that give rise to foreign currency risk are the United States dollar ("USD") and Singapore dollar ("SGD").

At the reporting date, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies were as follows:

	USD	**SGD**	**Total**
The Group	**$**	**$**	**$**
31 December 2020			
Cash and cash equivalents	**1,145**	**–**	**1,145**
Net exposure	**1,145**	**–**	**1,145**
31 December 2019			
Cash and cash equivalents	2,619	818	3,437
Trade and other payables	–	(49,056)	(49,056)
Net exposure	2,619	(48,238)	(45,619)

25 Financial risk management (Cont'd)

Foreign currency risk (Cont'd)

The Company	USD $	SGD $	Total $
31 December 2020			
Cash and cash equivalents	**1,145**	**–**	**1,145**
Net exposure	**1,145**	**–**	**1,145**
31 December 2019			
Cash and cash equivalents	1,544	–	1,544
Net exposure	1,544	–	1,544

Sensitivity analysis - Foreign currency risk

1 analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects.

	31 December 2020		31 December 2019	
	Increase/(Decrease)			
The Group	**Loss before tax $**	**Equity $**	Loss before tax $	Equity $
USD	**–**	**–**	252	(252)
SGD	**–**	**–**	(97)	97

A 5% (2019 - 5%) weakening of the above currencies against the functional currencies of the Group entities at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

	Increase/(Decrease)			
The Company	**Loss before tax $**	**Equity $**	Loss before tax $	Equity $
USD	**(57)**	**57**	(77)	77

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's liquidity risk management policy is to maintain sufficient liquid financial assets and a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

25 Financial risk management (Cont'd)

Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

The Group		← **Contractual undiscounted cash flows** →			
31 December 2020	**Carrying amount $**	**Total $**	**Less than 1 year $**	**Between 2 and 5 years $**	**Over 5 years $**
Trade and other payables	**2,567,615**	**2,567,615**	**2,567,615**	**–**	**–**
Lease liabilities	**74,630**	**75,662**	**37,615**	**38,047**	**–**
Loan from shareholders	**1,200,000**	**1,200,000**	**500,000**	**700,000**	**–**
	3,842,245	**3,843,277**	**3,105,230**	**738,047**	**–**
31 December 2019					
Trade and other payables	2,605,133	2,605,133	2,605,133	–	–
Bank loans	576,756	636,785	310,382	326,403	–
Bank overdraft	417,466	417,466	417,466	–	–
Lease liabilities	190,836	206,677	96,048	110,629	–
Loan from shareholders	700,000	700,000	200,000	500,000	–
	4,490,191	4,566,061	3,629,029	937,032	–

The Company		← **Contractual undiscounted cash flows** →			
31 December 2020	**Carrying amount $**	**Total $**	**Less than 1 year $**	**Between 2 and 5 years $**	**Over 5 years $**
Trade and other payables	**3,297,440**	**3,297,440**	**3,297,440**	**–**	**–**
Loans from shareholders	**1,200,000**	**1,200,000**	**500,000**	**700,000**	**–**
	4,497,440	**4,497,440**	**3,797,440**	**700,000**	**–**
31 December 2019					
Trade and other payables	2,484,246	2,484,246	2,484,246	–	–
Loans from shareholders	700,000	700,000	200,000	500,000	–
	3,184,246	3,184,246	2,684,246	500,000	–

26 Fair value measurement

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of variable rate bank loans approximate their fair values.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Bank borrowings (Note 13)

The carrying amounts of bank borrowings (current and non-current) whose interest rates are re-priced within 12 months are measured at amortised cost for which the fair value is disclosed in Note 13.

Lease liabilities

The carrying amounts of finance leases approximate their fair values as they bear interest at rates which approximate the current incremental borrowing rate for similar types of leasing arrangements.

Fair value measurement of other financial instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables (excluding advance payment to suppliers, prepaid income tax and prepayments), cash and bank balances, trade and other payables (excluding goods and services tax payable), and borrowings) approximate their fair values because of the short period to maturity.

Fair value measurement of non-financial instruments

The following table shows the Group's valuation technique used in measuring the fair value of the non-financial instruments, as well as the significant unobservable inputs used.

26 Fair value measurement (Cont'd)

26.1 Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Property, plant and equipment	Direct comparison approach Cost approach	Adjustment factor Price trend indexes Obsolescence factor	The estimated fair value would increase (decrease) if: - Adjustment factor was favourable/(not favourable) - Price trend indexes were higher (lower) - Obsolescence factor was lower (higher)
Right-of-use assets	Direct comparison approach Discounted cash flow method	Adjustment factor Incremental borrowing rate	The estimated fair value would increase (decrease) if: - Adjustment factor was favourable/(not favourable) - Incremental borrowing rate was lower (higher)

26.2 Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements

The Company regularly pays expenses on behalf of the subsidiaries and the Company sells parts and machineries to its subsidiaries. Both parties have an arrangement to settle the intercompany balances due to or from each other on a net basis.

26 Fair value measurement (Cont'd)

26.2 Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements (Cont'd)

The amounts of due to and from holding company that are off-set are as follows:

	Gross carrying amounts	Gross amounts offset in the statement of financial position	Net amounts in the statement of financial position
	$	$	$
31 December 2020			
Amounts due from fellow subsidiaries	–	–	–
Amounts due to fellow subsidiaries	–	–	–
Amounts due from subsidiaries	1,928,052	–	1,928,052
Amounts due to subsidiaries	(1,514,346)	–	(1,514,346)

27 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

(1) Mechanical and electrical engineering services segment relates to provision of solutions and services in fire protection systems, plumbing and sanitary systems, and heating, ventilation and air-conditioning systems. Our customers include main contractors, property developers, luxury hotels, statutory boards, listed companies and government bodies;

(2) Turnkey contracting services segment relates to provision of one-stop solutions and services for the entire span of a construction project from planning and design, coordination and supervision and implementation; and

(3) Management services segment relates to provision of contract work management and fulfilment services.

(4) Blockchain agency and consulting services relates to sales agency services to blockchain companies in respect of their blockchain-related products and services, software development outsource agency services to blockchain companies in respect of their software development projects, consultancy services to blockchain companies in respect of the strategy, sales and marketing, technology and operation of their blockchain-related businesses, products and services and commercialisation of blockchain-related products.

27 Operating segments (Cont'd)

The chief operating decision-maker monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the chief operating decision-maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Intersegment pricing is determined on an arm's length basis.

