INTRACO LIMITED

ANNUAL REPORT 2022

OUR VISION

To value add to our customers and stakeholders in the businesses we operate in

OUR MISSION

To improve businesses and activities using customised solutions and digital assets technology to increase efficiency through time and costs savings

OUR VALUES

Ethical
We operate with a high level of integrity & ethics.

Trustworthiness
We strive to be a dependable and reliable long-term business partner.

Teamwork
We work collaboratively with our internal and external stakeholders.

Performance Driven
We are focused on delivering results.

Professionalism
We exercise high levels of functional and leadership competencies.

Passion
We are highly motivated in all that we do.

CONTENTS

04 ABOUT INTRACO

06 CHAIRMAN'S STATEMENT

09 BOARD OF DIRECTORS

11 INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/ RE-APPOINTMENT

52 CORPORATE GOVERNANCE REPORT

91 DIRECTORS' STATEMENT

95 INDEPENDENT AUDITOR'S REPORT

177 NOTICE OF ANNUAL GENERAL MEETING

20
KEY MANAGEMENT

24
FINANCIAL HIGHLIGHTS

25
OPERATIONS AND FINANCIAL REVIEW

28
SUSTAINABILITY REPORT

107
FINANCIAL STATEMENTS

174
SUPPLEMENTARY INFORMATION

175
STATISTICS OF SHAREHOLDINGS

187
PROXY FORM

ABOUT INTRACO

Intraco Limited ("Intraco") was incorporated on 5 November 1968 and was Singapore's trading arm to explore overseas markets and identify new sources of raw materials. It played a vital role in the growth of Singapore as a young nation, which had to rely on an export-oriented industrialisation strategy then. Intraco has been listed on the Singapore Exchange since 18 December 1972.

Intraco has evolved over the years and today, through its subsidiaries, is engaged in the distribution and/or trading of plastic resins, beverage products and wine, provision of mobile radio infrastructure management services and is a leading one-stop provider of passive fire protection products and services in Singapore.

Intraco has also diversified into businesses related to digital assets, aiming to offer to listed and unlisted corporates and accredited investors a suite of strategic advisory services and products. Intraco is a leading arranger of tokenised short term commercial papers in Singapore. In September 2022, it offered accredited investors an investment opportunity in a portfolio of Burgundy wines by way of digital wine tokens. We also entered into an exclusive agreement and Singapore co-marketing memorandum with Luzhou Laojiao International Development (HK) Co., Ltd. to distribute the National Cellar 1573 Chinese liquor (泸州国窖1573白酒) – a top-three Chinese liquor brand –in Singapore in December 2022.

Intraco is headquartered in Singapore and has presence in key emerging markets in Vietnam, Indonesia, Malaysia and China.

INTRACO IN NUMBERS

S$192,893,000
REVENUES

2,952
SHAREHOLDERS

S$59,029,000
NET ASSET VALUE

128
EMPLOYEES

S$17,852,000
TOTAL CASH

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

Against a backdrop of the ongoing war in Ukraine, geopolitical tensions between the USA and China, fear of a global economic slowdown and rising interest rates, the financial year ended 31 December 2022 was an eventful one for Intraco as we made significant changes to our organisational and financial positioning and business operations. In the past six months following my re-designation to an executive position in July 2022, we have developed and begun to execute a robust three-year roadmap to shorten our path to profitability. I am pleased to apprise you of the Group's developments for the financial year ended 31 December 2022 ("FY2022") as follows:

FY2022 Financial Highlights

Our Group revenue of S$192.9 million, a 5.4% contraction from the S$204.0 million recorded for the financial year ended 31 December 2021 ("FY2021"), reflects the challenges faced by our trading and distribution business in FY2022 as prices of the commodity fell year-on-year. This was partially mitigated by a higher number of projects secured and delivered by the passive fire protection business segment on the back of a resumption of construction activity and the alleviated manpower supply situation following the relaxation of Covid-19 measures in Singapore in the second half of FY2022. Our net loss for the year was S$1.3 million, compared to S$1.0 million a year ago.

During the year, we took steps to clean up our balance sheet, by making an allowance for impairment loss on certain receivables and writing down some of our inventory to their net realisable values. Excluding the one-off provisions and inventory write-down, the Group would have registered an improved performance at the operating level.

This was partly possible in view of our prudent cost management to ensure that our business operations remain lean while running smoothly at optimal efficiency. We have also recalibrated our cost structure and implemented cost rationalisation initiatives to achieve a target cost savings of about S$0.5 million annually.

Roadmap to Profitability

FY2022 saw us initiating several key changes in our organisational structure to allow for greater efficiency. Notably, two independent directors, namely Mr David Hoon Chee Wai and myself, were re-designated as Chief Operating Officer in March 2022 and Executive Chairman in July 2022, respectively. Mr Edmond Lee Teng Chye, who was the Group's interim CEO-designate from March 2022, was re-designated as CEO of our subsidiaries, Intraco Trading Pte Ltd and Intrawave Pte Ltd in July 2022. Dr Steve Lai, who was formerly a non-independent non-executive director, has been re-designated as an independent director from 2023. Finally, we are delighted to welcome Ms Ong Beng Hong, a practicing advocate and solicitor of the Supreme Court of Singapore, as an independent director. Ms Ong's presence on the Board has added to our diversity and broadened our corporate experience.

We have also formed a Group Management Committee comprising our senior management team to allow them to understand and respond more quickly to market opportunities. Being relatively small compared with some of the industry players, we are generally nimbler and more adaptable, and will leverage this to our advantage. In addition, we have also set up a Group Risk Committee for accountability in risks management and to raise our corporate governance standards.

Besides cost control and a clean balance sheet, our three-year roadmap includes re-focusing on our core businesses of trading and distribution and passive fire protection. We will sharpen our performance metrics to enable us to evaluate our returns on equity and investment with greater effectiveness and more objectively, as we position ourselves to capture growth opportunities in our businesses.

During the year, we made a strategic call to exit our investment in four money market funds at a loss of approximately S$0.6 million in FY2022 in favour of short-term investments including fixed deposits, commercial papers as well as Singapore Government Security treasury bills. This turned out to be the right decision as the returns from these new investments successfully offset the aforementioned losses.

CHAIRMAN'S STATEMENT

In exiting the non-core business, we have divested Tat Hong Intraco Pte Ltd, our joint venture in Myanmar which provides crane and heavy equipment rental services.

While our trading and distribution and the passive fire protection businesses have been reasonably stable, we recognise that a strategy of diversification would be necessary for the Group to grow meaningfully and in an expedited manner. On this note, we are actively seeking opportunities to create new income sources for long-term sustainability and growth.

The digital assets industry is one of the fastest-growing industries today, and we believe that a new revenue stream created from this business will enable us to reduce our reliance on our existing businesses for growth over the long haul. To this end, we are actively identifying and working with our partners to build up our asset tokenisation capabilities and establish an ecosystem that facilitates liquidity and funding for trade using such assets.

In line with this, we acquired 51% of Taurus Point Capital, a provider of exempt corporate finance advisory services. This investment will enable us to build a suite of corporate finance capabilities to introduce traditional investment banking advisory activities to the digital asset industry. Following the acquisition, Taurus Point Capital successfully led our 60%-owned subsidiary, Provenance Treasures, to launch the first wine token offering on private digital securities exchange ADDX, which enables accredited investors an opportunity to invest in a portfolio of French Burgundy wines through digital wine tokens. Through our 70%-owned subsidiary, Intraco Prime Pte. Ltd., we also entered into an exclusive agreement and Singapore co-marketing memorandum with Luzhou Laojiao International Development (HK) Co., Ltd. to distribute the National Cellar 1573 Chinese liquor (泸州国窖1573白酒) – a top-three Chinese liquor brand – in Singapore.

As with most other organisations, attracting and retaining the right talent remains a key factor of Intraco's success. We have thus proposed the introduction of a Performance Share Scheme ("PSS") to complement a new Employee Share Option Scheme ("ESOS 2023"), in the belief that the PSS will strengthen the alignment of interests between our Group, Management and shareholders. We will be presenting the PSS and ESOS 2023 for your approval at the upcoming Extraordinary General Meeting ("EGM") on 25 April 2023.

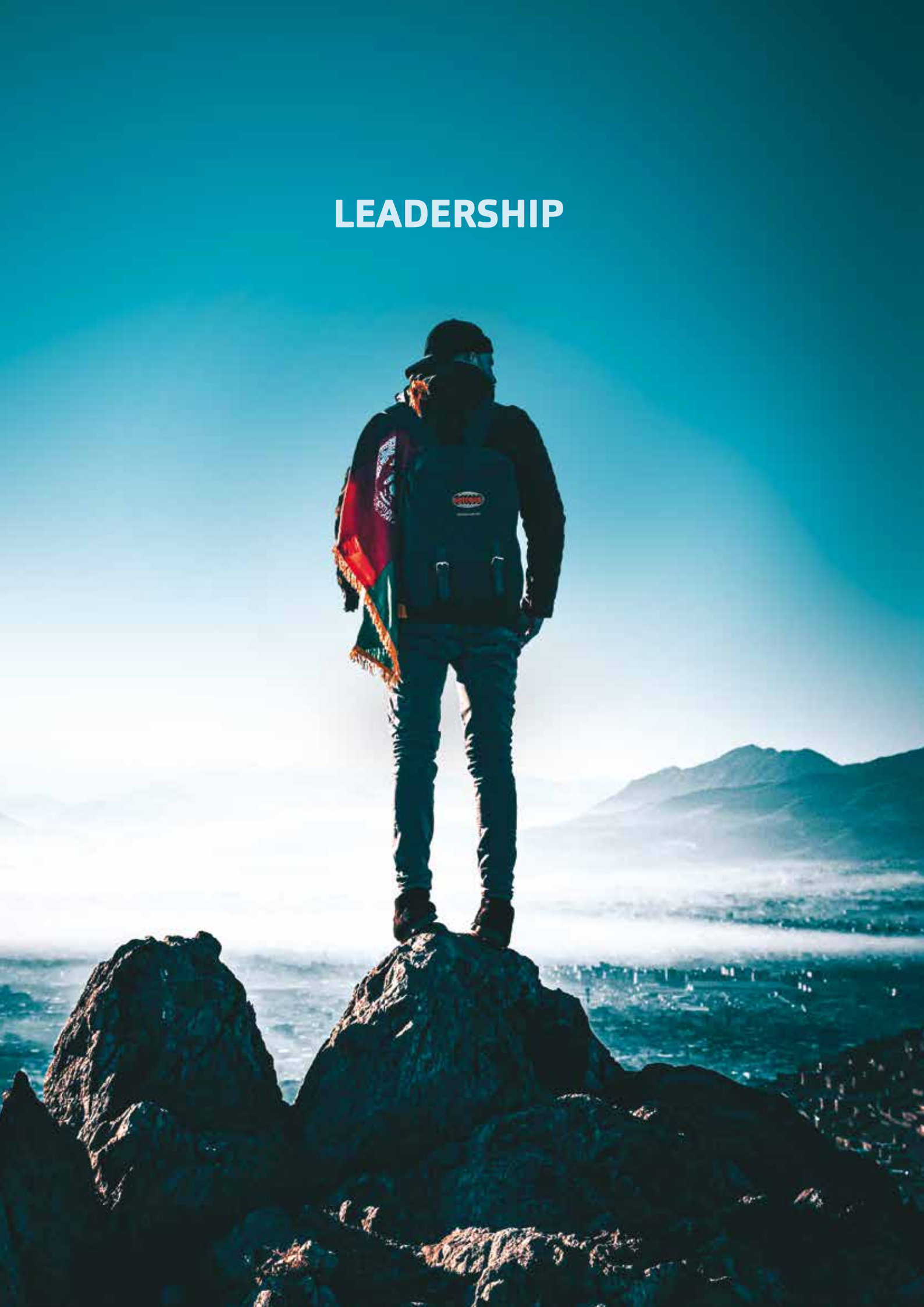
Appreciation

Together with my fellow Board members, I would like to extend my appreciation to our dedicated management and staff who have worked tirelessly and gave their best to the Group throughout the year. I am also thankful for our customers, business partners and suppliers, and shareholders for their strong support and belief in us. Finally, I am grateful to my fellow Board members whose counsel have been invaluable in helping us make decisions that contribute toward the Group's success.

Sincerely,

MAK LYE MUN
Executive Chairman

LEADERSHIP



BOARD OF DIRECTORS

MR MAK LYE MUN
Executive Chairman and Director

Mr Mak was appointed Executive Chairman and Director of Intraco Limited ("the Company") on 15 July 2022. Prior to that, he was an Independent Non-Executive Chairman and Director of the Company from 29 April 2021.

Mr Mak was last re-elected as a Director at the Company's Annual General Meeting on 20 April 2022.

Mr Mak has over 30 years of experience in the banking industry. He started his career at Citicorp Investment Bank (Singapore) Limited and went on to hold various senior positions in the Corporate Finance divisions of Vickers Ballas & Co. Pte. Ltd., Ernst & Young, and Oversea-Chinese Banking Corporation Limited. Prior to joining GK Goh Securities Pte Ltd, he was Head of Mergers & Acquisitions Advisory Department with DBS Bank Ltd.

Mr Mak was appointed as the CEO of CIMB Bank Singapore and Country Head in 2008, where he focused on delivering greater synergy and value across the Singapore franchise. He held both roles until his retirement in December 2019. Mr. Mak was subsequently appointed as Advisor to the CEO of CIMB Group from Jan 2020 till his retirement in March 2021.

Mr Mak is currently a member of the Inaugural SGX Listings and Advisory Committee. In January 2021, he was appointed a governing board member of the Duke-NUS Medical School. Mr Mak is also a Non-Executive Director of Boustead Singapore Limited, SC Global Developments Pte Ltd, and its listed Australian subsidiary, AVJennings Limited, appointed in July 2021, May 2021 and October 2021 respectively.

Mr Mak was a member of the Listing Committee for ADDX (ICHX Tech), a licensed digital securities exchange. For past representation in listed companies, he was the Independent Non-Executive Chairman of the Board of Hwa Hong Corporation Limited from 22 May 2020 to 1 May 2022. He also served as an independent Non-Executive Director of Boardroom Limited and Tat Hong Holdings until both of these SGX-listed companies were successfully privatised.

Mr Mak holds an MBA from the University of Texas at Austin, USA and a Bachelor of Civil Engineering Degree (First Class Honours) from the University of Malaya, Malaysia.

DR TAN BOON WAN
Lead Independent Director

Dr Tan has been an Independent Director of the Board since 5 October 2004. He is Chairman of both the Audit and Remuneration Committees and a member of Nominating Committee.

Dr Tan was last re-elected as a Director at the Company's Annual General Meeting on 20 April 2022. Dr Tan was a Member of Parliament for the Ang Mo Kio GRC from 1997 to 2006, during which he served on the Government Parliamentary Committees for Education; Finance and Trade & Industry; and Information, Communication and the Arts.

He was awarded the Public Service Medal (PBM) in 1993 for his contributions to the community.

He was previously an independent director of Hotung Investment Holdings Limited from 2012 to 2019, a company listed on SGX-ST. He also sits on the board of Provenance Capital Pte Ltd.

Dr Tan holds a Doctorate in Mathematical Physics and Master's degree in Management from Imperial College at the University of London.

BOARD OF DIRECTORS

DR STEVE LAI MUN FOOK
Independent Director

Dr Lai was appointed as an Independent Director on 1 January 2023. He was Non-Executive Director of Intraco Limited from 28 April 2015. He is the Chairman of the Nominating Committee and a member of the Audit Committee. Dr Lai was last re-elected as a Director at the Company's Annual General Meeting on 24 June 2020.

Dr Lai currently sits on the Board of Yongmao Holdings Limited, 3dsense Media School Pte Ltd, Singapore Institute of Power & Gas Pte Ltd and Vertex Technology Acquisition Corporation.

Dr Lai was the Chief Executive Officer of PSB Academy Pte Ltd from November 2007 to August 2012, and was previously the Deputy Chief Executive Officer of TUV SUD PSB Corporation and PSB Corporation Pte Ltd from April 2006 to March 2007 and from April 2001 to March 2006, respectively. He was also the General Manager (Standards & Technology) of Singapore Productivity & Standards Board from April 1996 to March 1998.

For his contributions to eco-labelling and the environmental movement, Dr Lai was given the Singapore Ministry of the Environment's Green Leaf Award (Individual), and he also received the Silver Public Service Award in 1997.

Dr Lai holds a Bachelor of Science (Honours) in Industrial Chemistry and a PhD from the Loughborough University, United Kingdom.

MS ONG BENG HONG
Independent Director

Ms Ong was appointed as an Independent Director on 1 September 2022. She is a member of both the Nominating and Remuneration Committees.

A practicing advocate and solicitor of the Supreme Court of Singapore, Ms Ong is currently Joint Managing Director and head of the Capital Markets and Banking & Finance division of Wong Tan & Molly Lim LLC and Director of WTML Management Services Pte Ltd.

Ms Ong graduated from Kings College, University of London with a LL.B (Hons).

MR CHARLIE NG HOW KIAT
Non-Executive Director

Mr Ng was appointed to the Board as a Non-Executive Director on 22 November 2012. He is a member of the Audit and Remuneration Committees. Mr Ng was last re-elected as a Director at the Annual General Meeting on 24 June 2020.

Mr Ng is the Managing Director of Asia Resource Corporation Pte Ltd and serves on the boards of several of its subsidiaries. He is also the President and Executive Director of Macondray Holdings Pte Ltd, a subsidiary of Asia Resource Corporation Pte Ltd, with investments in Indo-China and China.

He held previous senior appointments in SGX-listed Boustead Singapore Ltd and Easycall International Ltd, where he was responsible for investment and corporate development functions.

Mr Ng graduated from National University of Singapore in 1994, with a Business Administration degree.

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
Date of Appointment	28 April 2015	1 September 2022	2 November 2012
Date of last re-appointment (if applicable)	24 June 2020	Not Applicable	24 June 2020
Age	72	55	52
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Dr Lai as Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Dr Lai's attendance, participation and contribution to the business and operations of the Company as well as Board processes.	The re-election of Ms Ong as Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Ms Ong's attendance, participation and contribution to the business and operations of the Company as well as Board processes.	The re-election of Mr Ng as Non-Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Ng's attendance, participation and contribution to the business and operations of the Company as well as Board processes.
Whether appointment is executive, and if so, the area of responsibility	No	No	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Director • Chairman of Nominating Committee and a member of Audit Committee	• Independent Director • A member of Nominating Committee and Remuneration Committee	• Non-Independent Non-Executive Director • A member of Audit Committee and Remuneration Committee.
Professional qualifications	• Bachelor of Science in Industrial Chemistry • PhD from the Loughborough University of Technology, United Kingdom	• LLB (Hons) • Advocate and Solicitor of the Supreme Court of Singapore	• Business Administration Degree

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
Working experience and occupation(s) during the past 10 years	Dr Lai currently sits on the Board of Yongmao Holdings Limited, 3dsense Media School Pte Ltd, Singapore Institute of Power & Gas Pte Ltd, and Vertex Technology Acquisition Corporation. Dr Lai was the Chief Executive Officer of PSB Academy from November 2007 to August 2012, and was previously the Deputy Chief Executive Officer of TUV SUD PSB Corporation and PSB Corporation from April 2006 to March 2007 and from April 2001 to March 2006, respectively. He was also the General Manager (Standards & Technology) of Singapore Productivity & Standards Board from April 1996 to March 1998.	Ms Ong is an Advocate & Solicitor and Director of Wong Tan & Molly Lim LLC. She is also a Director of WTML Management Services Pte Ltd.	Mr Ng is the Managing Director of Asia Resource Corporation Pte Ltd and serves on the boards of several of its subsidiaries. He is also the President and Executive Director of Macondray Holdings Pte Ltd, a subsidiary of Asia Resource Corporation Pte Ltd, with investments in Indo-China and China. He held previous senior appointments in SGX-listed Boustead Singapore Ltd and Easycall International Ltd, where he was responsible for investment and corporate development functions.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)			

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
Past (for the last 5 years)	• K. A. Fabric Shutters Pte. Ltd. • K. A. Building Construction Pte Ltd • K. A. Group Holdings Pte. Ltd. • K. A. Firelite Pte. Ltd. • K. A. Fireproofing Pte. Ltd. • Singapore Test Services Pte Ltd	Nil	• K. A. Fabric Shutters Pte. Ltd. • K. A. Building Construction Pte Ltd • K. A. Group Holdings Pte. Ltd. • K. A. Firelite Pte. Ltd. • K. A. Fireproofing Pte. Ltd. • K. A. Vermiculite Spray Sdn Bhd • Tianjin Summer Palace Winery and Distillery Co., Ltd • Allied Invest Myanmar Services Company Limited • O2 Asia Ventures Pte Ltd • Cycle & Carriage Automobile Alliance Company Limited • Cycle & Carriage Automobile Myanmar Company Limited • AAH Ventures Pte. Ltd.
Present	Principal Commitments: Nil Present Directorships: • Yongmao Holdings Ltd • Vertex Technology Acquisition Corporation • 3dsense Media School Pte. Ltd. • Singapore Institute of Power and Gas Pte Ltd	Principal Commitment: • Wong Tan & Molly Lim LLC* Present Directorships: • WTML Management Services Pte Ltd* * Companies in which Ms Ong was appointed as a director for the purposes of incorporation or nominee director only and in the course of her professional practice have not been included.	Principal Commitments: • Asia Resource Corporation Pte Ltd • Macondray Holdings Pte. Ltd. • Alliance Asia Holdings Pte. Ltd. Present Directorships: • Alliance Asia Enterprise Pte Ltd • Allied Invest Pte Ltd • Amtrek Investment Pte Ltd • Andaman Alliance Healthcare Limited • Alliance Brewery Company Limited • AAH Healthcare Pte Ltd • AAH Ventures Pte Ltd • Cycle & Carriage Automobile Myanmar Company Limited

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
			• Cycle & Carriage Automobile Alliance Company Limited • GL-AMMK Company Limited • Grand Royal Group International Company Limited • Heineken Myanmar Limited • Macondray Company Limited • Macondray & Company, Inc. • Macondray Corporation Pte Ltd • Macondray Healthcare Pte Ltd • Macondray Investments Pte Ltd • Macondray Pacific Pte Ltd • Macondray Properties Pte Ltd • MCI Investment Pte Ltd • Myanmar Supply Chain and Marketing Services Company Limited • Pontirep Investment Pte Ltd • Representations International Pte Ltd
Information required **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.**			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—			
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION/RE-APPOINTMENT

Appendix 7.4.1 of the Listing Manual of the SGX-ST

Name of Director	Dr Steve Lai Mun Fook ("Dr Lai")	Ms Ong Beng Hong ("Ms Ong")	Mr Charlie Ng How Kiat ("Mr Ng")
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

Dr Lai, Ms Ong and Mr Ng have individually given a negative disclosure on each of the above items (a) to (k).

Disclosure applicable to the appointment of Director only

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.

Please provide details of relevant experience and the Nominating Committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Not applicable for Dr Lai, Ms Ong and Mr Ng as this is a re-election/re-appointment of Director.

KEY MANAGEMENT

MR DAVID HOON CHEE WAI
Chief Operating Officer
Intraco Limited

Mr Hoon is the Chief Operating Officer of Intraco Limited. Prior to this, he was an Independent Non-Executive Director of Intraco Limited and was the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

He has a total experience of approximately 30 years in banking, finance and accounting. He started his career at one of the big 4 public accounting firms, as an auditor from 1992. From 1994, Mr Hoon joined the banking industry as an investment banker in various local and regional financial institutions where he was involved in numerous initial public offerings of Singapore and Chinese companies on the Stock Exchange of Singapore, equity and debt fund raising exercises from the capital markets as well as financial advisory on takeovers, mergers and acquisitions. During the period from 1998 to 1999, Mr Hoon was an investment manager in a venture capital firm in Singapore.

In 2012, he joined a listed leisure, entertainment and hospitality group in Singapore, leading its corporate development functions. In 2017, Mr Hoon joined a listed real estate, leisure and hospitality company in Hong Kong, heading its finance, corporate development and investors' and media relations functions. He is currently an independent non-executive director and chairman of the audit committee Yongmao Holdings Ltd, both listed on the Stock Exchange of Singapore, and Kinergy Corporation Ltd listed on the Stock Exchange of Hong Kong.

Mr Hoon graduated with a Bachelor of Accountancy from Nanyang Technological University, Singapore in May 1992. He has also completed an INSEAD Leadership Program from November 2010 to September 2011. He is a member of the Singapore Institute of Directors.

MR KOIT VEN JEE
Group Financial Controller
Intraco Limited

Mr Koit joined the Group in May 2022 as Group Financial Controller. He oversees the overall finance, treasury, tax and accounting functions of the Group, including internal controls and corporate governance, statutory and regulatory compliance matters. Mr Koit has more than 20 years of experience in the areas of financial and management accounting, taxation and including audit and assurance. Prior to joining the Group, he was the Group Financial Controller of a Singapore listed company for 9 years. Mr Koit has also cumulative 10 years with mid-sized audit firms, providing audit services to a broad range of clients including technology, manufacturing, trading, construction, shipping, as well as other private and public-listed companies.

Mr Koit has obtained his professional accountancy qualification from the Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Singapore Chartered Accountants.

MS GERALDINE NGO KENG SIEN
Group Senior Human Resource Manager
Intraco Limited

Ms Ngo joined Intraco Limited as a Group Senior Human Resource Manager in 2022. She works closely with the leadership team to develop and implement HR programs and initiatives that support the company's growth and long-term objectives. She is committed to driving HR excellence and delivering results that directly impact the organisation's success.

She has more than 21 years of working experience in the Human Resource field. Prior to joining Intraco Limited, she was with CIMB Bank Berhad for 9 years as a Vice President, Human Resource, where she specializes in developing and implementing performance management system.

Ms Ngo graduated with a Bachelor of Arts in Mass Communication from Oklahoma City University.

MR EDMOND LEE TENG CHYE
Chief Executive Officer
Intraco Trading Pte Ltd and Intrawave Pte Ltd

Mr Lee is Chief Executive Officer ("CEO") of the Company's principal wholly-owned subsidiaries, Intraco Trading Pte Ltd ("ITPL") and Intrawave Pte Ltd ("Intrawave). He was Chief Operating Officer and Interim CEO of Intraco Limited.

He has approximately three decades of sourcing, procurement and international trade experience in the petrochemicals and packaging sectors. He spent approximately 3 years with Chevron-Phillips prior to joining General Electric Co. (Plastics) ("GE") where he spent 14 years rising up through various management positions to Sourcing Director for Southeast Asia and Australia. Throughout his stint with GE, he established the procurement function, developed production, sales and inventory optimisation models (to maximise margins) and delivered substantial cost savings from integrating new business acquisitions. As Pacific Sourcing Quality Leader in GE, he implemented procurement software solutions as well as automated the new global raw material introduction process.

KEY MANAGEMENT

Mr Lee was later appointed by Pact Group (the largest manufacturer of rigid plastic packaging products in Australia and New Zealand) to helm its Asia Pacific sourcing and procurement arm. In this role, Mr Lee was responsible for leading the growth strategy for Pact Group in Asia.

He also has vast management experience in leading large teams across Australasia in his roles at GE and Pact Group.

Mr Lee is a certified 6 Sigma Black Belt and is a recipient of a 6 Sigma Global Award at GE. He graduated with a bachelor's degree (honours) in Economics and Law from the University of London.

MR THAM SOON KEONG
Senior Vice President
Intraco Trading Pte Ltd

Mr Tham is Senior Vice President for ITPL. He has over 25 years of experience in commercial, supply chain, P&L management within the industrial and petrochemical sectors.

In his last role at Borouge, Mr Tham was the Vice President of Supply Chain, managing a team of Customer Service, Logistic and Demand Planning spread across Asia South. He was instrumental in helping grow the plastic resin business substantially primarily by revamping the go-to–market strategy. He also supported the process of setting up representative offices and establishing the sales team in a number of South East Asian countries.

Prior to Borouge, Mr Tham was attached with Dow / Rohm & Haas. He started in Kuala Lumpur, Malaysia and was subsequently tasked with helping to create a sales and marketing organisation plan in Shanghai, China as part of a distributorship extension agreement. His last position at Dow, Shanghai was Commercial Director.

Mr Tham graduated with a Bachelor of Science (Hons.) from University of Malaya. He also holds an MBA from University Putra Malaysia.

MR SOH YONG POON
Chief Executive Officer
K.A. Group

Mr Soh is the founder of K.A. Group, a business he started in 1987 after identifying the huge potential for specialised fire proofing products and solutions in Singapore's burgeoning construction industry in the 1980s. Under his stewardship, K.A. Group is today one of the market leaders in niche building materials in Singapore.

In September 2014, K.A. Group became a principal subsidiary of Intraco when the latter took a majority stake in the company.

Mr Soh is responsible for recommending its strategic direction as well as steering K.A. Group towards achieving its corporate objectives and goals. He continues to be responsible for product development.

MS CAREN SOH YING SIN
Chief Operating Officer
K.A. Group

Ms Soh has been with K.A. Group since 2008. She is overall in charge of business development, including strategies to increase sales of the company's proprietary and agency fire-proofing products and solutions. She is also responsible for establishing a strong customer base and maintaining the company's market share in Singapore.

In addition, Ms Soh oversees the day-to-day operations of the company and works closely with various regulatory agencies as well as suppliers.

Ms Soh majored in management at the University of London, where she graduated with a Bachelor of Science Management. She also holds a Master of Science (Wealth Management) from Singapore Management University.

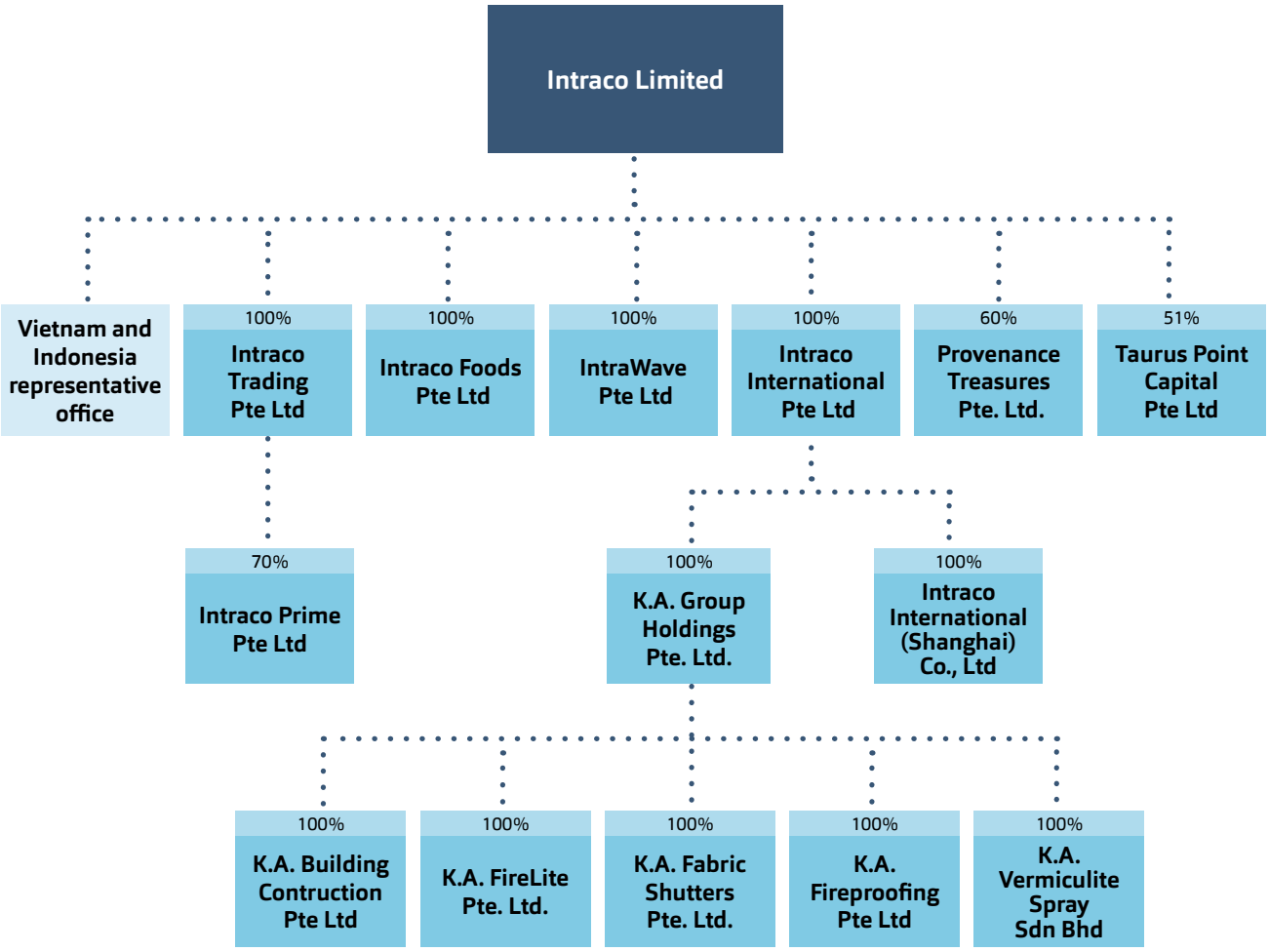
MR MICHAEL TAN KONG YEW
Director
Taurus Point Capital Pte Ltd

Mr Tan is one of the co-founder of Taurus Point Capital Pte. Ltd. He has more than 25 years' experience in the banking and financial industry having started his career in Malaysia with a regional bank. He was formerly the Co-Head of Wholesale Banking and Head of Treasury and Markets at CIMB Bank Bhd, Singapore branch.

Mr Tan obtained his-Bachelor of Commerce from Deakin University, Australia in 1996 and he has has completed an INSEAD Leadership Program from April 2012 to April 2013.