2020	Mechanical and electrical engineering services $	Turnkey contracting services $	Management services $	Blockchain agency and consulting services $	Unallocated $	Total $
Revenue	**121,019**	**–**	**–**	**1,346,541**	**–**	**1,467,560**
Segment results	**(235,514)**	**–**	**–**	**490,541**	**–**	**255,027**
Loss before tax	**(152,243)**	**441,461**	**(412,628)**	**487,391**	**(1,465,969)**	**(1,101,988)**
Segment assets	**390,501**	**–**	**126,489**	**–**	**117,535**	**634,525**
Segment liabilities	**1,468,893**	**–**	**4,000**	**2,000**	**2,983,092**	**4,457,985**
Other information						
Finance costs	**(58,729)**	**–**	**–**	**–**	**–**	**(58,729)**
Exchange gain/ (loss)	**84**	**30**	**–**	**–**	**(11)**	**103**
Purchase of property, plant and equipment	**–**	**–**	**–**	**–**	**(5,515)**	**(5,515)**
Gain on disposal for liquidation	**–**	**474,716**	**–**	**–**	**–**	**474,716**
Depreciation of right-of-use assets	**(61,898)**	**–**	**–**		**–**	**(61,898)**
Depreciation of property, plant and equipment	**(54,348)**	**–**	**–**	**–**	**–**	**(54,348)**
Impairment loss on property, plant and equipment	**(5,700)**	**–**	**–**		**–**	**(5,700)**
Reversal of Impairment loss on right-of-use assets	**54,323**	**–**	**–**	**–**	**–**	**54,323**
Reversal of impairment loss on trade and other receivables, net	**12,919**	**–**	**–**	**–**	**–**	**12,919**
Reversal of Impairment loss on property, plant and equipment	**120,583**	**–**	**–**	**–**	**–**	**120,583**
Loss on disposal of property, plant and equipment	**(27,085)**	**–**	**–**	**–**	**–**	**(27,085)**
Loss on disposal of right-of-use assets	**(49,392)**	**–**	**–**	**–**	**–**	**(49,392)**

27 Operating segments (Cont'd)

2019	Mechanical and electrical engineering services $	Turnkey contracting services $	Management services $	Unallocated $	Total $
Revenue	1,004,558	–	–	–	1,004,558
Segment results	391,523	–	–	–	391,523
Loss before tax	(1,816,353)	(52,633)	(571,582)	(1,393,240)	(3,833,808)
Segment assets	2,271,926	18,113	586,489	7,349	2,883,877
Segment liabilities	3,002,291	925,808	64,272	1,805,577	5,797,948
Other information					
Finance costs	(93,081)	–	–	–	(93,081)
Exchange loss, net	(595)	(1,221)	–	(269)	(2,085)
Capital expenditure	16,450	–	–	–	16,450
Depreciation of right-of-use assets	(126,265)	–	–	–	(126,265)
Depreciation of property, plant and equipment	(76,101)	(446)	–	–	(76,547)
Impairment loss on right-of-use assets	(54,323)	–	–	–	(54,323)
Impairment loss on trade receivables	(501,430)	–	–	–	(501,430)
Impairment loss on other receivables	–	–	–	(24,650)	(24,650)
Impairment loss on contract assets	–	–	(567,582)	–	(567,582)
Loss on disposal of property, plant and equipment	(59,001)	(3,683)	–	–	(62,684)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities:

Revenue	**2020 $'000**	2019 $'000
Total revenue for reportable segments	**1,467,560**	1,004,558
Consolidated revenue	**1,467,560**	1,004,558

27 Operating segments (Cont'd)

Profit or loss	**2020** **$**	2019 $
Total profit/(loss) for reportable segments from operations	**363,981**	(2,440,568)
Government grant	**74,086**	–
Foreign exchange loss, net	**(11)**	–
Other income	**2,061**	–
Selling and distribution expenses	**(201,963)**	–
Depreciation on property, plant and equipment	**(926)**	–
Impairment loss on other receivables	**(22,001)**	–
Other administrative expenses	**(1,317,211)**	(1,393,240)
Consolidated loss before tax	**(1,101,984)**	(3,833,808)

Segment assets	**2020** **$**	2019 $
Total assets for reportable segments	**516,990**	2,876,528
Property, plant and equipment	**3,198**	–
Trade and other receivables	**20,253**	–
Cash and bank balances	**94,084**	7,349
Consolidated total assets	**634,525**	2,883,877

Segment liabilities	**2020** **$**	2019 $
Total liabilities for reportable segments	**1,474,893**	3,992,371
Trade and other payables	**1,783,092**	–
Loan from shareholders	**1,200,000**	1,805,577
Consolidated total liabilities	**4,457,985**	5,797,948

Unallocated costs are related to OIO Holdings Limited and Acmes Properties Pte Ltd

Geographical segments

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

	Singapore **$**	**Total** **$**
2020		
Revenue	**1,467,560**	**1,467,560**
Non-current assets	**184,527**	**184,527**
2019		
Revenue	1,004,558	1,004,558
Non-current assets	1,779,278	1,779,278

27 Operating segments (Cont'd)

Information about major customers

During the financial year ended 31 December 2020, sales to 1 (2019 - 1) customer accounted for more than 70% of the Group's total revenue.

28 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital management and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

The Group currently does not adopt any formal dividend policy.

The Group is not subject to externally imposed capital requirements.

The Group monitors capital using Gearing Ratio, which is calculated using total liabilities divided by total equity.

The Group	**31 December 2020 $**	31 December 2019 $
Total liabilities (A)	**4,457,985**	5,797,948
Total equity (B)	**(3,823,460)**	(2,914,071)
Gearing ratio (A)/(B)	**#**	#

Not presented as the Group has a deficit in equity.

29 Share options

Employee Share Option Scheme (the "ESOS")

The Company has adopted the Employee Share Option Scheme (the "ESOS") on 19 June 2018 prior to its listing on the Catalist board of the SGX–ST. The ESOS shall be administered by the RC. The purpose of the ESOS is to provide an opportunity for full–time employees of the Group and Directors (excluding Independent Directors) who have met performance targets (the "Selected Person") to participate in the equity of the Company (in addition to cash bonuses) so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. The ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain employees whose services are vital to the success of the Group. Provided always that the aggregate number of the shares arising from ESOS shall not exceed 15% of the total number of issued Shares of the Company from time to time, the Selected Person would receive the same benefit from a contingent award under the scheme ("Award") in respect of fewer shares as they would receive if share options were granted instead of a larger number of shares. The ESOS would therefore allow the Company to provide the incentive to employees while reducing the dilutive effect on shareholders.

Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the RC's discretion, set at the price ("Market Price") equal to the average of the last dealt prices for the Company's ordinary shares ("Shares") on the Catalist for the five consecutive trading days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20% or such other percentage or amount as may be determined by the RC and as permitted by the SGX–ST).Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten (10) years. The options may be exercisable in whole or in part, on payment of the exercise price. Since its adoption till the date of this report, no option has been granted under the ESOS.

Performance Share Plan (the "PSP")

In addition to the ESOS, the Company has adopted the Performance Share Plan (the "PSP") on 19 June 2018 prior to its listing on the Catalist board of the SGX–ST. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing eff orts to reward, retain and motivate employees to promote higher performance, goals and recognise exceptional performance. The purpose of adopting the PSP is to give the Company greater flexibility to align the interests of employees, especially key executives, with the interests of Shareholders. The PSP is managed by the RC. The awards granted under the PSP allow a participant to receive fully-paid Shares free of consideration upon achieving the performance target(s) prescribed by the RC at its absolute discretion. The selection of a participant and the number of Shares which are the subject of each award granted to a participant in accordance with the PSP shall be determined at the absolute discretion of the RC. RC plans to exercise this discretion judiciously, taking into account criteria such as his rank, job performance, years of service and potential for further development, his contribution to the success and development of the Company and the extent of effort required to achieve the performance target within the performance period. No shares were issued under the PSP plan from the agreement date to 31 December 2020.

STATISTICS OF SHAREHOLDINGS

As at 19 March 2021

SHARE CAPITAL INFORMATION

Issued and fully paid-up capital	:	$9,768,303.60
Number of Shares	:	121,108,700
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per share

The Company does not have treasury shares and subsidiary holdings.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information available to the Company as at 19 March 2021, approximately 13.76% of the issued Ordinary Shares of the Company is being held by the public and therefore, Rule 723 of Section B: Rules of Catalist of the SGX-ST Listing Manual (the "Catalist Rules") has been complied with.

SUBSTANTIAL SHAREHOLDERS AS AT 19 March 2021

	DIRECT INTEREST	%	DEEMED INTEREST	%
North Ventures Pte Ltd	77,670,840	64.13	–	–
Enomoto Hiroyuki	–	–	77,670,840[(1)]	64.13
Fan Chee Seng	26,778,260	22.11	–	–

Note:

(1) Mr Enomoto Hiroyuki is the sole shareholder of North Venture Pte Ltd (formerly known as QRC Pte Ltd).. Pursuant to Section 4 of the Securities and Futures Act (Cap 289), Enomoto Hiroyuki is treated as having interest in the shares in the Company held by North Ventures Pte. Ltd. (f.k.a. QRC Pte Ltd) for 77,670,840 ordinary shares.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 19 March 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	3	3.06	1,400	0.00
1,001 - 10,000	60	61.23	494,100	0.41
10,001 - 1,000,000	28	28.57	4,899,500	4.05
1,000,001 and above	7	7.14	115,713,700	95.54
TOTAL	**98**	**100.00**	**121,108,700**	**100.00**

STATISTICS OF SHAREHOLDINGS

As at 19 March 2021

TWENTY LARGEST SHAREHOLDERS

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	NORTH VENTURES PTE. LTD.	77,670,840	64.13
2	FAN CHEE SENG	26,778,260	22.11
3	PHILLIP SECURITIES PTE LTD	3,334,600	2.75
4	LOO AH LEK PETER @LOH AH LAK	2,510,000	2.07
5	CHUA KUANG CHIN	2,150,000	1.78
6	WONG YAI MOW	2,000,000	1.65
7	LIM SHAO-LIN	1,270,000	1.05
8	LYE TONG SONG	773,000	0.64
9	ANG KONG MENG	490,200	0.40
10	LEE TECK SENG	430,000	0.36
11	LOW CHUI HENG	430,000	0.36
12	ALDRICH KOH SHU LIANG (XU SHULIANG)	410,000	0.34
13	DBS NOMINEES PTE LTD	278,500	0.23
14	HO SU CHIN	250,000	0.21
15	TAN KHENG CHAI	207,100	0.17
16	NEO PUAY KEONG	200,000	0.17
17	JOEY CHUA	180,000	0.15
18	TAN KIM SENG	160,000	0.13
19	OCBC SECURITIES PRIVATE LTD	143,000	0.12
20	ONG KIM HONG	130,000	0.11
	TOTAL:	**119,795,500**	**98.93**

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION PURSUANT TO RULE 720(5) OF THE RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")

The Foo Kia Juah, the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2020 ("**AGM**") (the "**Retiring Director**").

Pursuant to Rule 720(5) of the Rules of Catalist, the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Listing Manual of the SGX-ST:

Date of Appointment	12 December 2019
Date of last re-appointment	26 June 2020
Age	71
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr Foo Kia Juah for re-appointment as Independent Non-Executive Director of the Company. The Board concluded that Mr Foo Kia Juah possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director and Chairman of the NC as well as Remuneration Committee and a member of audit committee.
Professional qualifications	Mr Foo Kia Juah graduated from Nanyang University with an Honours degree in Government & Public Administration.
Working experience and occupation(s) during the past 10 years	None
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships#	Nil
Past (for the last 5 years)	• North Ventures Pte Ltd (Formerly known as QRC Pte. Ltd.)
Present	• Bin Keow Brickworks Pte. Ltd. • Bin Keow Industrial Pte. Ltd. • Buildtah Industrial Pte. Ltd. • Thomson Pacific Asset Management Pte. Ltd.
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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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
c)	Whether there is any unsatisfied judgment against him?	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
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
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
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
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
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
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 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 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 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
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
Disclosure applicable to the appointment of Director only		
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).		N.A.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The Kok Cheang Hung, the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2021 ("**AGM**") (the "**Retiring Director**").

Pursuant to Rule 720(5) of the Rules of Catalist, the following is the information relating to the Retiring Directors as set out in Appendix 7F to the Listing Manual of the SGX-ST:

Date of Appointment	12 December 2019
Date of last re-appointment	26 June 2020
Age	50
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr Kok Cheang Hung for re-appointment as Independent Non-Executive Director of the Company. The Board concluded that Mr Kok Cheang Hung possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director and Chairman of Audit Committee as well as a member of NC and Renumeration Committee
Professional qualifications	In 1995, Mr. Kok Cheang Hung obtained a Bachelor of Science in Mathematics from University of Malaya, Malaysia and in 2001, he graduated with a Master of Finance from RMIT University, Australia.
Working experience and occupation(s) during the past 10 years	1. 2008 – 2010 DBS Bank Limited/ DBS Vickers Securities — Head of Institutional Sales 2. 2010 – 2013 Batsalani Group — Chief Investment Officer 3. 2014 – 2017 Bursa Malaysia Berhad — Executive Vice President 4. 2018 – 2019 InfoCorp Technologies Pte. Ltd. – Chief Commercial Officer 5. 2017 – Present Stellans Capital Pte. Ltd. – Managing Director 6. 2017 – Present Kronologi Asia Berhad – Independent Non-Executive Director
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Other Principal Commitments* Including Directorships#	Nil
Past (for the last 5 years)	Directorships: ● InfoCorp Technologies Pte. Ltd. Principal Commitments: None
Present	Directorships: ● Kronologi Asia Berhad - Chairman, Audit Committee - Member, Nomination Committee - Member, Remuneration Committee ● Stellans Capital Pte. Ltd. Principal Commitments: ● Stellans Capital Pte. Ltd.

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
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
c)	Whether there is any unsatisfied judgment against him?	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
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
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
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
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
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

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 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 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 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
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
Disclosure applicable to the appointment of Director only		
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).		N.A.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held by way of electronic means on Thursday, 29 April 2021 at 1.00 p.m. to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' Fees of S$ 230,000 for the financial year ending 31 December 2021 (2020: S$210,000) to be paid monthly in arrears. **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Regulation 104 of the Company's Constitution:-

   (a) Mr Foo Kia Juah **(Resolution 3)**

   (b) Mr Kok Cheang Hung **(Resolution 4)**

   (See Explanatory Note 1)

4. To re-appoint Messrs Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass, the following Ordinary Resolutions, with or without modifications:

5. **Authority to ALLOT AND issue shares**

   "THAT pursuant to Section 161 of the Companies Act and subject to Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to issue and allot new ordinary shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise) and/or 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 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, PROVIDED ALWAYS that:

   (1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a pro-rata basis, then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);

   (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time such authority was conferred, after adjusting for:

      (a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercising share options or vesting share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and

(c) any subsequent bonus issues, consolidation or subdivision of Shares;

Any adjustments made in accordance with sub-paragraphs (2)(a) or (2)(b) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company for the time being; and

(4) such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier." **(Resolution 6)**

[See Explanatory Note 2]

6. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE OIO EMPLOYEE SHARE OPTION SCHEME**

"THAT pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the exercise of options granted in accordance with the provisions of the OIO Employee Share Option Scheme (the "**ESOS**"), provided always that the aggregate number of the ESOS Shares shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier." **(Resolution 7)**

[See Explanatory Note 3]

7. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE OIO PERFORMANCE SHARE PLAN**

"That pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the OIO Performance Share Plan (the "**PSP**"), provided always that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier." **(Resolution 8)**

[See Explanatory Note 4]

8. **RENEWAL OF MANDATE FOR INTERESTED PERSON TRANSACTIONS**

"THAT

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Catalist Rules), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to Annual Report dated 14 April 2021 (the "**Appendix**") with the names of interested persons described in the Appendix, provided that such transactions are made on normal commercial terms and are not prejudicial to the interest of the Company or its minority shareholders and in accordance with the review procedures for such interested person transactions as set out in the Appendix (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the date that the next annual general meeting of the Company is held or required by law to be held; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

(Resolution 9)

[See Explanatory Note 5]

9. **OTHER BUSINESS**

To transact any other ordinary business that may be properly transacted at an AGM of the Company.