GROUP STRUCTURE

INTRACO GROUP OF COMPANIES GROUP STRUCTURE

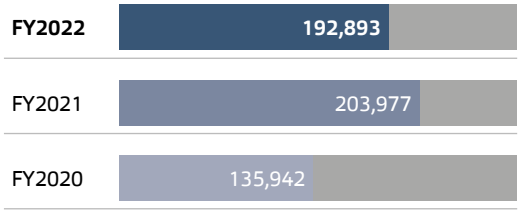


SCALING THE NEXT PEAK

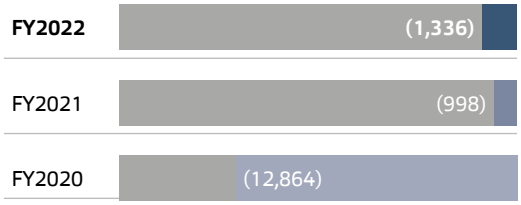
A race for the ages is about to begin. The battle for the next peak in the digital economy is about to begin. Let us lead the way

FINANCIAL HIGHLIGHTS

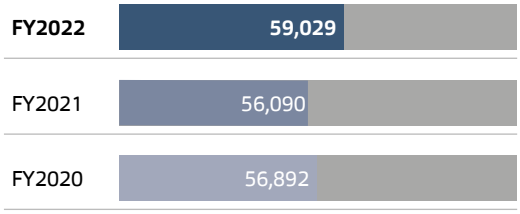
REVENUE (S$'000)



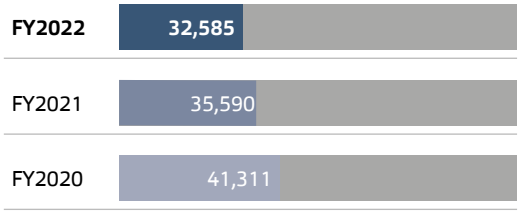
PROFIT/(LOSS) AFTER TAX (S$'000)



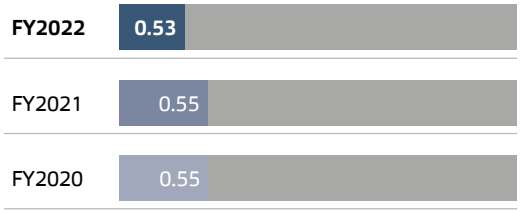
NET ASSET VALUE (S$'000)



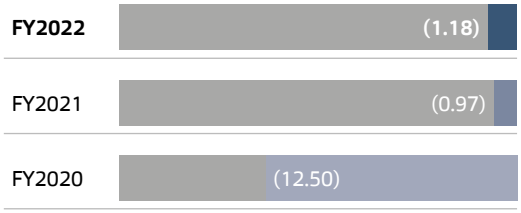
NET CASH AND INVESTMENTS (S$'000)



NET ASSET PER SHARE (S$ cents)



EARNINGS/(LOSS) PER SHARE (S$ cents)



OPERATIONS AND FINANCIAL REVIEW

Key Corporate Development Activities

In July 2022, we acquired a 51.0% equity interest in Taurus Point Capital Pte. Ltd., an exempt corporate finance company incorporated under the laws of Singapore for an aggregate consideration of S$255,000. This acquisition is in line with our digital asset and tokenisation strategy and will enable our Group to build a suite of capabilities to bring traditional investment banking advisory activities to the digital asset industry.

In September 2022, we launched a securities tokens offering of 1,000,000 TBG1 Tokens on the ADDX Platform to fund the purchase of a portfolio of wines from the Burgundy region in France. One of the first wine-backed digital tokens to be launched in Singapore, the TBG1 Tokens were subscribed by accredited investors.

We also disposed our 40% equity interest in Tat Hong Intraco Pte. Ltd. in September 2022 to focus on our core businesses.

In December 2022, in an effort to diversity our trading and distribution business segment, we entered into an agreement with Luzhou Laojiao International Development (HK) Co., Ltd. for the distribution and co-marketing of the National Cellar 1573 Chinese liquor (国窖1573白酒) in Singapore for a period of five years commencing 28 December 2022.

Income Statement

Our Group recorded revenue of $192.9 million in FY2022, a 5.4% decrease compared to $204.0 million in FY2021, mainly on account of lower revenue contribution from the trading, distribution and other business segment.

Revenue from our trading, distribution and other business segment decreased by 7.1% from S$196.5 million in FY2021 to S$182.6 million in FY2022, primarily due to lower plastic resin prices year-on-year.

Revenue from our passive fire protection business segment increased by 37.3% from S$7.5 million in FY2021 to S$10.3 million in FY2022, as we secured and completed a higher number of projects in Singapore following the resumption of construction activities with the relaxation of Covid-19 control measures in the second half of FY2022 and alleviation of the manpower shortage situation.

Gross profit increased S$1.3 million from S$7.3 million in FY2021 to S$8.6 million in FY2022, due mainly to improved profit margins from both the passive fire protection and the trading, distribution and other business segments.

We recorded a S$0.4 million increase in other income on account of (i) S$0.4 million gain on our disposal of Tat Hong Intraco Pte Ltd and (ii) our share of gain from the sale of burgundy wine tokens to accredited investors amounting to S$0.1 million. This was partially offset by a decrease in government grants received in FY2022 as compared to FY2021 of S$0.2 million.

Administrative expenses rose by 11.7% from $8.5 million in FY2021 to S$9.5 million in FY2022. The rise took into account a S$0.6 million reversal on provisions made in FY2021, a S$0.5 million increase in staff cost incurred in the first half of FY2022, as well as cost control initiatives undertaken in the second half of FY2022.

Other expenses in FY2022 of S$1.2 million comprised mainly of (i) fair value loss on financial assets of S$0.7 million and (ii) write-down for inventories to estimated net realisable value of S$0.3 million. In FY2021, other expenses comprised mainly of fair value loss on financial assets of S$0.2 million.

Finance income increased by S$0.4 million due mainly due to investment returns received from our investments in short-term securities such as SGS T-Bills and commercial papers, as well as interest received from fixed deposits. Finance cost increased by S$79,000 in FY2022 mainly due to an increase in interest rate for trust receipts. The interest

OPERATIONS AND FINANCIAL REVIEW

rates ranged from 1.1% to 5.3% in FY2022, compared to a range of 0.8% to 1.1% in FY2021, resulting in higher finance cost.

Share of results of joint venture in FY2022 of S$18,000 included mainly the results from Tat Hong Intraco Pte Ltd, which we divested on 21 September 2022.

Taking the above into account, we recorded a loss before tax of S$1.3 million, compared to a loss of S$1.0 million in FY2021.

Financial Position

Total net asset value for the Group was S$59.0 million and net asset value per share was S$0.53 as at 31 December 2022. The Group's had a cash balance of S$17.9 million and S$24.5 million in investments including SGS T-bills, shirt-term corporate commercial papers and corporate bonds as at 31 December 2022. Loans and borrowings decreased S$2.9 million.

The decrease in property, plant and equipment from S$13.1 million in FY2021 to S$11.2 million in FY2022 was mainly due to the depreciation expense of S$1.9 million.

The increase in trade and other receivables of S$4.4 million was mainly due to an increase in upfront payments to suppliers under our trading and distribution business segment. The payments were necessary for us to secure the shipments to customers.

The increase in inventories of S$1.2 million was mainly due to the purchase of a burgundy wine portfolio amounting to S$0.8 million, funded by an offering of debt securities to accredited investors via digital tokens. The debt securities are interest-free and redeemable at our option, and holders of the debt securities are entitled to any net gains or losses from the disposal of the burgundy wine portfolio.

Contract assets mainly relates to the passive fire protection segment for our right-to-consideration for work completed, but not billed, at the end of the reporting period. The decrease of S$1.2 million was mainly invoices issued to our customers for the unbilled completed work, as well as a S$0.2 million allowance for impairment on the contract assets.

Cash Flow

The cash flow used in operating activities of S$5.0 million was mainly due to an increase in upfront payments to our suppliers in the trading and distribution business segment, in order for us to secure shipments to customers and to reduce our effective financing costs.

The cash flow from investing activities of S$0.4 million was mainly due to i) a redemption of bond funds amounting to about S$23.9 million, ii) interest received from short term securities, long term bonds and cash and cash equivalents approximately S$0.4 million, iii) investment of S$23.9 million into corporate bonds and short-term securities such as SGS T-Bills and short-term commercial papers.

The cash flow used in financing activities of S$0.4 million mainly due to i) settlement of trust receipts amounting to S$4.9 million, as well as S$0.7 million in interest payment, repayment of lease liabilities and purchase of treasury shares, ii) S$2.2 million for the settlement of contingent consideration, the aggregate of which was partially offset by the (i) proceeds of approximately S$4.4 million from the placement of new shares in January 2022, ii) S$2.1 million in short-term bank borrowings for our trading and distribution business and (iii) S$1.0 million in proceeds from financial liabilities.

SUSTAINABILITY

Intraco will strive to create value for all stakeholders while embedding high standards of sustainable operations into its business activities.

SUSTAINABILITY REPORT

MESSAGE FROM THE EXECUTIVE CHAIRMAN

We are pleased to present the sixth Sustainability Report (the "Report") of Intraco Limited and its subsidiaries ("Intraco", "we" or the "Group"). The Report will present Intraco's approach to sustainability and celebrate our progress in achieving sustainability practices.

This Report marks our first disclosure of climate-related risk management approach with reference to the Task Force on Climate-related Financial Disclosures (the "TCFD") framework. While we have made progress in climate-related disclosures, such as reporting on our greenhouse gas ("GHG") emissions in this Report, we will continue to develop risk management frameworks to strengthen our climate resilience.

Globally, the impact of the coronavirus disease 2019 ("COVID-19") pandemic has been lessened compared to the most serious level. The Group aims to be part of a global community working together to solve sustainability issues, which is why we have highlighted our contributions to the United Nations Sustainable Development Goals ("UN SDGs") in our Report.

The Group gives a strong emphasis on good corporate governance which has placed the Group in good stead as it operates internationally in multiple jurisdictions. We aim to comply with all relevant laws and regulations.

The Group has implemented environmental practices that align with our internal best practices and vision for an environmentally sustainable organisation. Wherever possible, we try to promote good environmental practices and enhance resource and energy efficiency.

Continual innovation is a goal for the Group as we strive to ensure that our products and services meet the highest quality and safety standards. We have been diligent in harnessing technology and improving production efficiency. We also perform supplier social assessment on our supply chain to ensure that environmental standards are adhered to along our value chain.

The Board of Directors (the "Board") would like to take this opportunity to express our gratitude to our employees, customers and business partners for their continuous support over the past years in the realm of sustainability and hopes to see improvements in sustainability performance in the future.

MAK LYE MUN
Executive Chairman

ABOUT THIS REPORT

Reporting Principles and Statement of Use

This Report contains information about Intraco's commitment, corporate governance, sustainability policies, performance and targets in managing the Environmental, Social and Governance ("ESG") factors in the year ended 31 December 2022 ("FY2022"). Intraco has reported in accordance with the Global Reporting Initiatives ("GRI") Standards for FY2022.

The GRI Standards are selected as it is a widely used and globally recognised sustainability reporting standard that has a broad selection of topics for reporting on economic, environmental and social impacts. The Board has reviewed and approved the reported information, including the material topics, metrics and targets.

We have applied the GRI Standards in ensuring the quality and proper presentation of the reported information. Reporting principles for sustainability reporting include accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

This Report is compliant with Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B. The UN SDGs have also been incorporated into the Report, highlighting our contributions to sustainable development.

Reporting Scope

The scope of this Report considers key business activities and associated sustainability concerns related to the following entities which are based in Singapore:

- Intraco Trading Pte Ltd ("ITPL");
- Intrawave Pte Ltd ("Intrawave"); and
- K.A. Group Holdings Pte Ltd and its subsidiaries ("K.A. Group").

Assurance

Internal controls and verification mechanisms have been established by the management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external ESG consultant for the selection of material topics as well as compliance with GRI Standards and SGX-ST Listing Rules. The Boards has therefore assessed that external assurance is not required for the Report. The Group will continue to assess the need to further enhance the credibility of our sustainability reports through internal review or external assurance.

SUSTAINABILITY REPORT

Availability and Feedback

Intraco welcomes any feedback on this Report and any aspects concerning its sustainability. Engaging with each of our stakeholder is essential to operating Intraco's business responsibly. Please send your comments and suggestions to investor.relations@intraco.com.

SUSTAINABILITY STRATEGY OVERVIEW

Focus and Strategy

Intraco integrates ESG considerations into our business strategy and operations. Our strong emphasis on corporate governance provides guidance and a strong foundation to manage and monitor our economic, environmental and social impacts. Good governance ensures that our stakeholder-driven approach to sustainability addresses the concerns of our stakeholders and provides guidance to business units on improving sustainable practices.

Innovation and product quality have always been a key focus of our business. This commitment remains a perpetual target as we expand into new revenue streams and capture sustainable opportunities in the market. A key driver behind this goal is our robust quality management system which helps ensure high quality standards and continual improvement. Our quality management system is ISO 9001:2015 Quality Management Systems certified.

Intraco is cognizant of the environmental impacts of our operations. Our employees are encouraged to practise energy saving habits in our offices and machinery are well maintained to prevent excessive energy consumption. We actively monitor energy and water consumption as well as waste generation and strive for improvements to our environmental sustainability metrics.

There is a growing concern about sustainability and demands for sustainable products and services continue to surge. As regulators and investors are increasingly concerned about sustainability issues and related risks, the Group will continue to review its sustainability governance strategy and refine relevant policies and measures.

ESG Performance Highlights

Maintained all relevant industry standards along with our ISO 9001:2015 Quality Management Systems certification.

Performed supplier environmental and social assessments for major suppliers.

Zero incidents of environmental non-compliance.

Employees underwent approximately 1,617.50 total hours of training and upskilling, equivalent to approximately 12.44 hours of training per employee.

Zero workplace fatalities or injuries that caused disabilities.

Supported the local community by enterprise-grade air purifier systems to help improve indoor air quality.

SUSTAINABILITY REPORT

Contribution to the UN SDGs

The Group contributes to the UN SDGs through our daily operations, strategy development and collaboration with our stakeholders. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The following table highlights the Group's contributions to the attainment of the relevant UN SDGs.

UN SDGs	The Group's Contribution	Read more in the following sections
4 QUALITY EDUCATION	Provide training on sustainable development and skills upgrading, vocational and technical training.	Focus 6: Human Capital
5 GENDER EQUALITY	Ensure access to career advancement and fair remuneration regardless of gender.	Focus 6: Human Capital
6 CLEAN WATER AND SANITATION	Implement water resource management and conservation practices and systems.	Focus 4: Environmental Responsibility
8 DECENT WORK AND ECONOMIC GROWTH	Provide productive employment and jobs with equal pay for equal work.	Focus 2: Economic Performance Focus 6: Human Capital
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Develop information and communications technology and infrastructure in Singapore. Maintain high product quality and relevant certifications.	Focus 3: Innovation and Quality Improvement Focus 5: Product Responsibility
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Reduce waste generation through recycling and reuse and integrate sustainability reporting into the Group's annual reporting cycle.	Focus 4: Environmental Responsibility
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Comply fully with all socioeconomic and environmental laws and regulations and promote strong corporate governance practices.	Focus 1: Governance and Ethics

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Intraco's vision and the success of its business is closely aligned with the interests and needs of its key stakeholders. In FY2022, stakeholder engagement was performed to understand their expectations and capturing feedback for our sustainability initiatives.

The Group has identified five key stakeholder groups based on their relevance and influence on Intraco's business. They include customers, employees, shareholders, suppliers and government/regulators.

The Group engages with these stakeholders through various informal and formal channels of communication to learn and understand about their concerns. The following table presents Intraco's stakeholder engagement methods, areas of concerns, and how the Group has responded to the identified concerns.

Key Stakeholders	Engagement Methods	Areas of Concern	Our Response	Section Reference
Customers	• Frontline interaction by sales managers • Email queries • Contact form on company website • Customer feedback	• Customer Health and Safety • Pricing and quality of products and services	• Respond promptly to customer feedback • Maintain certifications and ensure quality of products	• Focus 5: Product Responsibility
Employees	• Open dialogue among teams • Training and development programmes • Employee social events • Employee feedback mechanism	• Training and education • Personal development • Safe and conducive work environment • Fair compensation and benefits	• Provide fair employee remuneration and benefits • Provide meaningful feedback to each employee through well-structured and open performance appraisals • Provide regular training • Send staff for courses relevant to their area of work	• Focus 6: Human Capital
Shareholders	• Annual General Meeting • Annual Report • SGX-ST Corporate Announcements • Company website • Press releases	• Economic performance • Shareholders' returns	• Provide informative corporate communication and reports	• Focus 1: Governance and Ethics • Focus 2: Economic Performance • Focus 3: Innovation and Quality Improvement • Focus 4: Environmental Responsibility

SUSTAINABILITY REPORT

Key Stakeholders	Engagement Methods	Areas of Concern	Our Response	Section Reference
Suppliers	• Face-to-face meetings • Supplier assessment	• Product quality requirements • Certificate of Analysis requirements	• Engage and evaluate suppliers regularly and provide meaningful feedback	• Focus 5: Product Responsibility
Government/ Regulators	• Meetings and consultations • Regular reports	• Compliance with SGX-ST Listing Rules • Fair market practices • Regulatory and Legal compliance • Government requirements and guidelines on COVID-19	• Ensure full compliance with all applicable local laws and regulations including COVID-19 safety regulations	• Focus 1: Governance and Ethics • Focus 4: Environmental Responsibility

Stakeholders' concerns identified as well as business priorities are incorporated into Intraco's materiality assessment which consists of a systematic process to identify, prioritise, review and validate the ESG factors. In FY2022, Intraco conducted a materiality assessment survey to identify its material topics, which were reviewed and updated with the recommendations of an external consultant and validated by the Board to ensure that these factors remain relevant to the Group.

Step 1

IDENTIFICATION

Identify a list of potential material topics that are of relevance to the Group's activities including their impacts, risks and opportunities

Step 2

PRIORITISATION

Prioritisation of the material topics based on stakeholders' concerns and significance to the business

Step 3

REVIEW

Review whether the previously identified material topics are still relevant

Step 4

VALIDATION

Validate the list of material topics to be disclosed in the Report with the Board

SUSTAINABILITY REPORT

The following table illustrates the identified GRI material topics after the conclusion of the materiality assessment process, and where the impacts occur for each material topic.