BY ORDER OF THE BOARD

Pan Mi Keay
Company Secretary
14 April 2021

Explanatory Notes:-

1. Mr Foo Kia Juah (Lead Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as the Chairman of the Nominating Committee and Remuneration Committee and a member of Audit Committee. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

   Mr Kok Cheang Hung (Independent Non-Executive Director) will, upon re-election as Director of the Company, continue to serve as the Chairman of the Audit Committee and a member of Remuneration and Nominating Committee. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist of the SGX-ST.

   Detailed information of Mr Foo Kia Juah and Mr Kok Cheang Hung can be found under the "Board of Directors" and "Disclosures of information on seeking re-election pursuant to Rule 720(5) of the Catalist Rules" sections in the Company's Annual Report 2020.

2. Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and/or Instruments (as defined above). The aggregate number of new Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of this Resolution. This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

3. Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to the ESOS provided that the aggregate number of new Shares to be allotted and issued pursuant to the ESOS and other share-based incentive scheme(s) or plan(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 8, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

5. Ordinary Resolution 9, if passed, will empower the Directors of the Company to do all acts necessary to give effect to the IPT Mandate as described in the Appendix. The authority shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the date that the next annual general meeting of the Company is held or required by law to be held.

Notes:-

1. Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the AGM of the Company will be held by way of electronic means.

2. The Notice of AGM, Proxy Form and Question Form will be made available solely by electronic means via an announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL https://oio.sg/announcements/. No printed copies of the Notice of AGM, Proxy Form, Request Form and Question Form will be sent to members.

3. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions before the deadline to submit the proxy form and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement accompanying this Notice dated 14 April 2021. This announcement may be accessed at the Company's website at the URL https://oio.sg/announcements/ and on the SGX website at the URL https://www.sgx.com/securities/companyannouncements.

4. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID19, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM will be announced together with this Notice and may be accessed at the Company's website at the URL https://oio.sg/announcements/ and on the SGX website at the URL https://www.sgx.com/securities/companyannouncements.

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

   SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes at least seven working days before the AGM.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

   (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

   in either case, at least 72 hours before the time appointed for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Printed copies of this Notice of AGM and the proxy form will not be sent to members. A member who wishes to submit an instrument of proxy can download the proxy form, then complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

7. A member who wishes to watch the "live" webcast or listen to the "live" audio feed must pre-register no later than 1 p.m. on 23 April 2021, at the URL https://zoom.us/webinar/register/WN_ckRQt4F4RI-Dospc5ehF3Q Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the AGM by 3:00 p.m. on 28 April 2021. Shareholders who do not receive an email by 3 p.m. on 28 April 2021, but who have registered by the 1 p.m. on 23 April 2021 deadline, should contact the Company via email at investor.relations@oioholdings.sg, with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.

8. Members will not be able to ask questions during the live audio-visual webcast or audio-only stream of the AGM. Members who wish to ask questions relating to the resolutions to be tabled at the AGM must complete and submit the questions form for the AGM, which will be announced together with this Notice and may be accessed at the Company's website at the URL https://oio.sg/announcements/ and on the SGX website at the URL https://www.sgx.com/securities/companyannouncements.

9. All questions must be submitted no later than 5.00 P.M. on 22 April 2021 via any of the following means:

   (a) via submitting at the https://zoom.us/webinar/register/WN_ckRQt4F4RI-Dospc5ehF3Q when pre-registering; and

   (b) via the following email address at investor.relations@oioholdings.sg, with your full name, number of shares held and manner in which you hold shares (via CDP or SRS); and

   (c) in hard copy by sending personally or by post and lodging the same at the office of the Company's principal place of business at 140, Paya Lebar Road, #08-07, AZ @ Paya Lebar, Singapore 409015.

   Printed copy of the question form will not be sent to members. A member who wishes to submit the question form can download, complete and sign the questions form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed questions forms by post, shareholders are strongly encouraged to submit completed questions forms electronically via email.

10. The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members and publish the responses to those questions on SGXNET at the URL https://www.sgx.com/securities/companyannouncements and the Company's website at the https://oio.sg/announcements/ before the deadline to submit the proxy forms.

    Where substantial and relevant questions are submitted by members after the deadline to submit the proxy forms, the Company will publish the responses to those questions on SGXNET at the URL https://www.sgx.com/securities/companyannouncements and the Company's website at the URL https://oio.sg/announcements/ after the AGM.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company 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 and administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman as proxy 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.

APPENDIX

Dated 14 April 2021

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about its contents or the action you should take, you should consult your legal, financial, tax or other professional adviser immediately.

This Appendix is circulated to shareholders of the Company together with the Company's annual report. Its purpose is to provide shareholders of the Company with the relevant information relating to, and to seek shareholders' approval to renew the shareholders' mandate for Interested Person Transactions (as defined hereinafter) to be tabled at the Annual General Meeting to be held on 29 April 2021 at 1.00 p.m. or at any adjournment thereof. The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg).

APPENDIX IN RELATION TO THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

DEFINITIONS

"**Act**" : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time

"**AGM**" : The annual general meeting of the Company to be held on 29 April 2021

"**OIO**" : OIO Holdings Limited

"**Associate(s)**" :

(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:

(i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and

(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

"**Audit Committee**" : The audit committee of the Company

"**Board**" : The board of Directors of the Company for the time being

APPENDIX

Dated 14 April 2021

"**Catalist Rules**"	:	The Catalist Rules (Section B: Rules of the Catalist) of the SGX-ST, as amended or modified from time to time
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	OIO Holdings Limited
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, unless otherwise determined by the SGX-ST; or (b) in fact exercises control over the Company
"**Directors**"	:	The directors of the Company for the time being
"**Entity at risk**"	:	(a) the listed company; (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "listed group"), or the listed group and its Interested Person(s), has control over the associated company.
"**Executive Director**"	:	A director of the Company who holds an executive position
"**Group**"	:	The Company and its subsidiaries
"**Head of Finance and Administration**"	:	The Company's finance personnel who is heading the finance team at that point in time
"**Independent Shareholders**"	:	Shareholders which shall exclude Shareholders who are required to abstain from voting pursuant to Rule 920(1)(b)(viii) of the Catalist Rules
"**IPT**" or "**Interested Person Transaction**"	:	The categories of transactions with the Interested Person(s) which fall within the Proposed Renewal of the IPT Mandate, as set out in Section 2.6 of this Appendix
"**IPT Mandate**"	:	The Shareholders' general mandate obtained by the Company pursuant to Chapter 9 of the Catalist Rules, permitting companies within the Group, or any of them, to enter into the IPTs, provided that such IPTs are on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
"**Interested Person(s) or IP**"	:	The interested person(s) of the Company who fall within the IPT Mandate, if renewed, being Infinity Blockchain Holdings Pte. Ltd. ("**IBH**"), Infinity Blockchain Labs Co., Ltd. ("**IBL**") and Infinity Blockchain Ventures Malaysia Sdn. Bhd. ("**IBVM**").
"**Non-Interested Directors**"	:	The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the proposed renewal of the IPT Mandate
"**NTA**"	:	Net tangible assets

"**Ordinary Resolution**"	:	The ordinary resolution 9 as set out in the notice of AGM, which is enclosed with the Annual Report
"**Securities Accounts**"	:	Securities accounts maintained by a Depositor with CDP but does not include securities sub-accounts
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders' Securities Accounts
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Substantial Shareholders**"	:	A person who holds directly or indirectly 5% or more of the total issued share capital of the Company
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"**%**"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Act or any statutory modification thereof and used in this Appendix shall have the meaning assigned to it under the Act or such statutory modification, as the case may be, unless the context otherwise requires.

Any discrepancies in tables included herein between the amounts and the totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated.

APPENDIX

Dated 14 April 2021

OIO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201726076W)

Directors:

Mr Fan Chee Seng (Executive Chairman)
Mr Yusaku Mishima (Executive Director)
Mr Foo Kia Juah (Independent Director)
Mr Kok Cheang Hung (Independent Director)
Mr Tee Hian Chong (Independent Director)

14 April 2021

To: The Shareholders of OIO Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The Company's existing IPT Mandate was first approved by Shareholders at the extraordinary general meeting held on 26 June 2020. The IPT Mandate will, unless renewed again, expire on the date of the forthcoming AGM.

Accordingly, the Directors propose that the IPT Mandate be renewed at the forthcoming AGM in the terms of the Ordinary Resolution 9 to be proposed at the forthcoming AGM and (unless revoked or varied by the Company in general meeting) to continue in force until the next annual general meeting of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next and each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with the Interested Persons.

The purpose of this Appendix, is to explain the rationale for, and provide Shareholders with information relating to, the proposed renewal of the IPT Mandate as set out below.

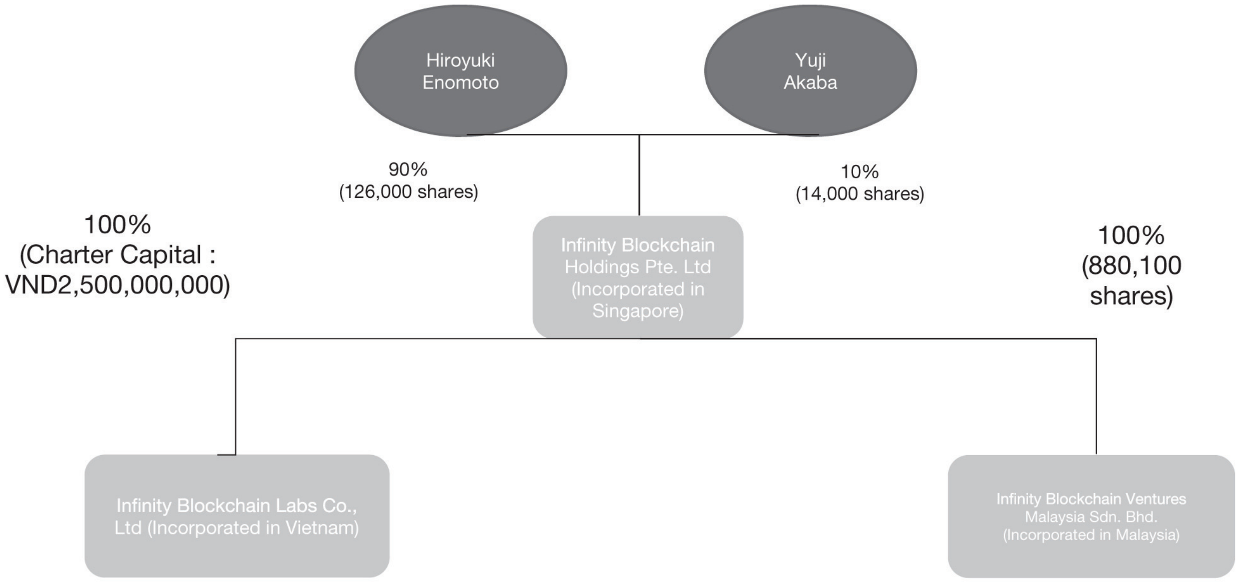
2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Background

After the Group's diversification into the blockchain-related businesses approved at the extraordinary general meeting held on 26 June 2020, the Group has been engaging in sales agency services and software development outsource agency services.

From time to time, those transactions in relation to sales agency services and software development outsource agency services will arise between the Group and the Interested Person(s) as described in Section 2.5 of this Appendix.

The Company is a subsidiary of North Ventures Pte Ltd (formerly known as QRC Pte Ltd). Mr Hiroyuki Enomoto, who is the sole owner of North Ventures Pte Ltd, is deemed interested in the 64.13% shareholding in the issued share capital of the Company. The Interested Persons are controlled by Mr. Hiroyuki Enomoto as showed in the following capital diagram.



In view of the above, the Company wishes to seek the approval of the Independent Shareholders for the proposed renewal of the IPT Mandate in respect of future IPT(s) that the Group may enter into with the IP(s), as set out in Section 2.6 of this Appendix.

2.2 Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or associated companies that are defined as an "Entity at risk" proposes to enter into a transaction with an "interested person", an immediate announcement or an immediate announcement and shareholders' approval is required in respect of that transaction if its value is equal to, or more than, certain financial thresholds.

In particular, an immediate announcement is required where:

(a) the transaction is of a value equal to, or more than, 3% of the group's latest audited NTA; or

(b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited NTA.

Further, shareholders' approval (in addition to an immediate announcement) is required where:

(a) the transaction is of a value equal to, or more than, 5% of the group's latest audited NTA; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the group's latest audited NTA.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules. While transactions below S$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

Rule 920 of the Catalist Rules permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is also subject to annual renewal.

In view that the Company had recorded a negative NTA as at 31 December 2019, the Company had on 29 May 2020 consulted with the SGX-ST and the SGX-ST had on 4 June 2020 granted its approval to the Company for the use of the market capitalisation of the Company as at the end of the immediately preceding financial year, instead of the audited consolidated NTA of the Group, as the basis for computing the materiality percentage for purposes of the approval threshold limits, provided that this alternative reference point is to be used only until such time the audited consolidated NTA of the Group turns positive.

Since the Group has recorded a negative NTA of S$3,823,460 as at 31 December 2020, the market capitalisation of the Company as of 31 December 2020 will remain to be the basis for computing the materiality percentage for the Interested Person Transactions for FY2021.

The rationale for the use of the market capitalisation of the Company as an alternative reference point are as follows:

(a) In applying Rules 905 and 906 of the Catalist Rules, where the audited consolidated NTA of the Group is used as a basis to determine the threshold values for the internal approval threshold limits, all Interested Person Transactions would exceed the said thresholds and would have to be subject to approval by the Audit Committee. This would be excessively burdensome on the Audit Committee, as the Audit Committee would have to incur substantial time to approve each and every Interested Person Transactions, regardless of the quantum of value at risk to the Company.

(b) by using the market capitalisation of the Company as a basis, there will be no concerns of negative value arising since the market capitalisation is computed by multiplying the market price of the Shares with the number of Shares in issue (excluding treasury shares).