Focus Areas	Material Topics	Where the impact occurs
Focus 1: Governance and Ethics	• GRI 205: Anti-corruption 2016 • GRI 207: Tax 2019 • GRI 408: Child Labour 2016 • GRI 409: Forced or Compulsory Labour 2016 • GRI 418: Customer Privacy 2016	• Group wide
Focus 2: Economic Performance	• GRI 201: Economic Performance 2016	• Group wide
Focus 3: Innovation and Quality Improvement	• GRI 203: Indirect Economic Impacts 2016	• K.A. Group • Intrawave
Focus 4: Environmental Responsibility	• GRI 302: Energy 2016 • GRI 303: Water and Effluents 2018 • GRI 305: Emissions 2016 • Responding Actions to Climate Change • GRI 306: Waste 2020	• Group wide • K.A. Group
Focus 5: Product Responsibility	• GRI 308: Supplier Environmental Assessment 2016 • GRI 414: Supplier Social Assessment 2016 • GRI 416: Customer Health and Safety 2016	• K.A. Group • Intraco Trading • Intrawave
Focus 6: Human Capital	• GRI 403: Occupational Health and Safety 2018 • GRI 404: Training and Education 2016 • GRI 405: Diversity and Equal Opportunity 2016 • GRI 413: Local Communities 2016	• Group wide

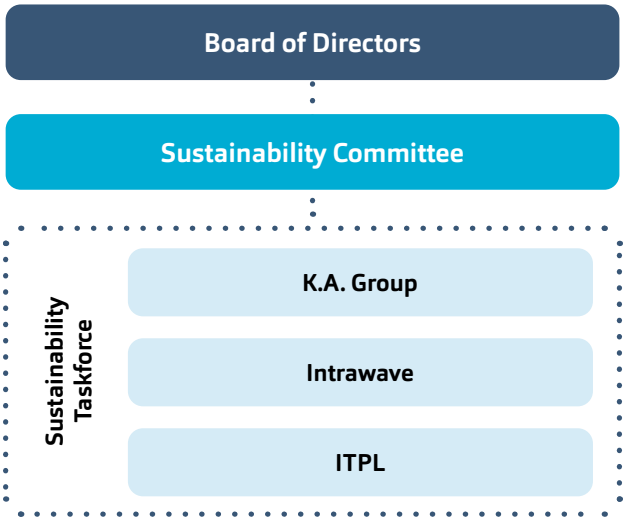
SUSTAINABILITY REPORT

FOCUS 1: GOVERNANCE AND ETHICS

Strong corporate governance practices have been integral in enhancing the Group's adaptability to policy changes and trends in the industry as well as helping the Group align its operations and business activities with the interests of all key stakeholders.

Sustainability Governance Structure and Statement of the Board

The Sustainability Committee ("SC") is responsible for reviewing and making recommendations to the Board on sustainability matters including policies, practices, targets and performance. The SC is supported by the Sustainability Task Force ("STF") that consists of executives of the Group who work with personnel of the relevant business units. The SC is responsible for identifying various business risks, implementing strategies and sustainability frameworks, tracking the performance of the material ESG factors, reviewing targets and approval of the sustainability reports.



The Board, supported by the SC, continues to oversee the sustainability efforts of the Group and monitor the material ESG factors. The SC, consisting of the Chief Operating Officer, Group Financial Controller and representatives of other business units, oversees the development, review and implementation of the Group's sustainability policies, practices and initiatives. The SC is chaired by the Group Senior Human Resource Manager.

The Board considers sustainability issues as part of the strategic formulation of the Group, and approves and validates the material environmental, social and economic topics identified by the SC. The Board also ensures that the factors identified are well managed and monitored.

Corporate Compliance

The laws and regulations that are applicable to the Group include the Code of Corporate Governance 2018, regulations by the Monetary Authority of Singapore, Listing Rules of the SGX-ST, the Accounting and Corporate Regulatory Authority ("ACRA") and the Securities and Futures Act, amongst others.

Review of new regulations and updates to existing regulations are regularly conducted by our employees, our secretarial firm and our auditors. Updates are disseminated to relevant staff and processes are in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are typically provided to Directors by email, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the ACRA which are relevant to the Directors.

There were no instances of non-compliance with laws and regulations in the environmental, social or economic areas.

Risk Management

The Group Risk Committee has adopted a precautionary approach in strategic decision making by implementing a comprehensive risk management framework. We have integrated the process for identifying, assessing and managing material ESG related risks into our organization's overall risk management framework. Please refer to the Corporate Governance Report section in the Annual Report for more information on the Group's risk management practices.

Anti-corruption

Disclosures 205-1, 205-2, 205-3

The Group takes a strong stand against corrupt practices and strategies, and this value has been communicated to all of our employees, major suppliers and business partners. Our employees are educated on our anti-corruption stance upon induction and reinforced when necessary. Any forms of corruption within the Group will not be tolerated, and will be escalated to the Chairman of the Board.

During FY2022, all of the Group's operations were assessed for risks related to corruption. There were zero confirmed incidents of corruption in FY2022 (the year ended 31 December 2021 ("FY2021"): Nil).

SUSTAINABILITY REPORT

Ethical Labour Practices
Disclosures 408-1, 409-1

The Group is committed to following the highest standards of business ethics. We are fully aware of our responsibilities as an enterprise, always upholding and maintaining the principle of fair employment in the workplace, and have always abided by the laws, regulations and rules of the place of operation. We have formulated the Employee Handbook, focusing on the rights that employees can exercise, and covering general principles of fair employment. The Employee Handbook states the Group's expectations and requirements for fair employment, ensuring relevant human rights are implemented in the Company. These expectations and requirements are in line with the "United Nations Guiding Principles on Business and Human Rights". The Group also complies with relevant principles in the International Bill of Human Rights and the International Labour Organisation's "Declaration on Fundamental Principles and Rights at Work" to formulate this policy.

At Intraco, the Group has a zero-tolerance attitude towards child labour and forced labour. Intraco's employment practices are guided by local laws and regulations. Fair employment is the basic principle of employment, employing regardless of nationality, race, religion, gender, age and disability. This policy reflects the Group's commitment to protecting fair employment. The Group encourages diversity and equal opportunities, and strictly prohibits discrimination, child labour and forced labour. We strive to create a safe, healthy workplace where everyone is treated with respect.

The Group strictly prohibits the employment of persons under the local legal employment age. Besides, the Group never employs any form of forced labour, including prison terms, indentured labour, slave labour, and any human trafficking. We do not tolerate any form of corporal punishment, threats of violence, or any form of physical, mental, sexual, or verbal abuse as a means of discipline or monitoring in the workplace.

Our whistleblowing policy also ensures that stakeholders can report any human rights violation and that the complaint will be independently investigated and addressed. Any staff of the Group and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal. Anonymous complaints may be considered, taking into account factors such as the seriousness of the issues raised, the credibility and the likelihood of confirming the allegation from attributable sources.

Customer Privacy and Data Protection
Disclosure 418-1

The Group is committed to protecting our customers' privacy and data. We have implemented a Data Protection Policy which governs the collection, handling and protection of our customers' personal information in a responsible manner, in accordance with the latest amendment of the Singapore Personal Data Protection Act. We have appointed Data Protection Officers to oversee and ensure full compliance with the Act in executing their duties.

There were no reported data breaches in FY2022 (FY2021: Nil).

Tax Compliance
Disclosures 207-1, 207-2, 207-3

The Group's strategy and approach to tax is to fully comply with relevant tax laws and regulations in all jurisdictions we operate in, which indirectly supports the local governments and authorities in their economic, environmental and social development objectives. The Group has zero tolerance for any intentional breach of tax laws and regulations.

The Group identifies tax related risks as part of its enterprise risk management framework which is reported regularly to the Audit Committee. Implementation of tax compliance related policies and procedures are delegated to the respective business units' finance and are monitored by the Group Financial Controller.

Relevant staff attended tax related training to keep themselves updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction levels as well as fulfilling required tax filings.

The Audit Committee may also from time to time engage the Group's internal auditor to monitor compliance with the tax governance and control framework. Any instances of non-compliance are reported to the Audit Committee and resolved promptly.

SUSTAINABILITY REPORT

Governance and Ethics Targets

FY2022 Performance and FY2023 Target(s)	
Target(s) for FY2022	**Status**
• Zero incidents of non-compliance with SGX-ST listing rules or Code of Corporate Governance	✓ Met
• Zero reported corruption/ whistleblowing report	✓ Met
• Zero social breaches	✓ Met
• Zero data privacy breaches	✓ Met
• Zero significant tax related non-compliance	✓ Met
Material Topic(s)	**Target(s) for FY2023**
Anti-corruption	• Zero incidents of non-compliance with SGX-ST listing rules or Code of Corporate Governance • Zero reported corruption/whistle blowing report
Tax	• Zero significant tax related non-compliance
Child Labour	• No breach of employment laws
Forced or Compulsory Labour	• No breach of employment laws
Customer Privacy	• Zero data privacy breaches

FOCUS 2: ECONOMIC PERFORMANCE

Disclosure 201-1

The Group strives to create long-term value for our stakeholders by delivering strong financial performance and prioritising sustainable growth. Sustained economic performance underpins the Group's ability to continue delivering sustainable dividends to investors, provide rewards to employees and gain confidence from stakeholders.

The financial performance of the Group is reviewed by the Audit Committee and the Board on a regular basis.

For more information on economic performance, please refer to the Operations and Financial Review, and Financial Statements of the Annual Report.

Economic Performance Target

FY2023 Target(s)	
Material Topic(s)	**Target(s) for FY2023**
Economic Performance	• Zero incidents of economic non-compliance

FOCUS 3: INNOVATION AND QUALITY IMPROVEMENT

Disclosure 203-2

K.A. Group

As testament to the quality and safety of its products, K.A. Group has received accreditations from various organisations.

- Singapore Green Labelling Scheme administered by the Singapore Environment Council;
- Registered contractor with the Building and Construction Authority ("BCA") and complies with BCA Contractors Registration System ("CRS") requirement for Fire Prevention and Protection Systems; and
- Member of the Singapore Contractors Association Limited and have fulfilled the requirements to be admitted to the Registry of Singapore List of Trade Subcontractors ("SLOTS").

As a commitment to continuing product quality enhancement, there is an established quality management system which ensures that we are able to consistently provide products and services that meet customer and regulatory requirements. K.A. Group's quality management system for the provision of passive fire protection application services for building and steel structures has obtained the ISO 9001: 2015 Quality Management Systems certification. The system undergoes regular review and ensures quality standards are continually improved.

SUSTAINABILITY REPORT

Innovation and Quality Improvement Targets

FY2022 Performance and FY2023 Target(s)	
Target(s) for FY2022	**Status**
• Maintain our ISO 9001 quality management certification	✓ Met
Material Topic(s)	**Target(s) for FY2023**
Indirect economic impacts	• Maintain K.A. Group's ISO 9001 quality management certification

FOCUS 4: ENVIRONMENTAL RESPONSIBILITY

As an environmentally conscious and responsible business, we recognise that we have a part to play in the global fight against climate change. Intraco ensures that any adverse environmental impacts are well managed and resource efficiency is explored as an area that can enhance operational efficiency.

Energy Management

Disclosures 302-1, 302-3, 302-4

The Group's main environmental impact stems from fuel consumption for vehicles and production, as well as electricity consumption for lighting, air-conditioning and operating machinery such as air compressors and burners. As a testament to the continual improvement in our environmental practices, K.A. Group is ISO 14001:2015 Environmental Management System certified.

The Group recognises that good environmental practices can translate to operational efficiencies. By improving energy efficiency, this will translate into lower operational costs and a reduced impact on the environment. We have also engaged a lower cost power supply vendor to manage our carbon footprint.. Energy consumption is continuously tracked to identify potential areas for energy efficiency improvement.

The Group continues to increase employees' awareness on energy reduction efforts. For instance, the Group puts up reminders on energy conservation practices such as:

- Switching off all lights and electronic equipment when not in use, including after office hours and during weekends;
- Enabling energy-saving features on all electronic equipment where available;
- Reminding employees to set their computers to sleep mode after 10 minutes of inactivity;
- Ensuring that external doors and windows are properly closed to prevent cool air from escaping;
- Encouraging telephone calls and video conferences to replace unnecessary travels;
- Maximising the use of natural lighting wherever possible; and
- Maintaining temperature of the air-conditioning at 24 degrees Celsius.

In addition, the Group regularly maintains equipment to ensure optimal performance and energy efficiency.

Whenever possible, energy efficient facilities such as air-conditioners that are certified under the Mandatory Energy Labelling Scheme ("MELS") or equivalent COP ("Certificate of Performance"), and are installed with occupancy sensors and Light Emitting Diode ("LED") lighting.

In FY2022, the Group's total energy consumption was approximately 797.49 MWh. In FY2022, the Group's total energy consumption intensity [1] was approximately 17.33 MWh per 1,000 m^2 of goods produced. Moving forward, the Group will continue to monitor energy consumption as well as identify initiatives to reduce electricity consumption across our operations.

Notes:
- In FY2022, the amount of goods produced by the Group was approximately 46,005 m^2 (FY2021: 52,910 m^2). These data are also used for calculating other intensity data.

Emissions

Disclosures 305-1, 305-2, 305-4

The Group's GHG emissions mainly consist of direct (Scope 1) GHG emissions and energy indirect (Scope 2) GHG emissions, including the GHG emissions mainly from the Group's consumption of purchased electricity. The GHG emissions data is presented in terms of tonnes of carbon dioxide equivalent ("tCO_2e").

In FY2022, the Group's total GHG emissions [1] were approximately 213.97 tCO_2e, which consists of approximately 176.81 tCO_2e of direct (Scope 1) GHG emissions and approximately 37.16 tCO_2e of energy indirect (Scope 2) GHG emissions. In FY2022, the Group's total GHG emissions intensity was approximately 4.65 tCO_2e per 1,000 m^2 of goods produced.

Note:
- GHG emissions data are calculated based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business

SUSTAINABILITY REPORT

Council for Sustainable Development, "Global Warming Potential Values" from the IPCC Fifth Assessment Report and the 2021 grid emission factor published by the Energy Market Authority of Singapore.

Responding Actions to Climate Change

The Group recognises the importance of developing a strategy and risk management framework that can help enhance the Group's climate resilience. The TCFD provides recommendations regarding disclosure of climate-related financial information. TCFD has four overarching elements, including governance, strategy, risk management and metrics and targets, to access the impact of key climate-related risks and opportunities. While we have adopted certain areas of TCFD's recommendations, such as setting metrics and targets, we will continue to strength our disclosure with reference to TCFD.

Governance

The Board has an oversight of the Group's sustainability in the formulation of its strategy. The Board approves the Report which provides comprehensive disclosures, including disclosures on the Group's climate-related risks and opportunities and its responding actions to enhance climate resilience.

The SC reports to the Board on sustainability matters, including climate-related matters, and is responsible for developing metrics and targets so as to manage sustainability objectives and monitor the overall sustainability performance. In addition, the SC drives the implementation of the sustainability objectives in the Group's operations and advises the Board on the material sustainability matters.

Strategy

We have strengthened our understanding of risk, including physical risks and transition risks, and opportunities affecting our business. After the identification of climate-related risks and opportunities over the short, medium and long term, we have evaluated the climate-related issues which have impacted, and those which may impact us, and planned for actions to manage them.

Climate change may pose physical risks to the Group. The relevant physical risks include extreme weather events such as heavy rainfalls, heat waves and droughts. Climate change may also pose transition risks to the Group. The Group may face increased legal risks as laws and regulations to limit GHG emissions may become more stringent in the future.

With the increased awareness of climate change, our stakeholders tend to prefer products and services that are environmentally friendly. As a result, the transition to a low-carbon business model can bring opportunities. With the adoption of environmentally friendly practices in the Group's operations, the Group may be able to convert more business opportunities from business customers who recognise the Group's environmental initiatives, such as integrating different product materials to ensure better overall utilisation rates.

Risk Management

The SC was established to drive the Group's sustainability performance and develop sustainability strategy, including our climate risk management. We will continue to review our climate-related risks and carry out the corresponding actions to manage the risks.

Recognizing that climate-related risks, along with other ESG risks, affect our businesses, the Group has adopted special work arrangements under extreme weather and continuously monitored changes in laws or regulations related to climate condition.

Metrics and Targets

We have measured and disclosed our Scope 1 and Scope 2 GHG emissions in this report. GHG emissions data are calculated based on widely recognised standards. We have committed to an emissions reduction target to strive to mitigate our GHG emissions. In FY2022, we had set a target of maintaining or reducing the Group's total GHG emissions intensity in FY2023, using approximately 4.65 tCO_2e per 1,000 m^2 of goods produced in FY2022 as the baseline.

Waste and Effluents Management

Disclosures 306-1, 306-2, 306-4

K.A. Group

K.A. Group adopts good corporate practices for waste management. Our practices are reviewed and improved regularly as an integral part of our environmental management system. 100% of our chemical waste and general waste is subcontracted to a certified waste disposal company. We assess our waste operators to be environmentally conscious and prefer them to have robust environmental friendly practices with regard to their waste disposal methods.

Environmental Responsibility Targets

FY2022 Performance and FY2023 Target(s)	
Target(s) for FY2022	Status
• Obtain/maintain relevant industry standards	✓ Met
• To reduce energy intensity by at least 5% for K.A. Group	✗ Not Met

SUSTAINABILITY REPORT

FY2022 Performance and FY2023 Target(s)	
Target(s) for FY2022	**Status**
• Zero incidents of environmental non-compliance	✓ Met
• Maintain 100% proper disposal for waste through licensed disposal companies	✓ Met
• Zero monetary fines from BCA for waste and effluent management	✓ Met
Material Topic(s)	**Target(s) for FY2023**
Energy	• Maintain or reduce the Group's total energy consumption intensity in FY2023, using approximately 17.33 MWh per 1,000 m^2 of goods produced in FY2022 as the baseline
Water and Effluents	• Zero monetary fines from Building and Construction Authority for waste and effluent management
Emissions	• Maintain or reduce the Group's total GHG emissions intensity in FY2023, using approximately 4.65 tCO_2e per 1,000 m^2 of goods produced in FY2022 as the baseline
Waste	• Maintain 100% proper disposal for waste through licensed disposal companies
Climate Change	• Continue to monitor any changes in laws or regulations relating to climate change

FOCUS 5: PRODUCT RESPONSIBILITY

We deal with a large supplier base and developing strong relationships with the suppliers will provide us with continuing success. The suppliers include building maintenance material providers, contractors and suppliers for soft and hard services as well as downstream services such as waste management and professional support services. We engage with our contractors on site regularly, with an emphasis on health and safety issues.