Based on the Company's last transacted price of S$0.195 for each Share on 25 August 2020 (being the last market day for which the Shares were traded on or before 31 December 2020), the market capitalisation of the Company amounted to S$23,616,197. Accordingly, for FY2021, based on the approval matrix as set out in section 2,7, any Interested Person Transaction which has a value equals to or exceed approximately S$708,485 (being 3% of the Company's market capitalisation) shall be approved by an Executive Director and the Head of Finance and Administration while any Interested Person Transaction which has a value equals to or exceed approximately S$1,180,809 (being 5% of the Company's market capitalisation) shall be approved by the Audit Committee. The Interested Person Transactions shall also be submitted to the Audit Committee when their cumulative value is equals to or exceeds approximately S$1,180,809.

2.3 Rationale and benefits of the Proposed Renewal of the IPT Mandate

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the renewal of the IPT General Mandate to enable the Group to enter in the ordinary course of business into any of the Interested Person Transactions with the Interested Persons, provided that such transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions.

The renewal of the IPT General Mandate, if approved by the Independent Shareholders at the AGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Independent Shareholders' prior approval for each separate Interested Person Transaction to be entered into between the Group and the Interested Persons of a revenue nature or those necessary for its business or operations. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The proposed renewal of the IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This allows the Group to leverage on the operational strengths of its Interested Persons and reduce overlapping costs to achieve greater growth.

2.4 Validity Period of the IPT Mandate, if Renewed

The IPT Mandate, if renewed, will take effect from the passing of the Ordinary Resolution, and will (unless revoked or varied by the Company in general meeting) continue in force until the next annual general meeting. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next annual general meeting and at each subsequent annual general meeting, subject to satisfactory review by the Audit Committee of its continued application to the IPT(s).

2.5 Names of Interested Persons

The Interested Persons to be covered in the IPT General Mandate, are as follows:

(a) Infinity Blockchain Holdings Pte. Ltd. ("**IBH**")

IBH is a private limited company incorporated in Singapore on 18 August 2018, with its registered address at 80 Robinson Road, #08-01, Singapore 068898. The principal activity of IBH is to provide management consultancy services in respect of blockchain technology. As at 14 April, 2021, IBH has a paid-up share capital of S$140,000, comprising 140,000 shares of which 90% and 10% are held by Mr Hiroyuki Enomoto and Mr Yuji Akaba, respectively. The directors of IBH are Mr Hiroyuki Enomoto, Mr Yuji Akaba, Mr Dinh Tran Hoang Quan, Mr Junya Yamamoto and Mr Saburo Takahashi. Save as disclosed above, each of Mr Yuji Akaba, Mr Ding Tran Hoang Quan, Mr Junya Yamamoto and Mr Saburo Takahashi is not related to Mr Hiroyuki Enomoto or his Associates.

(b) Infinity Blockchain Labs Co., Ltd. ("**IBL**")

IBL is a private limited company incorporated in Vietnam. As at 14 April 2021, IBL is wholly owned by IBH. Mr Shunpei Takayama is the sole legal representative of IBL.

Save as disclosed above, Mr Shunpei Takayama is not related to Mr Hiroyuki Enomoto or his Associates.

Accordingly, IBL is deemed an "Interested Person" for purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and IBL, will be regarded as Interested Person Transactions, and will be subject to Chapter 9 of the Catalist Rules.

(c) Infinity Blockchain Ventures Malaysia Sdn. Bhd. ("**IBVM**")

IBVM is a private limited company incorporated in Malaysia. As at 14 April 2021, IBVM is wholly owned by IBH. Mr Shogo Ishida is a sole director of IBVM.

Save as disclosed above, Mr Shogo Ishida is not related to Mr Hiroyuki Enomoto or his Associates

Accordingly, IBVM is deemed an "interested person" for purposes of Chapter 9 of the Catalist Rules. Any transactions entered into between the Group and IBVM, will be regarded as interested person transactions, and will be subject to Chapter 9 of the Catalist Rules.

Wowtrace Singapore Pte. Ltd. ("**WSPL**") and Infinito Solutions Pte. Ltd. ("**ISPL**") are no longer held by IBH or any of the Company's Director, Controlling Shareholder or any Associates of such person or entity and thus no longer deemed an "interested person" for purposes of Chapter 9 of the Catalist Rules.

2.6 Categories of Interested Person Transactions

The IPT General Mandate will apply to the following categories of transactions with the Interested Persons:

(a) Sales Agency Services

This category of Interested Person Transactions involves the provision of sales agency services to the Interested Persons in respect of the products and services of the Interested Persons (the "**Sales Agency Services**").

The Group will act as a non-exclusive agent on behalf of the Interested Persons and provide sales and marketing services to the Interested Persons in respect of the Interested Persons' products and services.

(b) Software Development Outsource Agency Services

This category of Interested Person Transactions involves the sale and marketing of products and services to customers on behalf of the Interested Persons for software development projects (the "**Software Development Outsource Agency Services**").

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate, if renewed. The IPT Mandate, if renewed, will also not cover any transaction by any entity in the Group with an IP that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions, unless otherwise determined by the SGX-ST. Finally, transactions with other interested persons (other than the names of Interested Persons detailed in Section 2.5 above) that do not fall within the ambit of the renewed IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

2.7 Guidelines and Review Procedures for Interested Person Transactions (a) Review Procedures

To ensure that the Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures for the Interested Person Transactions under the IPT General Mandate as set out below in this section.

All Interested Person Transactions shall be conducted in accordance with the Group's usual business practices and policies, consistent with the usual margins, rates or prices received or paid by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms extended to, or extended by, the Interested Persons are not more favourable to the Interested Person or not less favourable to the Company, compared to those extended to or received from unrelated third parties after taking into account the requirements, specifications, complexity, industry norms, capacity availability and resources required.

All relevant members of the Group which are involved in the review procedures as set out below shall have no interest, direct or indirect, in the Interested Person Transactions.

<u>Guidelines and review procedures</u>

(a) Sales Agency Services

For Interested Person Transactions involving the provision of Sales Agency Services to the Interested Persons, the Head of Finance and Administration of the Group shall review and compare the pricing and terms of the Interested Person Transactions with that of at least two other transactions of a similar nature with unrelated third parties.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the Interested Person Transactions are consistent and/or not more favourable to the Interested Persons when compared with similar type of transactions or quotations between the Group and unrelated third parties. The Group shall also take into account factors such as the requirements, specifications, standard and delivery time of services, deliverables, payment milestones and schedules, duration of contracts, profit margin, industry norms, complexity and resources required for when transacting with the Interested Persons.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar goods, the pricing and terms of the Interested Person Transactions shall be reviewed and determined as to:

(1) whether the Interested Person Transactions are consistent with the Group's usual business practices;

(2) whether the pricing for the Interested Person Transactions are consistent with the usual margin to be obtained by the Group for the same or similar type of contract or transaction with unrelated third parties; and

(3) whether the pricing and terms charged by the Group to the Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, publicly disclosed agency rates of similar transactions (including commission paid by SaaS (Software-as-a-Service) companies, where available) in the last two years, the potential earnings achieved through the transaction, availability of resources, facilities, capacity and technical capabilities, nature of the goods and services, requirements, specifications, delivery time of goods and services, payment milestones and schedules, industry norms, customer's credit standing, potential for future repeat business and/or strategic purpose of the transaction, complexity and resources required for when transacting with the Interested Persons.

The review shall be undertaken by the Head of Finance and Administration of the Group, in consultation with the Chairman of the Audit Committee and/or qualified personnel of the Company with suitable experience expertise in the blockchain industry, provided that such person(s) are not Interested Persons and have no interest, direct or indirect, in the Interested Person Transactions.