We adopt a risk-based approach to ensure that our supply chain is sustainable and resilient. Supply chain risk assessments are regularly carried out to ensure that risks related to business interruption are mitigated.

Customer Health and Safety

Disclosures 416-1, 416-2

The Group upholds the highest standards of customer health and safety protection. In the interest of our customers, we assess risks within the Intraco group of companies and on the supply chain level.

The Group also recognises its duty of care in enforcing protocols and in preventing any lapses in health and safety protection compliance.

K.A. Group

K.A. Group views safety as a critical component of its core business. It has therefore implemented a comprehensive system to ensure product quality and performance.

In compliance with relevant industry specific health and safety regulations, K.A. Group conducts regular quality control inspections on its products and services. K.A. Group closely monitors the fire performance of various products to ensure their adherence to local building regulations.

For example, the Insulated Fire rated Fabric Shutters or Fire Curtain is tested to Singapore Standard Specification for Fire Shutters SS 489:2001 for its compliance with the local building regulation for up to 4 hours for fire integrity and 2 hours for insulation. For cases that are brought up to K.A. Group, they will be filed in the incident reporting system for evaluation and risk assessment.

Furthermore, K.A. Group maintains its certification for important standards. For example, production and storage of fireproofing materials is certified for ISO 14001:2015 by SOCOTEC Certification Singapore (formerly known as Certification International Singapore) for the scope of supply and installation of fireproofing system in building and construction.

SUSTAINABILITY REPORT

ITPL
ITPL aims to provide high quality plastic resin products to uphold customers' quality standards. To do so, ITPL enables regular quality control inspections on its products and services through the use of Certificate Of Analysis. With an extensive range of its products, ITPL ensures that all suppliers are evaluated and assessed matching their product specifications with Certificate of Analysis ("COA") that are accompanied with each batch of products manufactured.

Material safety data sheets are also available from suppliers on demand. Besides COA, ITPL is working towards obtaining the following additional certifications and standards to meet the specific needs of its clients:

- Restriction of Hazardous Substances ("RoHS") Standards;
- Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"); and
- United States Food and Drug Administration ("FDA").

As the safety of plastic products is one of the main concerns of the industry, ITPL strives to go beyond standards and regulatory requirements. For example, ITPL educates its customers on the proper use of products as well as potential risks and the precautions that they should undertake to minimise potential incidents.

This is achieved through training and demonstrations. Moreover, to investigate identified issues and make constant improvements, ITPL communicates with the customers to obtain feedback on health and safety related issues.

Intrawave
As part of the telecommunication sector, Intrawave understands that the nature of its core business requires the implementation of strict safety protocols to protect the well-being of its stakeholders. Intrawave is committed to safe operations by ensuring that its employees attend appropriate safety courses before they commence any work. Risks and possible hazards are therefore identified and evaluated before the commencement of any projects to ensure proper safety precautions are taken into consideration.

Intrawave also adheres to its hierarchy of controls and housekeeping rules to minimise installation related hazards when performing work.

Supply Chain Management
Disclosures 308-1, 308-2, 414-1, 414-2

Maintaining the quality and safety of its products and services is quintessential to the success of Intraco's business.

Management strives to ensure that product and service safety extends beyond the Group to its suppliers by conducting supplier procurement assessments to evaluate the quality and regulatory compliance of its suppliers.

K.A. Group
K.A. Group ensures that proper documentation and authorisation processes for supplier engagement are completed to mitigate any potential risks. Details of all existing suppliers are filed in the master list and approvals of new suppliers are required for amounts above S$1 million. K.A. Group monitors the quality of its products by ensuring all direct materials are inspected upon arrival and all material suppliers are screened.

In FY2022, K.A. Group performed environmental and social assessments for major suppliers as they are deemed to comprise the most significant environmental and social impacts along our supply chain. For such key suppliers, no significant actual and potential negative impacts had been identified.

ITPL
As a trading company, it is imperative that ITPL maintains the quality of its products so that it is deemed trustworthy by clients.

In FY2022, ITPL performed supplier assessments on major suppliers as part of a comprehensive approach to managing sustainability impacts outside our organisation and along our supply chain. We evaluated suppliers based on pertinent environmental and social topics, including criteria such as the suppliers' pollution and workplace health and safety practices.

In line with the Group's practice, ITPL ensures that all its suppliers are COA compliant to uphold the standard of its business. All suppliers who traded with ITPL are recognised petrochemical producers, which align with ITPL's target of purchasing materials only from major suppliers who are certified and compliant. Such practice will be enforced and reviewed annually.

SUSTAINABILITY REPORT

Product Responsibility Targets

FY2022 Performance and FY2023 Target(s)	
Target(s) for FY2022	**Status**
• Zero incidents of non-compliance concerning the health and safety of products and services as well as zero significant incidents of non-compliance that resulted in regulatory breaches	✓ Met
• Perform environmental and social assessment for new major suppliers	✓ Met

Material Topic(s)	Target(s) for FY2023
Supplier environmental assessment	• Perform environmental assessment for new major suppliers
Supplier social assessment	• Perform social assessment for new major suppliers
Customer health and safety	• Zero incidents of non-compliance concerning the health and safety of products and services as well as zero significant incidents of non-compliance that resulted in regulatory breaches

FOCUS 6: HUMAN CAPITAL

Occupational Health and Safety

Disclosures 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

The well-being and safety of our employees continues to be of the highest priority. To safeguard their well-being and safety, the Group operates with strict adherence to relevant local regulations. The goal is to ensure that the Group can continue to operate in a safe working environment through the implementation of safe management measures. These are guided by the advisories from the Ministry of Health ("MOH"), Ministry of Manpower ("MOM") and BCA.

A comprehensive safe management plan was also created. It includes the following:

- A monitoring plan for safe management measures at the workplace;
- Having two certified safe management officers;
- Appointing a safe distancing officer;
- Adopting a stringent approach to employee safety and health;
- Temperature taking and social distancing measures for employees;
- Placing hand sanitisers at high touch points;
- Special arrangements (e.g. split teams) to limit the number of employees at the workplace at any time where possible; and
- Use of digital tools such as teleconferencing, where possible, to conduct daily business activities online.

In response to emergency situations, the Group has deployed various methods to enable quick responses. For example, the Group's office is equipped with first aid boxes. Where applicable, the Group provides workplace injury compensation for work accidents that occurred at work according to local regulations.

In FY2022, the Group recorded zero lost days due to work injury. For the safety of employees, the Group will continue to strive to minimise the potential occurrence of work-related injuries.

Workplace Permanent Disabilities or Fatalities **0**

Workplace Injuries **0**

K.A. Group

K.A. Group is committed providing a safe, healthy and conducive work environment for its employees. For example, K.A. Group has adopted a Quality, Operational Health and Safety and Environmental ("QOHSE") policy that outlines the compliance for local health and safety requirements. QOHSE specifies the responsibilities of supervisors and site workers to ensure workplace safety at every level. In addition, the Group conducts a 2-day mandatory Workplace Safety Orientation government course prior to commencement of any project.

SUSTAINABILITY REPORT

Moreover, K.A. Group advocates safety consciousness and instils a zero-tolerance attitude towards safety accidents using channels such as regular briefings, safety posters and daily checks on safety and personal equipment.

K.A. Group continues to be certified for its safety efforts as stipulated below:

- ISO 45001:2018 Occupational Health and Safety Management Systems for the scope of supply and installation of fireproofing system to building and construction, production and storage of fireproofing materials by Certification International Singapore for K.A. Fireproofing Pte Ltd.'s occupational safety and health management system.
- bizSAFE Level Star Certificate by the Workplace Safety and Health Council.
- Compliance with BCA CRS requirement for Fire Prevention and Protection Systems.

We have achieved zero breaches of governmental rules and regulations regarding occupational health and safety and have no resulting closures of facilities due to non-compliance.

K.A. Group has worked closely with the local authorities in Singapore, complied with all relevant health and safety regulations, and rendered the help necessary to support the mental and physical well-being of its foreign construction workers.

The Group's safe management officers will continue to actively monitor the implementation of safe management measures as stipulated by MOM and BCA.

Intrawave
Intrawave specialises in designing and building of radio coverage infrastructure for telecommunication operators and is committed to the highest standards of safety. It complies with all local health and safety requirements and sub-contractors are engaged to do periodic maintenance of equipment.

At the same time, employees, sub-contractors and customers are provided with health and safety training courses to enhance their understanding of workplace safety issues and procedures.

Due to the nature of its work with Singapore's North East MRT line ("NEL"), the Group's employees working on NEL are required to pass training courses conducted by SBS Transit ("SBST"), the operator of NEL, or training refresher courses conducted once every three years. SBST's approval on risks identification, assessment and control of any health and safety risk was also required before commencement of work on NEL.

To enhance compliance with these regulatory requirements and encourage long-term integrity from stakeholders, the Group has assigned its own Engineering person in-charge and Track Protection Officer qualified by SBST to take charge of safe and efficient execution of engineering works in the NEL premises.

ITPL
Although ITPL's business scope is mainly commercial in nature, which does not require onsite work, it adopts a precautionary approach by ensuring health and safety risks are minimised in its business functions.

For example, ITPL provides driver services for its sales staff in Vietnam and Indonesia to reduce fatigue for long distance driving. ITPL has upgraded the office furniture and equipment by replacing computer screens with visual friendly LED monitors and purchasing ergonomically designed chairs for all employees.

Training and Development
Disclosures 404-1, 404-2

The Group hopes to future-proof our employees' careers and help them navigate the fast-paced industry through training and development programmes. Training and updating of skills have always been encouraged.

We actively encourage employees to pursue further development that suit their roles. The learning and development opportunities are provided based on the employees' respective strengths and needs in their careers for them to reach their fullest potential.

The average training hours per employee by gender and employee category are as follows:

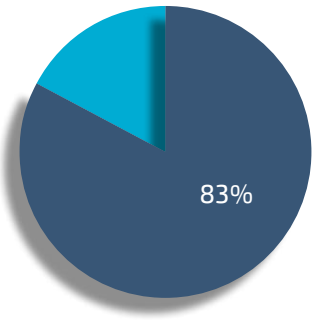
Indicators	FY2022
Average training hours per employee (hour(s)) [1]	12.44
By gender [2]	
Female	3.37
Male	14.71
By employee category [2]	
Senior management	6.79
Middle management	4.84
General staff	14.49

SUSTAINABILITY REPORT

Notes:
- The calculation method of average training hours per employee: total training hours in the year ÷ total number of employees as at the end of the year.
- The calculation method of average training hours per employee by category: total training hours in the category in the year ÷ total number of employees in the category at the end of the year.

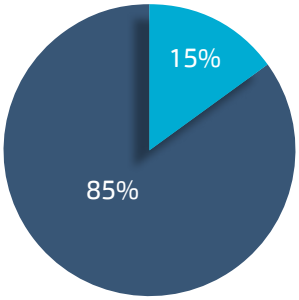
The percentage of employees trained by gender and employee category are as follows:

Percentage of total employees trained [1]



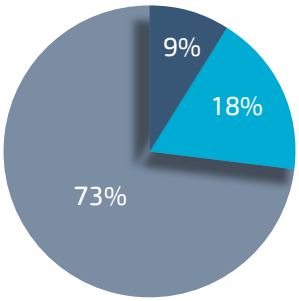
Employees trained [1]

Percentage of total employees by gender [2]



Male Female

Percentage of total employees by employee category [2]



Senior management Middle management General staff

Notes:
- The calculation method of total percentage of employees trained: (total number of employees trained in the year ÷ total number of employees at the end of the year) × 100%.
- The calculation method of percentage of employees trained by category: (number of employees trained in the category in the year ÷ total number of employees trained in the year) × 100%.

Some of the external and internal training highlights are as follows:

- The Enterprise Leadership for Transformation ("ELT") conducted by Nanyang Technological University, Singapore ("NTU"). A one-year programme that supports business leaders of promising small and medium enterprises to develop business growth capabilities.
- Training on COVID-19 and safe management office by BCA.
- Construction Safety Orientation Courses for employees who work at construction sites.
- Financial training on topics such as Enterprise Resource Planning.
- Soft-skill training on topics such as the management of business in the COVID-19 crisis, building financial resilience and human capital.
- Technical development training on boom lift, scissor lift operation, and risk management implementation plan.
- One member of our staff attended a training course on 5G telecommunications.

Training programs undergo continual enhancement through feedback collected from participants by review forms. Feedback is reviewed to determine the adequacy and effectiveness of the training programmes.

In addition to the training and development programmes, the Group further expands employees' job exposures through programmes such as job rotation and job enlargement. Currently, the management is in the process of developing a Group training plan to further upskill employees and provide relevant training for their careers.

In the year ahead, the Group will continue to enhance its employees' development while maintaining a safe working environment.

Diversity and Inclusion
Disclosures 405-1

The Group promotes diversity and inclusion within its teams by providing equal employment opportunities for all regardless of their age, gender, religion, marital status or ethnicity. Intraco believes that having a diverse team

SUSTAINABILITY REPORT

with a vast range of knowledge and skillsets is important as it helps the Group to navigate through the tumultuous business landscape.

The Group maintained the percentage of female employees to be 20% in FY2022 (FY2021: 20%). As the nature of the respective industries of our business segments such as fire protection solutions remained to be labour-intensive, the percentage of female employees remained unchanged in FY2022 compared to FY2021.

As at 31 December 2022, the Group did not employ non-guaranteed hours employees. As at 31 December 2022, all of the Group's employees were permanent employees. The breakdowns of the Group's total number of employees as at 31 December 2022 are as follows:

Indicators	As at 31 December 2022
Total number of employees	130
By gender	
Female	26
Male	104
By region	
Singapore	122
Vietnam and Indonesia	8

Gender	Employment type	
	Full-time	Part-time
Female	24	2
Male	103	1

Region	Employment type	
	Full-time	Part-time
Singapore	119	3
Vietnam and Indonesia	8	-

Employment Rights and Fair Recruitment

The Group adopts fair employment practices and is committed to creating an inclusive and performance-based culture which promotes diversity and equal opportunity. To this end, the Group complies with all relevant employment regulations when hiring, managing and terminating employees.

The recruitment of potential candidates is based on merit regardless of age, gender, religion, marital status or ethnicity. This is in line with the Tripartite Guidelines on Fair Employment Practices.

The Group treats all employees fairly and provides them with equal opportunity to be considered for training and development based on their strengths.

Positive Workplace Environment

Disclosures 404-3

A conducive working atmosphere is vital for the Group to thrive in the post-pandemic world and instil a sense of belonging. The Board and management achieves this by promoting open discussions with the employees to understand and address their needs and concerns.

To promote social cohesiveness, regular staff engagement activities, such as virtual team meetings and one-on-one conversations were organised to keep employees informed on the latest updates, align goals and continuously establish ways to improve the organisation.

The Board and Executive Chairman are focused on aligning performance with incentives and setting clear key performance indicators and growth targets for the employees. The management closely tracks data such as employee turnover, number of training days to better grasp employee morale and evaluate policies. As a continuous effort, HR also conducts exit interviews for all voluntary resignees. Furthermore, the Group conducts employee performance appraisals and obtains regular feedback on employee experiences at work.

Community Giving

Disclosure 413-1

The Group believes in giving back to society and actively promotes community engagement. We recognise the importance of a comfortable and safe living environment. In FY2022, we provided tools to improve indoor air quality and reduce the transmission of COVID-19 through the air, particularly for the elderly who are more vulnerable to COVID-19 symptoms, by donating enterprise-grade, Aura Air Product (Indoor Air Quality Management) sets to the following beneficiaries:

SUSTAINABILITY REPORT

- Living Water Community Church (1 unit);
- St. John Dementia Centre (1 unit);
- Kassim Mosque (1 unit);
- Chess Academy Singapore (1 unit);
- AIBI Fitness Outlet (1 unit); and
- 1doc Medical Centre (1 unit).

We strive to maintain our positive impact on the community and continue to do our part to strengthen community efforts in combating COVID-19.

Human Capital Targets

FY2022 Performance and FY2023 Target(s)	
Target(s) for FY2022	**Status**
• Maintaining zero workplace fatalities or permanent disabilities and zero significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act.	✓ Met
• To provide training programs to all employees	✓ Met
• No material breach of employment laws	✓ Met
Material Topic(s)	**Target(s) for FY2023**
Employment	• No breach of employment laws
Occupational health and safety	• Zero workplace fatalities or permanent disabilities and zero significant incidents of non-compliance resulting in regulatory breaches under the Workplace Safety and Health Act
Training and education	• Provide training programs to all employees
Diversity and equal opportunity	• Zero cases of discrimination or harassment in the workplace
Local communities	• Encourage employees to support the local community by donation or charity work

SGX-ST 6 Primary Components Index

Primary Component	Section Reference
Material environmental, social and governance factors	• Stakeholder Engagement and Materiality Assessment
Climate-related disclosures consistent with the recommendations of the TCFD	• Responding Actions to Climate Change
Policies, practices and performance	• Sustainability Strategy Overview • Focus 1 to 6
Targets	• Governance and Ethics Targets • Economic Performance Target • Innovation and Quality Improvement Targets • Environmental Responsibility Targets • Product Responsibility Targets • Human Capital Targets
Sustainability reporting framework	• About this Report
Board statement and associated governance structure for sustainability practices	• Sustainability Governance Structure and Statement of the Board

SUSTAINABILITY REPORT

GRI Content Index

Statement of Use	Intraco has reported in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/Statement(s)
General disclosure		
GRI 2: General Disclosures 2021	2-1 Organizational details	• Legal name: Intraco Limited • Nature of ownership: publicly owned • Legal form: incorporated entity • Location of the Group's headquarters: Singapore • The Group's countries of operation: Singapore
	2-2 Entities included in the organization's sustainability reporting	Reporting Scope
	2-3 Reporting period, frequency and contact point	About this Report Reporting frequency: once a year
	2-4 Restatements of information	Nil
	2-5 External assurance	About this Report
	2-6 Activities, value chain and other business relationships	2022 Annual Report – About Intraco
	2-7 Employees	Diversity and Inclusion
	2-8 Workers who are not employees	The Group did not have workers who are not employed in FY2022.
	2-9 Governance structure and composition	Sustainability Governance Structure and Statement of the Board
	2-10 Nomination and selection of the highest governance body	2022 Annual Report – Corporate Governance Report
	2-11 Chair of the highest governance body	2022 Annual Report – Corporate Governance Report
	2-12 Role of the highest governance body in overseeing the management of impacts	2022 Annual Report – Corporate Governance Report
	2-13 Delegation of responsibility for managing impacts	2022 Annual Report – Corporate Governance Report
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure and Statement of the Board
	2-15 Conflicts of interest	2022 Annual Report – Corporate Governance Report
	2-16 Communication of critical concerns	2022 Annual Report – Corporate Governance Report
	2-17 Collective knowledge of the highest governance body	2022 Annual Report – Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	2022 Annual Report – Corporate Governance Report

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location/Statement(s)
General disclosure		
GRI 2: General Disclosures 2021	2-19 Remuneration policies	2022 Annual Report – Corporate Governance Report
	2-20 Process to determine remuneration	2022 Annual Report – Corporate Governance Report
	2-21 Annual total compensation ratio	2022 Annual Report – Corporate Governance Report
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Materiality Assessment
	3-2 List of material topics	Stakeholder Engagement and Materiality Assessment
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Economic Performance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Focus 2: Economic Performance
Indirect Economic Impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 3: Innovation and Quality Improvement
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Focus 3: Innovation and Quality Improvement
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 1: Governance and Ethics – Anti-corruption
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Focus 1: Governance and Ethics – Anti-corruption
	205-2 Communication and training about anti-corruption policies and procedures	Focus 1: Governance and Ethics – Anti-corruption
	205-3 Confirmed incidents of corruption and actions taken	Focus 1: Governance and Ethics – Anti-corruption
Tax		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 1: Governance and Ethics – Tax Compliance
GRI 207: Tax 2019	207-1 Approach to tax	Focus 1: Governance and Ethics – Tax Compliance
	207-2 Tax governance, control, and risk management	Focus 1: Governance and Ethics – Tax Compliance
	207-3 Stakeholder engagement and management of concerns related to tax	Focus 1: Governance and Ethics – Tax Compliance
	207-4 Country-by-country reporting	Focus 1: Governance and Ethics – Tax Compliance

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location/Statement(s)
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 4: Environmental Responsibility – Energy Management
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Focus 4: Environmental Responsibility – Energy Management
	302-3 Energy intensity	Focus 4: Environmental Responsibility – Energy Management
	302-4 Reduction of energy consumption	Focus 4: Environmental Responsibility – Energy Management
Water and Effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 4: Environmental Responsibility – Water and Effluents Management
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Focus 4: Environmental Responsibility – Water and Effluents Management
	303-2 Management of water discharge-related impacts	Focus 4: Environmental Responsibility – Water and Effluents Management
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 4: Environmental Responsibility – Emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Focus 4: Environmental Responsibility – Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Focus 4: Environmental Responsibility – Emissions
	305-4 GHG emissions intensity	Focus 4: Environmental Responsibility – Emissions
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 4: Environmental Responsibility – Water and Effluents Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Focus 4: Environmental Responsibility – Water and Effluents Management
	306-2 Management of significant waste-related impacts	Focus 4: Environmental Responsibility – Water and Effluents Management
Supplier Environmental Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 5: Product Responsibility – Supply Chain Management
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Focus 5: Product Responsibility – Supply Chain Management
	308-2 Negative environmental impacts in the supply chain and actions taken	Focus 5: Product Responsibility – Supply Chain Management

SUSTAINABILITY REPORT

GRI Standard	Disclosure	Location/Statement(s)
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 6: Human Capital – Occupational Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Focus 6: Human Capital – Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Focus 6: Human Capital – Occupational Health and Safety
	403-3 Occupational health services	Focus 6: Human Capital – Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Focus 6: Human Capital – Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Focus 6: Human Capital – Occupational Health and Safety
	403-6 Promotion of worker health	Focus 6: Human Capital – Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Focus 6: Human Capital – Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Focus 6: Human Capital – Occupational Health and Safety
	403-9 Work-related injuries	Focus 6: Human Capital – Occupational Health and Safety
Training and Education		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 6: Human Capital –Training and Development
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Focus 6: Human Capital –Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	Focus 6: Human Capital –Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	Focus 6: Human Capital –Training and Development
Diversity and Equal Opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 6: Human Capital – Diversity and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Focus 6: Human Capital – Diversity and Inclusion

SUSTAINABILITY REPORT

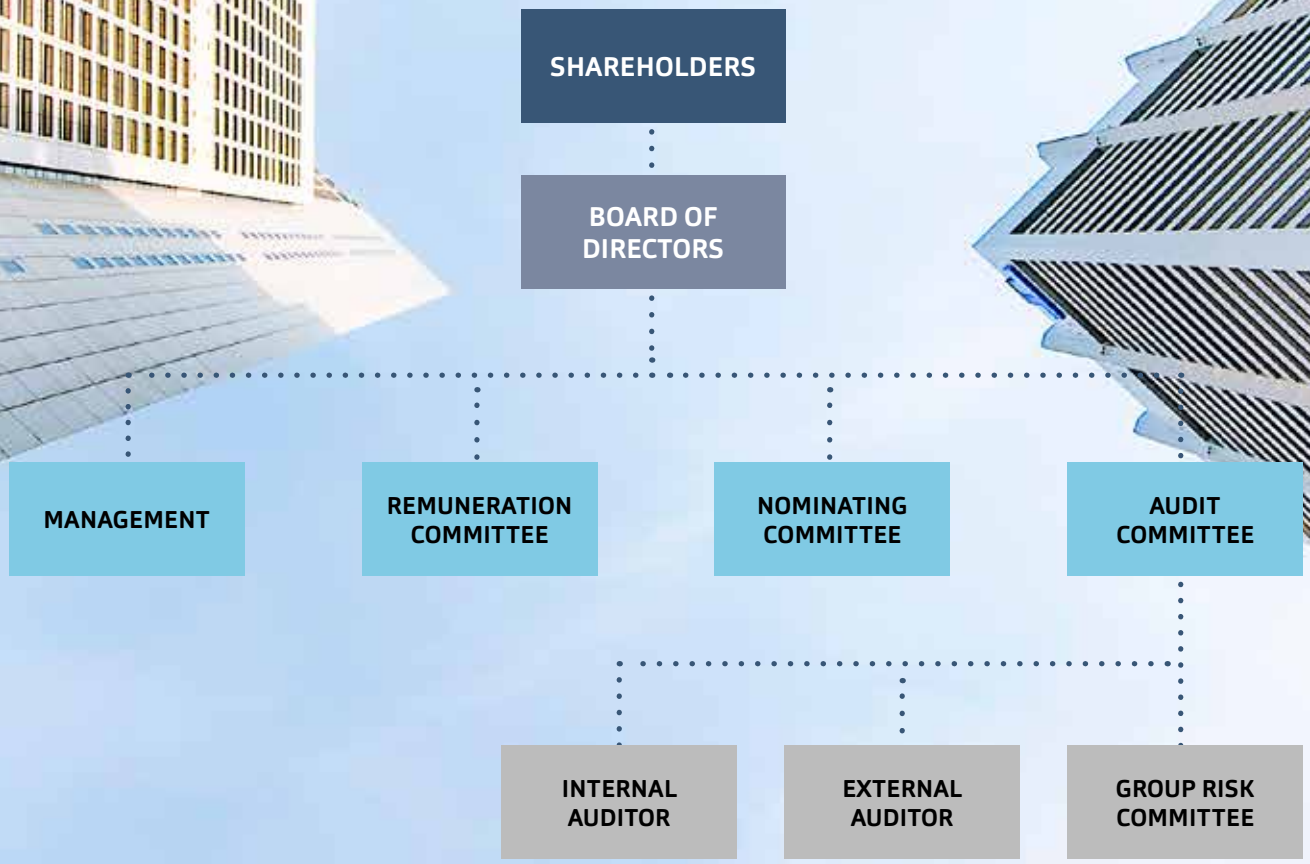
GRI Standard	Disclosure	Location/Statement(s)
Child Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 6: Human Capital – Ethical Labour Practices
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Focus 6: Human Capital – Ethical Labour Practices
Forced or Compulsory Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 6: Human Capital – Ethical Labour Practices
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Focus 6: Human Capital – Ethical Labour Practices
Local Communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 5: Human Capital – Community Giving
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Focus 5: Human Capital – Community Giving
Supplier Social Assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 5: Product Responsibility – Supply Chain Management
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Focus 5: Product Responsibility – Supply Chain Management
	414-2 Negative social impacts in the supply chain and actions taken	Focus 5: Product Responsibility – Supply Chain Management
Customer Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 5: Product Responsibility – Customer Health and Safety
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Focus 5: Product Responsibility – Customer Health and Safety
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Focus 5: Product Responsibility – Customer Health and Safety
Customer Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 1: Governance and Ethics – Customer Privacy and Data Privacy
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Focus 1: Governance and Ethics – Customer Privacy and Data Privacy

NEW BEGINNINGS

The closure of 2022 brings to an end what has been an incredibly tough year. 2023 presents the opportunity for a new dawn

CORPORATE GOVERNANCE REPORT

CORPORATE STRUCTURE



CORPORATE GOVERNANCE REPORT

INTRODUCTION

Intraco Limited (the "Company" and together with its subsidiaries, the "Group") is committed to ensuring and maintaining a high standard of corporate governance. It understands that it not only has to be legally compliant and socially responsible but also to deliver performance and manage shareholders' and other stakeholder's expectations.

The focus has been on continuing to engage and provide oversight of Management's actions and strategic directions with the Board of Directors of the Company (the "Board"). Such Board oversights of the Company are facilitated through regular Board Committees' meetings and guiding Management in improving internal processes, instilling business values and beliefs with the support of the Board and respective Board Committees. The Board is committed to adopting the best practices in ensuring the spirit of Corporate Governance while carrying out its duties and responsibilities under the framework and rules of Board's operating processes, policies and guidelines.

In keeping with its commitment to a high standard of corporate governance, the Board and Management endeavour to align the Company's governance framework with the principles and provisions of the Code of Corporate Governance 2018 (the "Code").

This report describes the corporate governance framework and practices of the Company with specific reference to each principle as set out in the Code. For the financial year ended 31 December 2022 ("FY2022"). The Board is pleased to report that the Company has complied in all material aspects with the Code. Where there are deviations from any of the guidelines of the Code, explanations as to how the Company's practices were consistent with the intent of the Principle in question are provided in this report. The Company reviews its practices on ongoing basis, as and when required.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Provision 1.1 – Role of the Board
The Board assumes responsibility for stewardship of the Group and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. It has oversight responsibility over the management of the business and affairs of the Group. The Board also sets the tone for the Group where ethics and values are concerned.

Apart from its statutory responsibilities, the Board also:

1. provides entrepreneurial leadership and guidance on the overall strategic direction, oversees the proper conduct of the business, performance and affairs of the Group and ensures that the necessary financial, human and operational resources are in place for the Group to meet its objectives;

2. sets objective performance criteria to evaluate the Board, individual Directors and Board Committees' performance and succession planning process;

3. reviews the adequacy and effectiveness of the Group's risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite and parameters to safeguard shareholders' interests and the Group's assets;

CORPORATE GOVERNANCE REPORT

4. reviews and approves key operational and business initiatives, major funding proposals and other corporate actions, significant investment and divestment proposals, including determining the Group's operating and financial performance, the Group's annual budgets and capital expenditure, release of the Group's half-year and full-year financial results and other strategic initiatives proposed by Management;

5. conducts strategic reviews of the Company and annual plans with Management for execution to fulfil key management performance and Company's strategic goals;

6. approves all Board appointments/re-appointments and appointment of Chief Executive Officer ("CEO") and other persons having authority and responsibility for planning, directing and controlling the activities of the Company ("Key Management Personnel" or "KMP"), evaluates their performance and approves their remuneration packages;

7. establishes broad goals and priority for Management and reviews Management's performance by monitoring the achievement of these goals;

8. approves the nominations for the Board and Board Committees by the Nominating Committee;

9. reviews recommendations made by the Audit Committee on the appointment, re-appointment or removal of external auditors;

10. reviews recommendations made by the Remuneration Committee and approves the remuneration packages for the Board and KMP;

11. ensures effective communication with, and transparency and accountability to key stakeholder groups;

12. sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met;

13. considers sustainability matters, e.g. environmental, health and safety and social factors, as part of its strategic formulation;

14. sets out policy and framework for promoting diversity on the Board;

15. succession planning for the Board and KMP; and

16. reviews recommendations by the Audit Committee for any whistle-blowing investigations on practices and infractions of company policies, processes and procedures, staffing and personnel matters, and commercial and legal compliance matters.

In discharging the Directors' fiduciary duties, all Directors are expected to exercise due diligence and independent judgement and make decisions objectively in the best interest of the Company. A Director who is interested in a transaction or proposed transaction is required to declare if he has a conflict of interest and recuse himself/herself from deliberation and decisions involving the areas of potential conflict.

For the purposes of Section 156 of the Companies Act, each Director has given notice to the Company of the entities in which he/she is an officer or member of, and which should be regarded as being interested in any transaction between the Group and such entity. The Directors will periodically update the notice wherever there is any change in his/her Interest in other Shares.

CORPORATE GOVERNANCE REPORT

The Company has established internal policies and procedures on the types of transactions/activities and financial authorisation limits that require Board approval. These include approval of annual budgets, financial statements, business strategies, and material transactions such as acquisitions, divestments, funding and investment proposals, all commitments to term loans and lines of credit from banks and financial institutions. Below the Board level, there is appropriate delegation of authority and approval sub-limits at management level, to facilitate operational efficiency.

CODE OF BUSINESS CONDUCT AND ETHICS

The Board has put in place a Code of Business Conduct and Ethics to guide the Directors on the areas of ethical risk, and help nurture an environment where integrity and accountability are key.

The Group's Code of Business Conduct and Ethics includes the following key principles:

1. Directors must avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interests of the Group;

2. Directors must immediately declare conflicts of interest in relation to any matter and recuse themselves from participating in any discussion and/or decision on the matter, and are expected to take necessary mitigating steps (if appropriate) to avoid the conflict;

3. Directors should inform the Secretary in writing as soon as practicable upon any appointments to the board of directors of another public or private company or principal commitments;

4. Directors are to exercise due care and maintain the confidentiality of information entrusted to them by the Company or other parties who have business dealings with the Group;

5. Directors must carry out their responsibilities in compliance with the Company's guidelines and policies, and applicable laws, rules and regulations; and

6. Directors must not trade in the securities of the Company if, at the relevant time, they are in possession of non-public materially price-sensitive or trade-sensitive information.

Provision 1.2 – Disclosure on Directors' discharge of duties and responsibilities
All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

Role of Non-Executive Directors
The Non-Executive Directors exercise objective judgement on the Group's affairs independently from Management. The Non-Executive Directors also contribute to the Board process by (monitoring and) reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group's business. When challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. The challenge is conducted in a constructive and professional atmosphere to evaluate the business options and other risks associated with it adding fresh dimensions to Management's strategy for the best outcome.

CORPORATE GOVERNANCE REPORT

Meetings without Management

The Non-Executive Directors and/or Independent Directors also meet regularly during scheduled and ad-hoc meetings where required without presence of Management to facilitate more open discussions. In furtherance to such meetings, casual discussions were also carried out as and when the need arises to enable the Non-Executive Directors and/or Independent Directors to discuss underlying issues of the Group. All Non-Executive Directors are resident in Singapore.

Directors to receive appropriate and relevant training

All newly-appointed Directors attend an orientation programme to familiarise themselves with the Group's business, operations and governance practices and they are also given materials containing such information. A formal letter of appointment is also provided to any newly appointed Director, setting out his/her duties and responsibilities.

The Group's policies and procedures are also given to the Directors to enable them to gain a clear understanding on the levels of authority in relation to transactions. In addition, Directors are provided with the contact numbers and email addresses of fellow Directors, key executives, the Company Secretary and Auditors to facilitate efficient and direct access.

To keep pace with a fast-changing regulatory environment, the Board is kept informed of any relevant changes to legislation and regulatory requirements. Directors and Management also attend courses to keep abreast of changes in the law and governance matters that may affect the Group.

The Board values ongoing professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on, and contribute to the Board. The Company has a budget for Directors to receive further relevant training of their choice in connection with their duties as Directors.

As part of the Board continuing professional development, the Directors had received more than 24 training hours in aggregate through attending various training seminars, courses, conferences and workshops during the year. The Company maintains a register of training to keep track of the training and development hours spent by Directors. The Company is a corporate member of the Singapore Institute of Directors ("SID").

During the year, the Directors attended professional development programmes organised by INSEAD, SID in collaboration with ACRA and SGX as follows:

- ESG – Environmental, Social and Governance Essentials
- ESG Essentials for SMEs – Kickstart your ESG Journey
- LED – Environmental, Social and Governance Essentials (CORE)
- 2022 Kevin Mitnick Security Awareness Training (Initial Security Awareness Training)
- When You Report, We Get Stronger – PAB (Initial Security Awareness Training)
- Links and Attachments: Think Before You Click (Initial Security Awareness Training)
- CEO Fraud (Initial Security Awareness Training)

In addition, articles, press releases, reports issued by SGX and ACRA which are relevant to the Group's business and compliance obligation are circulated to the Board. The external auditors, BDO LLP, routinely update the AC on new and revised financial reporting standards applicable to the Company.