(b) Software Development Outsource Agency Services

For Interested Person Transactions involving the provision of Software Development Outsource Agency Services to the Interested Persons, the Head of Finance and Administration of the Group shall review and compare the pricing and terms of the Interested Person Transactions with that of at least two other transactions of a similar nature with unrelated third parties.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the Interested Person Transactions are consistent and/or not more favourable to the Interested Persons when compared with similar type of transactions or quotations between the Group and unrelated third parties. The Group shall also take into account factors such as the requirements, specifications, standard and delivery time of services, duration of contracts, profit margin, deliverables, payment milestones and schedules, industry norms, complexity and resources required for when transacting with the Interested Persons.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions or quotations of similar services, the pricing and terms of the Interested Person Transactions shall be reviewed and determined as to

(1) whether the Interested Person Transactions are consistent with the Group's usual business practices;

(2) whether the pricing for the Interested Person Transactions are consistent with the usual margin to be obtained by the Group for the same or similar type of contract or transaction with unrelated third parties; and

(3) whether the pricing and terms charged by the Group to the Interested Persons are fair and reasonable, taking into account factors such as, but not limited to, publicly disclosed agency rates of similar transactions in the last two years (including commission paid by SaaS companies, where available), the potential earnings achieved through the transaction, availability of resources, facilities, capacity and technical capabilities, nature of the goods and services, requirements, specifications, delivery time of goods and services, payment milestones and schedules, industry norms, customer's credit standing, potential for future repeat business and/or strategic purpose of the transaction, complexity and resources required for when transacting with the Interested Persons.

The review shall be undertaken by the Head of Finance and Administration of the Group, in consultation with the Chairman of the Audit Committee and/or qualified personnel of the Company with suitable experience expertise in the blockchain industry, provided that such person(s) are not Interested Persons and have no interest, direct or indirect, in the Interested Person Transactions.

The Company shall, in due course, appoint at least one executive director, with at least one year of experience in the blockchain industry and make the appropriate announcements accordingly.

Approval threshold limits

In addition to and as part of the guidelines and review procedures set out above, before entering into the Interested Person Transactions, each of the Interested Person Transactions will also be internally subject to the pre-approval by the relevant authorities according to the value of the Interested Person Transaction as set out in the approval matrix below:

Interested Person Transactions – Approval Matrix[1]

Value of each Interested Person Transaction[1]	Approving authorities (each having no interest, direct or indirect, in the Interested Person Transaction) – where there are comparable transactions or quotations	Approving authorities (each having no interest, direct or indirect, in the Interested Person Transaction) – where there are no comparable transactions or quotations
(a) In the event the Group's consolidated NTA is positive following the adoption of the IPT General Mandate and subject to the SGX-ST's approval at that relevant juncture:		
Equal to or exceeding 3% but less than 5% of the latest audited consolidated NTA of the Group	Any Executive Director and the Head of Finance and Administration	Any Executive Director and the Head of Finance and Administration
Equal to or exceeding 5% of the latest audited consolidated NTA of the Group	The Audit Committee	The Audit Committee
(b) In the event the Group's consolidated NTA is negative:		
Equal to or exceeding 3% but less than 5% of the Company's market capitalisation as at the most recently completed financial year end	Any Executive Director and the Head of Finance and Administration	Any Executive Director and the Head of Finance and Administration
Equal to or exceeding 5% of the Company's market capitalisation as at the most recently completed financial year end	The Audit Committee	The Audit Committee

[1] Value of each Interested Person Transaction means the value of agency commission which the Group receives and retains as consideration of Sales Agency Services and Software Development Outsource Agency Services.

The Group will submit all executed Interested Person Transactions to the Audit Committee for review whenever the cumulative value of the executed Interested Person Transactions (excluding those already endorsed by the Audit Committee) exceeds 5% of the latest audited NTA (or market capitalisation, as the case may be) of our Group, during the period in which the IPT General Mandate is in force.

The Group had negative NTA as at 31 December 2020. Based on the Company's last transacted price of S$0.195 for each Share on 25 August 2020 (being the last market day for which the Shares were traded on or before 31 December 2020), the market capitalisation of the Company amounted to S$23,616,197. Accordingly, for FY2021, based on the approval matrix above, any Interested Person Transaction which has a value equals to or exceed approximately S$708,485 (being 3% of the Company's market capitalisation) shall be approved by an Executive Director and the Head of Finance and Administration while any Interested Person Transaction which has a value equals to or exceed approximately S$1,180,809 (being 5% of the Company's market capitalisation) shall be approved by the Audit Committee. The Interested Person Transactions shall also be submitted to the Audit Committee when their cumulative value is equals to or exceeds approximately S$1,180,810.

The approval threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the Interested Person Transactions as well as the Group's day-to-day operations, administration and businesses. The approval threshold limits are arrived at with the view of striking a balance between maximising the operational efficiency of the day-to-day operations of the Group, and maintaining adequate internal controls and governance in relation to the Interested Person Transactions.

The approving authorities under the approval matrices above ("**Approving Authorities**") may, if they deem fit, have the right to require the appointment of independent advisers and/or valuers from external or professional sources to provide additional information or review of controls and implementation pertaining to the Interested Person Transactions under review.

In the event that any of the Approving Authorities has an interest, directly or indirectly, in the Interested Person Transaction under consideration for approval, he shall disclose his interest and abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the next higher level of Approving Authority in accordance with the approval matrices above (each having no interest, direct or indirect, in the Interested Person Transaction).

In the event that any member of the Audit Committee has an interest, directly or indirectly, in the Interested Person Transactions, he shall disclose his interest and abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the remaining members of the Audit Committee (each having no interest, direct or indirect, in the Interested Person Transaction).

As at 14 April, 2021, none of the members of the Audit Committee and their respective Associates has an interest, directly or indirectly, in the Interested Person Transaction.

Register of Interested Person Transactions

The Company will maintain a register to record all Interested Person Transactions (including those below S$100,000 in value) which include all information pertinent to the Interested Person Transactions, such as but not limited to, the identity of the Interested Persons involved in the Interested Person Transactions, the value of the Interested Person Transactions, the nature and scope of the Interested Person Transactions, basis and rationale for entering into the Interested Person Transactions, including the quotations, relevant supporting documents and other evidence obtained to support such basis with written approvals. These quotations and supporting documents and other evidence obtained may be kept or maintained by other relevant departments. The IPT Register is prepared, maintained and monitored by senior personnel such as the Head of Finance and Administration of the Group (who shall not be interested, direct or indirect, in any of the Interested Person Transactions) and who are duly delegated to do so by the Audit Committee.

<u>Maintain a list of Interested Persons</u>

The Company will maintain a list of Interested Persons and their Associates which shall be reviewed by the Head of Finance and Administration on a quarterly basis and subject to such verifications or declarations as required by the Audit Committee from time to time or for such periods as determined by them.

<u>Review by the Audit Committee</u>

Members of the Audit Committee will periodically, at least on a half-yearly basis, review the basis and documents of all approved Interested Person Transactions (including Interested Person Transactions below S$100,000 in value) to ensure that the procedures for review, approvals as well as monitoring and administration are adequate and adhered to, in ensuring that Interested Person Transactions are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee.

<u>Review by internal auditors</u>

Members of the Audit Committee will periodically, at least on a half-yearly basis, review the basis and documents of all approved Interested Person Transactions (including Interested Person Transactions below S$100,000 in value) to ensure that the procedures for review, approvals as well as monitoring and administration are adequate and adhered to, in ensuring that Interested Person Transactions are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee.

<u>Review by external auditors and/or other professional advisers</u>

The Group's external auditors will review the Interested Person Transactions on a sampling basis as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit samples to the Audit Committee. In addition, the Audit Committee, shall, when it deems fit, have the right to require the appointment of independent advisers to advise on the transactions under review or approved or to advise on the guidelines and review procedures. The outcome of such review shall be documented and minuted.

2.8 Disclosure in Financial Results Announcement and Annual Report

The Company will announce the aggregate value of transactions conducted with the IP(s) pursuant to the renewed IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to the Catalist Rules and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the IP(s) pursuant to the renewed IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the renewed IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

The name of the IP and the corresponding aggregate value of the IPT(s) will be presented in the following format:

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all Interested Person Transactions conducted under Shareholders' general mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000)

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders as at 14 April 2021, based on information as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the Companies Act, are as follows:

	Number of Shares			
Directors	**Direct Interest**	**%(1)**	**Deemed Interest**	**%(1)**
Fan Chee Seng	26,778,260	22.11	–	–
Yusaku Mishima	–	–	–	–
Foo Kia Juah	–	–	–	–
Kok Cheang Hung	–	–	–	–
Tee Hian Chong	–	–	–	–

	Number of Shares			
Substantial Shareholders (other than Directors)	**Direct Interest**	**%(1)**	**Deemed Interest**	**%(1)**
North Ventures Pte. Ltd.(2)	77,670,840	64.13	–	–
Hiroyuki Enomoto(2)	–	–	77,670,840	64.13

Notes;

(1) The percentages are based on the existing share capital of the Company as at 14 April 2021, comprising 121,108,700 Shares.

(2) By virtue of Section 4 of the SFA, Mr Hiroyuki Enomoto is deemed to be interested in 77,670,840 Shares held by North Ventures Pte. Ltd. (formerly known as QRC Pte Ltd) in the Company, as Mr Hiroyuki Enomoto owns 100% of the equity interests in North Ventures Pte. Ltd

Save as disclosed herein, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the proposed renewal of the IPT Mandate.

4. STATEMENT OF THE AUDIT COMMITTEE

Having considered, *inter alia*, the rationale, benefits and the guidelines and review procedures for the Interested Person Transactions and the reviews to be made periodically by the Audit Committee in relation thereto, the Audit Committee is of the view that the guidelines and review procedures as set out in Section 2.7 above for determining the terms, including transaction prices, of the Interested Person Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

5. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Catalist Rules, North Ventures Pte Ltd will abstain, and has undertaken to ensure that his Associates will abstain from voting on the resolution approving the proposed renewal of the IPT Mandate herein.

Further, North Ventures Pte Ltd also undertakes to decline, and shall ensure that his Associates decline to accept appointment as proxy(ies) to vote at the forthcoming AGM in respect of the Ordinary Resolution relating to the proposed renewal of the IPT Mandate for other Shareholders unless the Shareholder concerned shall have given specific instructions as to the manner in which his/her votes are to be cast at the AGM.

6. DIRECTORS' RECOMMENDATION

The Non-Interested Directors having considered, *inter alia*, the terms and rationale for the proposed renewal of the IPT General Mandate, are of the opinion that the proposed renewal of the IPT General Mandate is in the best interests of the Company and its Shareholders and that the Group be permitted to have the flexibility to enter into the Interested Person Transactions described in Section 2.6 above in their ordinary course of business with the Interested Persons for reasons stated in this Appendix.

Accordingly, the Non-Interested Directors recommend that the Shareholders vote in favour of Ordinary Resolution 9 in relation to the proposed renewal of the IPT General Mandate.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the IPT Mandate, and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information contained in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

Yours faithfully,

For and on behalf of the Board of Directors of
OIO Holdings Limited

Fan Chee Seng
Executive Chairman

PROXY FORM

OIO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 201726076W)

IMPORTANT

1. Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing to hold a physical meeting. Due to current COVID-19 situation and the Company's efforts to minimise physical interactions and COVID-19 transmission risk to a minimum, the Annual General Meeting ("AGM") of the Company will be held by way of electronic means.
2. Printed copies of the Notice of AGM, Proxy Form, Request Form and Question Form will not be sent to members. This Notice of AGM, proxy form, Request Form and Question Form will be made available by electronic means via announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL https://oio.sg/announcements/.
3. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions before the deadline to submit the proxy form and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Company's announcement accompanying this Notice dated 14 April 2021. This announcement may be accessed at the Company's website at the URL https://oio.sg/announcements/ and on the SGX website at the URL https://www.sgx.com/securities/companyannouncements.
4. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID19, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM will be announced together with this Notice and may be accessed at the Company's website at the URL https://oio.sg/announcements/ and on the SGX website at the URL https://www.sgx.com/securities/companyannouncements.
5. SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes at least seven working days before the AGM.
6. By submitting an instrument appointing the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2021.
7. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the AGM as a member's proxy to vote on his/her/its behalf at the AGM.

I/We, ____________________ (Name) NRIC/Passport No. ____________

of ______________________________ (Address)

being a member/members of **OIO Holdings Limited** (the "**Company**") hereby appoint the Chairman of the AGM of the Company as *my/our *proxy to vote for *me/us on *my/our behalf at the AGM of the Company to be held by way of electronic means on Thursday, 29 April 2021 at 1.00 p.m. and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For**	Against**	Abstain**
1.	To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2020.			
2.	To approve the Directors' fees of S$230,000 for the financial year ending 31 December 2021 (2020: S$210,000) to be paid monthly in arrears.			
3.	To re-elect Mr Foo Kia Juah, a Director retiring pursuant to Regulation 104 of the Company's Constitution.			
4.	To re-elect Mr Kok Cheang Hung, a Director retiring pursuant to Regulation 104 of the Company's Constitution.			
5.	To re-appoint Foo Kon Tan LLP as auditors of the Company and to authorise the Directors to fix their remuneration.			
6.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50.			
7.	To authorise the allotment and issuance of shares under the Employee Share Option Scheme.			
8.	To authorise the allotment and issuance of shares under the Performance Share Plan.			
9	To approve the Renewal of the Mandate for Interested Person Transactions.			

* Delete as appropriate

** Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes for or against in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the AGM as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain from Voting" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the AGM as your proxy is directed to abstain from voting in the "Abstain From Voting" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy for that resolution will be treated as invalid.

Dated this ______ day of __________ 2021

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

____

Signature of Shareholder(s) or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

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, (Cap. 289), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its Proxy Form appointing the Chairman of the AGM as his/her/ its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid. The Proxy Form for the AGM will be announced together with the Notice of AGM and may be accessed at the Company's website at the URL https://www.oio.sg and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

   SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes at least seven working days before the AGM.

3. A Chairman of the AGM, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must:

   (a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted by email, be received by the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

   in either case, at least 72 hours before the time appointed for the AGM.

5. Printed copies of this proxy form will not be sent to members. A member who wishes to submit an instrument of proxy can download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

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

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

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix Postage Stamp Here

OIO HOLDINGS LIMITED
Company's Share Registrar
Tricor Barbinder Share Registration Services
80 Robinson Road
#11-02
Singapore 068898

Fold along this line

OIO HOLDINGS LIMITED

140 Paya Lebar Road
#08-07 AZ @ Paya Lebar
Singapore 409015

Tel: 69098155

www.oio.sg