The Directors are engaging and committed to their roles. Budget is available each year to allow Directors to make claim on the relevant training/courses that they had attended.

CORPORATE GOVERNANCE REPORT

INDUCTION SESSION FOR NEW DIRECTOR

Orientation programme will be organised for new incoming director(s) to ensure that he/she is familiar with the Company's key businesses and corporate governance practices. This also allows the new director(s) to get acquainted with key management, thereby facilitating Board interaction and independent access to key management.

A separate session was arranged during the year to brief Ms Ong Beng Hong, the newly appointed Independent Director, on the Group's various business units. The head of each respective units also updated Ms Ong on their business units' activities and plans.

Provision 1.3 – Board Approval
The Company has established internal policies and procedures on the types of transactions/activities and financial authorisation limits that require Board approval. These include approval of annual budgets, financial statements, business strategies, and material transactions, such as acquisitions, divestments, funding and investment proposals, all commitments to term loans and lines of credit from banks and financial institutions. Below the Board level, there is appropriate delegation of authority and approval sub-limits at management level, to facilitate operational efficiency.

Provision 1.4 – Delegation of Authority by the Board to Board Committees
To assist in the execution of its responsibilities, the Board had established three (3) Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC"), and Remuneration Committee ("RC"), and delegated specific areas of responsibilities to these Board Committees. Each of these Board Committees functions within clearly written terms of reference ("TOR"), which have been approved by the Board.

The composition of the current three (3) Board Committees (reconstituted with effect from 1 January 2023) is as follows:

Directors	AC	NC	RC
Mr Mak Lye Mun (Chairman)	-	-	-
Dr Tan Boon Wan	Chairman	Member	Chairman
Dr Steve Lai Mun Fook	Member	Chairman	-
Ms Ong Beng Hong	-	Member	Member
Mr Charlie Ng How Kiat	Member	-	Member

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

Besides the Board Committees, there are separate sub-committees at Management level to assist the AC and the Board. The below sub-committees were established and each sub-committee is guided by their respective TOR.

CORPORATE GOVERNANCE REPORT

Group Management Committee ("GMC")
The GMC comprising senior management of the Group's business units is headed by Mr Mak, the Executive Director. The GMC reports directly to the Board

Under the GMC's TOR, the GMC is to provide oversight over the business activities of the Group through:

- Developing and implementing business strategies, financial and operational plans, forecasts and budgets, policies and procedures;
- Driving and monitoring the businesses, operating and financial performance;
- Risks management and internal controls; and
- Prioritizing and allocating resources.

Group Risk Committee ("GRC")
The GRC comprises mainly senior management of the Group's Business Units, reports directly to the AC

The GRC focuses on identifying, monitoring, tracking and providing guidance on material risks of the Group. This allows for a more structured approach in the Group's Enterprise Wide Risk Management where the GRC will act as a dedicated committee to have visibility across the entire Group's material risk activities.

Under the GRC's TOR, the GRC is to provide oversight under delegated authority of the Audit Committee the expected material risks of the Group through:

- Driving and setting of the Group's risk policy direction and framework via the Group's Material Risk Policy ("**MRP**")
- Identifying and prioritising measurable key material risk metrics to be periodically monitored and reviewed.
- Approving (subject to approval of respective entity's Board) Material Limits and delegated authority to business units and/or employees of the Group.
- Ordering of investigation or unscheduled audit review on serious lapses and breaches and appointment of ad-hoc disciplinary committee and decide on its recommendation.

Provision 1.5, 1.6 & 1.7 – Board Processes
The Board and Board Committees meet regularly and whenever necessary to discharge their duties. When required, the Board also sets aside time at the scheduled meetings to meet without the presence of Management. The annual schedules of Board and Board Committee meeting dates are scheduled in advance each year in consultation with the Directors to assist them in planning their attendance.

Ad-hoc meetings are convened when required to address any significant issues that may arise in-between scheduled meetings. Where physical meetings are not possible, timely communication is achieved through electronic means and circulation of written resolutions for approval. The Company's Constitution ("Constitution") provides that the Directors may conduct meetings by means of telephone or video conference or other methods of simultaneous communication.

All draft agendas for meetings are prepared by the Company Secretary and reviewed by the Chairman of the Board or the Chairman of the respective Board Committees. Papers and/or other information are forwarded to the Directors at least a week in advance of each meeting, enabling sufficient time for their review and consideration. Members of Management are also invited to attend the meetings to present information and/or render clarification when required.

CORPORATE GOVERNANCE REPORT

The Board's responsiveness has allowed Management to manage business and corporate matters effectively. Individual Directors make themselves available and accessible to Management for discussion and consultation outside the formal Board and Board Committees' meetings.

Senior executives also make presentations on performance of the Group's various businesses and business strategies at these meetings. These allow the Board to have a good understanding of the Group's operations and actively engage in robust discussions with the Group's senior executives.

Directors may request for further explanation, briefings or discussions on any aspect of the Group's operations or business from Management. As and when required, Board members meet to exchange views outside the formal environment of Board meetings.

A record of the Directors' attendance at the Board and Board committee meetings as well as general meetings for the financial year ended 31 December 2022 is set out below:

	Board	AC	NC	RC	AGM	Extraordinary General Meeting
No. of Meetings held during 2022	**8**	**5**	**3**	**2**	**1**	**1**
Name of Directors	**No. of Meetings attended in FY2022**					
Mr Mak Lye Mun[1]	8	5[2]	3	2	1	1
Dr Tan Boon Wan[3]	8	5	3	2	1	1
Dr Steve Lai Mun Fook	8	5	3	-	1	1
Ms Ong Beng Hong[4]	1	1	N/A	1	N/A	N/A
Mr Charlie Ng How Kiat	8	5	3	2	1	1
Mr David Hoon Chee Wai[5]	3[6]	2[6]	2[6]	1[6]	N/A	N/A

Notes

1. Stepped down as a Member of the AC and NC respectively on 1 September 2022

2. Included one AC meeting attended by invitation after stepping down as a Member of the AC and NC respectively on 1 September 2022.

3. Appointed as the Lead Independent Director ("ID") on 1 September 2022

4. Appointed as Independent Director and a member of the AC, NC and RC respectively on 1 September 2022

5. Resigned as Independent Director and appointed as Chief Operating Officer ("COO") on 1 March 2022. Mr Hoon also stepped down as Chairman of the NC and member of the AC and the RC on the same date.

6. Referred to meetings he attended in his capacity as ID before he was appointed as COO of the Company on 1 March 2022.

The COO and the Group Financial Controller of the Company attended all AC and Board meetings held during the year.

Other senior management were also invited to the AC and/or Board meetings when needed.

CORPORATE GOVERNANCE REPORT

BUSINESS PROCESSES UNDERTAKEN BY THE BOARD

Board and Management Operating System – 2022 Business Process & Operating Mechanisms aligned

1st Quarter 2022

Board Meeting 1

Setting of Corporate Targets & Initiatives /Review of 2022 Budget

Review of 3QFY2021 Performance

Performance & Gap

Review of remuneration packages of Directors and KMP

Board Meeting 2

Review of FY2021 Results

Evaluation of Board/Board Committees/Individual Directors' Performance/Review of Succession Planning for Directors and KMP

2nd Quarter 2022

Annual General meeting
Board Meeting 3

Review of 1QFY2022 Performance

3rd Quarter 2022

Board Meeting 4

Half-Year Results Announcement, Operations Report

4th Quarter 2022

Board Meeting 5

Review of 3Q2022 Performance

Performance & Gap

Board and Management Operating System – 2023 Business Process & Operating Mechanisms aligned

1st Quarter 2023

Board Meeting 1

Review of FY2022 Results

Evaluation of Board/Board Committees/Individual/Executive Director Performance

Review of remuneration packages for Directors and key management personnel

2nd Quarter 2023

Annual General meeting
Board Meeting 2

Review of 1Q2023 financial performance of the Group

3rd Quarter 2023

Board Meeting 3

Half-Year Results Announcement

4th Quarter 2023

Board Meeting 4

Review of 2023

Performance & Gap

Review of 2024 Budget

Setting of Corporate Targets and initiatives

The above sets out the typical Board processes during the preceding and current calendar year.

CORPORATE GOVERNANCE REPORT

During the full year meeting, the Board will review the Group's full year performance and matters to be included in the Company's Corporate Governance Report. The adequacy and effectiveness of internal controls of the Group will be ascertained simultaneously when reviewing risks under "Risk Management and Internal Controls" under the corporate governance report below.

The KMP succession planning will be reviewed by the NC where priorities and gaps concerning management leadership within the Group will be discussed.

Apart from the review of the Group's half year and full year results announcement, the AC and Board also monitor the Group's performance for the second and third quarter among other matters. It is also an opportune time to review the progress made by the Group in comparison with its budget decided at the beginning of the year and elaborate the plans and strategies for the future. Heads of business units will be invited to participate in the session. The Board with Management will discuss the mitigation or action plans to achieve the agreed targets.

In the fourth quarter of the year, another performance gap review will be carried out where the Board and Management will fine tune the Group's strategy. The budgets and operating plans for the next fiscal year are also tabled and reviewed at the Board meeting.

Access to Information

To assist the Board in fulfilling its responsibilities, Management provides the Board with reports containing complete, adequate and timely information prior to Board meetings. The Board has unrestricted access to Management and also receives monthly reports on the financial performance of the Group, strategy implementation updates, key operational matters and updates on potential investment opportunities.

Board and Board Committees papers are disseminated electronically.

Information provided includes background or explanatory materials related to matters to be reviewed and matters under review by the Board, copies of disclosure documents, budgets, forecasts and internal financial statements. Any material variance between the projections and actual results in respect of budgets, is also disclosed and explained.

The Board is also regularly provided with information and updates on the Company's policies and procedures relating to issues pertaining to governance, disclosure of interests in securities and restrictions on disclosure of price sensitive information, changes in reporting standards and issues which have a direct impact on financial statements so as to enable them to properly discharge their duties and responsibilities as Board members or Board committee members. Where necessary, critical information is highlighted promptly.

Minutes of all Board Committee meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such meetings. This will also enable the Directors to weigh in on any key points under consideration.

Where appropriate, Directors may also be invited to attend the Board Committee meetings to deliberate the matter collectively.

Access to Management and Company Secretary

The Board has separate and independent access to Management, the Company Secretary, as well as to the internal and external auditors. The Company Secretary attends all Board and Board Committees meetings and is responsible for ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The Company Secretary also provides periodic updates to the Board on relevant regulatory changes affecting the Company.

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

CORPORATE GOVERNANCE REPORT

Access to independent professional advice at the Company's expense
The Company has in place a Board endorsed procedure to enable the Directors, whether as a group or individually, to obtain independent professional advice at the Company's expense as and when necessary in furtherance of their duties. Independent advisors include legal, financial, tax, board compensation and M&A functions. The appointment of such professional advisor is subject to approval by the Board.

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.*

Provision 2.1, 2.2 & 2.3 – Board Composition and Independence of Directors
As at the date of this report, the Board comprises five (5) Directors, one (1) of whom is an Executive Director, three (3) of whom are Independent Director and one (1) Non-Independent, Non-Executive Director. The composition of the Board is as follows:

Mr Mak Lye Mun	Executive Chairman and Director
Dr Tan Boon Wan	Lead Independent Director[2]
Dr Steve Lai Mun Fook	Independent Non-Executive Director
Ms Ong Beng Hong	Independent Non-Executive Director (appointed on 1 September 2022)
Mr Charlie Ng How Kiat	Non-Independent, Non-Executive Director

Notes:

1. was re-designated as Executive Chairman and Director on 15 July 2022

2. was appointed as Lead Independent Director on 1 September 2022

Independent Non-Executive Directors make up a majority of the Board. There are currently no Alternate Directors on the Board.

The Company is represented by its Directors and/or key management on the Boards of its subsidiaries and joint-venture.

Nominee Director Policy
The representatives on the Group's subsidiary, joint-venture and associated companies are also guided by its internal nominee director policy where the responsibilities and the duties of the nominee directors are stated clearly therein, notwithstanding that they each owe a fiduciary duty to act in the best interests of the company whose Board they served on, have to:

- serve as a conduit for relaying the views of the Company;
- provide oversights which are consistent with the strategies and goals of the Company;
- communicate regularly to the Company on the operations, subject to regulatory restrictions; and
- apart from familiarising themselves with the business operations and applicable regulations and constitution of the Company and the company on whose board they sit on, they are expected to be familiar with, where applicable, the Company's policies and procedures (including, *inter alia*, its enterprise risk management framework).

CORPORATE GOVERNANCE REPORT

Independence of Director

The NC reviews annually the independence of each Director considering the existence of relationships or circumstances, including those provided in the Code, and considers whether a Director has business relationships with the Group. On the latter, the NC will consider whether such relationship can interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent judgement. Each Independent Director is required to complete a Confirmation of Independence form based on Principle 2 of the Code for the NC's review and recommendation to the Board.

During the year, the NC had undertaken a review of Dr Steve Lai Mun Fook's ("Dr Lai") circumstances where he was deemed as non-independent director previously when he was appointed as director on 28 April 2015.

As disclosed in the Company's announcement on 16 February 2022, Dr Lai was considered a non-independent Director due to his representation of the substantial shareholder's interest, TH Investments Pte Ltd ("TH"). This indirectly implied that he was associated with Mr Roland Ng (a substantial shareholder of the Company) as TH is beneficially owned by Mr Roland Ng.

Mr Roland Ng was appointed as Dr Lai's Alternate Director on 28 April 2015 and he stepped down from the Board on 10 September 2021.

Subsequent to the cessation of Mr Roland Ng as Dr Lai's Alternate Director, TH submitted a letter to the NC of the Company confirming that Dr Lai is not in any way representing TH's interest.

The NC had then undertaken a review of Dr Lai's non-independent circumstances taking into account the relevant listing rules, provisions and guidance under the Code and the Practice Notes respectively.

Under the Practice Guidance 2, a director would not be deemed independent if he is or has been directly associated with a substantial shareholder of the Company in the current or immediate past financial year. In this respect, the NC had then concluded and recommended to the Board that Dr Lai to be deemed as Non-Independent Director for the financial year ended 31 December 2021 ("FY2021") and 31 December 2022 ("FY2022"). Other than this, Dr Lai has satisfied the criteria of independence prescribed under the Listing Rules and the Code. The Board has accepted the NC's conclusion and recommendation.

The NC and Board had also agreed to re-designate Dr Lai to be Independent Director in 2023 barring no change to his independence criteria. The Company had made the relevant announcement on 29 December 2022 on Dr Lai's re-designation as an Independent Director of the Company with effect on 1 January 2023.

The NC has also determined Dr Tan Boon Wan ("Dr Tan") and Ms Ong Beng Hong ("Ms Ong"), to be independent. Each of the NC member, abstained from any discussion and voting on his/her independence matter.

Each of Dr Lai, Dr Tan and Ms Ong has also confirmed their independence. Mr Charlie Ng How Kiat is not independent by virtue of him representing the interests of the 5% shareholders (as defined under the Code) of the Company.

The Code stipulates that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. The NC noted that none of the Independent Directors, save for, Dr Tan, has served on the Board beyond nine years from the date of his/her first appointment.

CORPORATE GOVERNANCE REPORT

The dates of initial appointment and last re-election of each Director are set out below:

Name of Director	Position	Date of Initial Appointment	Date of last Re-appointment/Re-election
Mr Mak Lye Mun	Executive Chairman and Director	29 April 2021	20 April 2022
Dr Tan Boon Wan	Lead Independent Director	5 October 2004	20 April 2022
Dr Steve Lai Mun Fook	Independent Director[1]	28 April 2015	24 June 2020
Ms Ong Beng Hong	Independent Director	1 September 2022	NA
Mr Charlie Ng How Kiat	Non-Independent Non-Executive Director	22 November 2012	24 June 2020

Note:

1. Re-designated as Independent Director with effect from 1 January 2023.

The NC is of the view that in assessing the independence of any Independent Director, one should consider the substance of their professionalism, integrity and objectivity and not merely based on the number of years which they have served on the Board. The rationale for the continuation to serve as an Independent Director is that he/she over time has developed significant insights of the Group's business and operations and can significantly continue to provide noteworthy and valuable contributions to the Board.

The NC noted Dr Tan's long and commendable role on the Board as an Independent Director and as both Chairman of the AC and RC, and a member of the NC in discharging his duties professionally, ethically and with integrity.

The NC also established that Dr Tan is independent of Management and free from any business or other relationship, which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company and the following factors were evaluated for this purpose:

a. he is not an executive director of the Company or any related corporation of the Company;

b. he is not a 5% shareholder of the Company;

c. he is not a family member of any executive director, officer or 5% shareholder of the Company;

d. he is not acting as a nominee or representative of any executive director or 5% shareholder of the Company;

e. he provides and enhances the necessary independence and objectivity of the Board;

f. he helps to ensure effective checks and balances on the Board;

g. he helps to mitigate any possible conflict of interests between the policy-making process and the day-to-day management of the Company;

h. he constructively challenges and contributes to the development of business strategy of the Company; and

i. he helps to ensure that adequate systems and controls are in place to safeguard the interests of the Company.

CORPORATE GOVERNANCE REPORT

The NC having considered the above and rigorously reviewed whether (i) there are relationships or circumstances which are likely to affect, or could appear to affect the judgement and the independence of Dr Tan, and (ii) has noted Dr Tan's active participation in debating, questioning and evaluating proposals by Management and/or actions to be taken, has determined that Dr Tan has continually demonstrated strong independence in character and judgement over the years and there are no relationships or circumstances which affect or are likely to affect his judgement and ability in discharging his duties and responsibilities as an Independent Director. His presence as an Independent Board member will ensure effective oversight on (i) compliance and, (ii) good corporate governance.

Accordingly, the NC recommends to the Board that he continues to be considered independent, notwithstanding he has served on the Board for more than nine years from the date of his first appointment. Dr Tan, being a NC member, abstained from any discussion and voting on the matter.

The Board is in concurrence with the NC's assessment that Dr Tan has maintained a high standard of conduct, care and duty and has observed the ethical standards and independence. The NC and Board concluded that Dr Tan has at all times demonstrated independence in character and judgement in the best interests of the Company in the discharge of his director's duties and should therefore continue to be deemed an Independent Director.

The separate resolutions of Dr Tan's independence had also been tabled, voted and carried at the last Annual General Meeting ("AGM") of the Company held on 20 April 2022 by (i) all shareholders; and (ii) all shareholders excluding shareholders who are also the associates of the Directors or the CEO (and their associates).

With effect from 11 January 2023, the two-tier voting mechanism under the Listing Rule 210(5)(d)(iii) had been removed and a hard tenure of nine-year for Independent Directors was imposed. However, an Independent Director whose tenure exceeds the nine-year limit can continue to be deemed independent until the conclusion of the Company's next AGM for the financial year ending on or after 31 December 2023.

In view of the above, Dr Tan will remain as an Independent Director until the Company's annual general meeting in 2024.

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

The NC reviews the size and composition of the Board to ensure that the size of the Board is conducive for effective discussions and decision-making and that the Board has the appropriate mix of expertise and experience as well as an appropriate balance of Independent Directors.

The Company has a focused board renewal strategy to progressively bring in diversity of skillsets, views and backgrounds in alignment with the growth of the Group. One-third of the Company's directors retires and seeks re-election at every AGM.

The current Board made up of a team of high caliber leaders whose diverse expertise and experience in accounting & finance, banking, strategic planning, human resource management, business and management, legal and regulatory, industry knowledge combined provides core competencies necessary to lead and govern the Group effectively. The Directors' objective judgement, collective experience and knowledge are invaluable to the Group and allow for the useful exchange of ideas and views.

The NC, with the concurrence of the Board, considers its current board size of five (5) Directors is appropriate for effective decision-making, considering the scope and nature of the Group's businesses and operations.

CORPORATE GOVERNANCE REPORT

Board Diversity
The Board has put in place a Board Diversity Policy which recognises that a diverse Board will enhance decision making process by utilising a variety in skills, industry and business experience, gender, age and other distinguishing qualities of the members of the Board. In accordance with the Board Diversity Policy, the NC shall strive for the inclusion of diverse groups and viewpoints. The final decision on selection of directors will be based on merit against the objective criteria set and after giving due regard for the benefits of diversity on the Board.

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

If there is a need for Board renewal or adding in new member, the Board will abide by the Board Diversity Policy in its search of the new director candidate. The NC, with the concurrence of the Board, has agreed to the target of achieving 20% female director on its Board at all time.

During 2022, the NC and Board are pleased to achieve gender diversity by having Ms Ong Beng Hong joining the Board on 1 September 2022. In considering Ms Ong's appointment, the NC took into account her legal background. Ms Ong is currently an Advocate and Solicitor with Wong Tan & Molly LLC ("WTM"). She holds the position as Joint Managing Director and head of the Capital Markets and Banking & Finance division in WTM. Her areas of practice include securities and debt offerings, securities regulations, mergers and acquisitions, capital markets and corporate finance, banking and finance, loan syndications for Singapore and other ASEAN corporations, debt and corporate restructurings, corporate advisory work for listed companies as well corporate compliance and administration for private and public listed companies. The Board approved the appointment of Ms Ong as an Independent Director of the Company after having considered the recommendation of the NC and having reviewed the experience and skills-set of Ms Ong.

Profiles of the Directors are set out on page 9 to 10 of this Annual Report.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

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

Provision 3.1 – Chairman and Chief Executive Officer ("CEO") should be separate persons
Mr Mak Lye Mun is the Board Chairman and Executive Director of the Company. As the sole Executive Director, Mr Mak oversees the running of the Group's operations. He is further supported by the Chief Operating Officer ("COO") of the Company and key management of the Group's business units.

CORPORATE GOVERNANCE REPORT

Considering the current corporate structure and the scope of the Group's operations, there is no necessity to appoint a Chief Executive Officer ("CEO"). The nature of the Group's business and operations merit the continuity of an Executive Director to provide Independent Directors with the requisite background and knowledge to facilitate their independent judgement and decision-making.

The Board is of the view that there is adequate accountability and transparency within the Group. Given that there is a majority of Independent Non-Executive Directors, the Board is also of the view that there are sufficient safeguards and checks to ensure that the process of decision making by the Board is based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence.

Provision 3.2 – Roles of Chairman and CEO
The Company does not have a CEO as explained under Provision 3.1. The Executive Chairman presides over the business of the Board and monitors the translation of the Board's decisions and directions into executive action. In addition, the Executive Chairman provides close oversight, guidance, advice and leadership to the senior management. The Executive Chairman also plays a crucial role in fostering constructive dialogue between shareholders, the Board and Management at the Company's general meetings. The Executive Chairman leads the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the Board, Management and Company Secretary.

The Executive Chairman leads the Board and ensures the effectiveness on all aspects of its role. His responsibilities include, *inter alia*:

1. constructively determining and approving, with the full Board, the Company's strategic direction;

2. ensuring that the Board is properly organised, functioning effectively and meeting its obligations and responsibilities;

3. ensuring that Directors receive complete, adequate and timely information;

4. fostering effective communication and constructive relations amongst the Directors, within Board Committees, between shareholders, between the Directors and Management;

5. day-to-day running of the Group's business in accordance with the business plans and within approved budgets;

6. developing and proposing the Group's strategies and policies for the Board's consideration;

7. implementing the strategies and policies approved;

8. overseeing the affairs of the Group in accordance with the policies, practices, procedures and values adopted by the Board. Promote and instill in the entire Leadership Team the highest standards of integrity, probity and corporate governance within the Group.

Provision 3.3 – Lead Independent Director
Dr Tan is the Lead Independent Director of the Company.

All Non-Executive Directors, led by the Lead Independent Director, meet regularly with the Executive Director and Management to develop strategies for the Group, review the performance of Management and discuss corporate governance matters. Where warranted, the Independent Non-Executive Directors meet for discussions before the Board meetings in the absence of Management. The Lead Independent Director provides feedback to the Board as appropriate.

The Lead Independent Director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

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

Provision 4.1 & 4.2 – Composition and Role of Nominating Committee ("NC")
The NC comprises the following members, two of whom (including the Chairman) are Independent Directors:

Dr Steve Lai Mun Fook (Chairman, Independent Director, appointed on 1 January 2023)
Dr Tan Boon Wan (Lead Independent Director, appointed on 1 September 2022)
Ms Ong Beng Hong (Independent Director, appointed on 1 September 2022)

Dr Tan Boon Wan was the NC Chairman during the financial year 2022; Dr Tan stepped down as NC Chairman on 1 January 2023 and in place, Dr Lai was appointed on the same date. Dr Tan continues as a member of the NC.

For the year under review, the NC held three meetings and the NC Chairman reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The NC performs the following functions as provided in its TOR:

1. identifying candidates and reviewing all nominations for the appointment or re-appointment of Directors, the CEO of the Group, and determining the selection criteria;

2. reviewing the independence of each Independent Director annually;

3. deciding whether a Director is able to and has been adequately carrying out his duties as Director of the Company, particularly where the Director has multiple board representations;

4. reviewing the Board structure, size and composition and making recommendations to the Board with regard to any adjustments that are deemed necessary;

5. reviewing Board succession plans for Directors, in particular, the Chairman, the CEO and KMPs;

6. determining how the Board and Board Committees' performance may be evaluated and proposing objective performance criteria for the Board's approval;

7. reviewing the training and professional development programmes for the Board;

8. reviewing the Board structure, size, composition and balance and making recommendations to the Board; and

9. the re-election of Director(s) by shareholders under the "retirement by rotation" provisions in the Company's Constitution having due regards to the composition and progressive renewal of the Board, and the competency, performance and contribution of the Director including his attendance, preparedness and participation at Board and its Board Committees meetings. A Director's time and effort accorded to the Company's business and affairs will also be considered.

CORPORATE GOVERNANCE REPORT

Summary of activities carried out by the NC includes:

i) Reviewed the succession planning of the Board and KMPs during the year.

ii) Reviewed its terms of reference to be in line to the Code and the Listing Rules.

iii) Reviewed and recommended nomination for re-appointment of Directors.

iv) Provision 4.4 – NC's Determination of Independent Director's Independence

The NC is charged with determining the independence of the directors as set out under Provision 2.1 above as well as the relationships or circumstances which would deem a director not to be independent. The NC had reviewed the independence of Dr Lai, Dr Tan and Ms Ong as described under Principle 2 above.

v) Provision 4.5 – Board Representations

Where a Director has multiple Board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he has been adequately carrying out his duties as a Director. The recommendation of the NC for the nomination of a Director for re-election is then made to the Board. The Board will review this recommendation.

All Directors are required to declare their Board representations. The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership will vary. The NC also considers both the results of the assessment of the effectiveness of the individual Directors and their actual conduct during Board and Board Committee meetings and ad-hoc discussions and considers the number of listed company board representations which each Director holds on an annual basis or from time to time when the need arises. In this respect, the NC believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold. The Board affirms and supports this view.

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

CORPORATE GOVERNANCE REPORT

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

Name of Director	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Mr Mak Lye Mun	Hwa Hong Corporation Limited	Listed Companies – (i) Boustead Singapore Limited (ii) AV Jennings Limited
Dr Tan Boon Wan	Nil	Nil
Dr Steve Lai Mun Fook	Nil	Listed – (i) Yongmao Holdings Limited (ii) Vertex Technology Acquisition Corporation Ltd
Ms Ong Beng Hong	Nil	Principal Commitments – Wong Tan & Molly Lim LLC
Mr Charlie Ng How Kiat	Nil	Principal Commitments – (i) Asia Resource Corporation Pte Ltd (ii) Macondray Holdings Pte. Ltd. (iii) Alliance Asia Holdings Pte. Ltd.

vi) Assessing the effectiveness of the Board, Board Committees and individual directors as described under Provisions 5.1 and 5.2 below.

vii) Reviewed the Board Diversity Policy as set out in Provision 2.4.

viii) Reviewed the succession planning of the Board and KMPs within the Group.

During the financial year 2022, the NC had reviewed the succession planning of the Board and KMPs within the Group as the Group diversifies into other business segments such as acquiring MHC Group digital assets and wine tokenization.

Mr Mak Lye Mun who first joined the Company as Independent Non-Executive Director in April 2021 was re-designated as Executive Director on 15 July 2022. This was in view of his familiarity with the Company. Mr Mak is a veteran in the corporate and finance industry, having held various senior positions in his career. As the Group embarks into areas of venture, the NC and the Board believed that Mr Mak is well equipped to undertake the executive role in the Company and to lead the Group's business and operations.

Mr David Hoon Chee Wai who joined the Company as Independent Non-Executive Director in April 2021, stepped down as director and appointed as Chief Operating Officer ("COO") of the Company on 1 March 2022.

Mr Edmond Lee Teng Chye, who joined the Company as COO was deployed as Interim CEO of the Company on 1 July 2022 when the former Chief Executive Officer resigned from his post. Mr Lee was subsequently appointed as CEO of the Group's business units namely, Intraco Trading Pte Ltd and Intrawave Pte Ltd. on 15 July 2022.

The Board had during the year included a new Independent Non-Executive Director, Ms Ong Beng Hong, who was appointed on 1 September 2022.

In reviewing the above, the NC had reported to the Board and the Board had approved the above changes.

CORPORATE GOVERNANCE REPORT

Provision 4.3 – Procedure for Selection and Appointment of New Directors
The NC recognises succession planning as an important part of the governance process and reviews succession plans annually to ensure that Board membership is refreshed progressively and in an orderly manner. The NC had put in place a formal process for shortlisting, evaluating and nominating candidates for appointment as new Directors.

The NC, in consultation with Management and the Board, determines the qualifications and expertise required or expected of a new Board member considering the current Board size, structure, composition, diversity of skill, competencies and gender, and progressive renewal of the Board. Prospective candidates are sourced through recommendations from Board members, business associates, advisors, professional bodies and other industry players. These candidates are then reviewed by the NC. The criteria for assessing the suitability of any nominee or candidate are determined by the NC.

The NC, in evaluating the suitability of the nominee or candidate, will consider his/her qualifications, business and related experience and ability to contribute effectively to the Board. The NC will also determine if the nominee or candidate would be able to commit time to his/her appointment having regard to his/her other Board appointments and principal commitments, and his/her independence.

The evaluation process will also involve an interview or meeting with the nominee or candidate. Appropriate background and confidential searches will also be made. Recommendations of the NC are then put to the Board for consideration. Any appointment to Board Committees is reviewed and approved at the same time.

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

During the year, the NC had reviewed and recommended one new Director to the Board for approval. This was part of refreshing the Board which would enable the Board to tap into new external perspectives and insights from new appointee and draw upon the experience of longer-serving Directors.

BOARD PERFORMANCE

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

Provision 5.1 & 5.2 – Assessing the effectiveness of the Board, Board Committees, Individual Director
The Board has established a set of criteria for evaluating the effectiveness of the Board and Board Committees, as well as each individual Director.

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

For FY2022, Directors participated in the evaluation by completing the forms online, providing more efficiency and convenience. The online forms allow the viewing, editing and submission online thus eliminating the need for physical forms to be returned to the Company Secretary for the collation of results. It also ensures accuracy during results extraction and collation by reducing human error.

The availability of the performance evaluation results promptly allows the swift identification of issues and matters that may require the Board's attention and development of action plans to resolve these issues.

CORPORATE GOVERNANCE REPORT

The Board performance evaluation exercise in digital format, provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had allowed him to discharge his duties effectively. The results of the respective Board Committees and the Board are comprehensively documented and shared digitally amongst the Board Directors upon review by the NC. Directors are encouraged to propose board changes to enhance effectiveness as a whole whilst at the same time, enhancing corporate governance practices.

Board Evaluation Criteria
The Board evaluation questionnaire takes into consideration qualitative factors such as Board composition, information flow to the Board, Board process, Board accountability, matters concerning top management and standards of conduct of Board members. The NC would review the need to set quantitative or qualitative targets for future performance criteria as appropriate.

The performance criteria will not be changed from year to year unless circumstances deem it necessary for any of the criteria to be changed, for example to align with changes to the 2018 Code and listing rules and the onus should be on the entire Board to justify the decision.

Board Committees and Individual Director Evaluation
The NC also has an annual performance evaluation exercise for each of the Board Committees. The performance evaluations of the AC, NC and RC are similarly carried out with questionnaires. The results are collated and compiled by the Company Secretary. The findings with comparatives from the previous year's results are discussed by the NC. Areas of strength or improvements and recommendations, if any, will be reported to the Board. The Board Committees performance evaluation questionnaires take into consideration the extent of how effectively each respective committee has carried out its duties and responsibilities.

The scope of evaluation covers the size, composition, trainings and resources, processes of the Board Committees and their access to information and reference to guidelines as set out in the SID's Board Committees Guide.

Individual Director assessment is also conducted whereby each Director is evaluated on his contributions to the proper guidance, diligent oversight and able leadership, and the support that he lends to Management in steering the Group.

The NC was generally satisfied with the FY2022 Board and Board Committees' performance evaluation results. No significant problems were identified. The NC will continue to review the evaluation process from time to time.

The NC is of the view that the primary objective of the assessment exercise is to create a platform to identify the Board Committees' and Board's strengths and make recommendations for improvements to be tabled to the Board for discussion and comment with a view to strengthening and effectiveness of the Board Committees and the Board. The Company has not engaged any external facilitator to conduct the performance evaluation of the Board Committees, Board and individual Director. Where relevant and when the need arises, the NC will consider such an engagement.

Executive Director Evaluation
The NC had also conducted an evaluation of the Company's Executive Director for FY2022. The criteria for the Executive Director evaluation focus on leadership, strategy formulation, strategy execution, financial planning/performance, human resources management/relations and relationship with the Board. The outcome of the evaluation was reported by the NC to the Board. Appropriate feedback to the Executive Director was conveyed by the NC Chairman.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PRINCIPLE 6: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

Provision 6.1 & 6.2 – Composition and Role of the Remuneration Committee ("RC")
The RC comprises the following members, two of whom (including the Chairman) are Independent Non-Executive Directors:

Dr Tan Boon Wan (Chairman, Independent Director, appointed on 1 September 2022)
Ms Ong Beng Hong (Independent Director, appointed on 1 September 2022)
Mr Charlie Ng How Kiat

Mr Mak Lye Mun was the RC Chairman during the financial year 2022. Mr Mak stepped down on 1 September 2022 and in place, Dr Tan was appointed on the same date.

For the year under review, the RC held two meetings and the RC Chairman reported formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. Where required, the RC also sets aside time to meet without the presence of Management at RC meeting to discuss matters such as the remuneration of KMP.

The TOR of the RC include:

1. recommending Non-Executive Directors' fees, Executive Director's and CEO's (if any) remuneration to the Board in accordance with the approved remuneration policies and processes of the Company;

2. reviewing service contracts for the Executive Director, CEO and KMP to keep in line with the guidelines on contractual provisions set out in the Code;

3. looking into service contract provisions that allow the Group to reclaim incentive components of remuneration from the Executive Director, CEO (if any) and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group;

4. reviewing the remuneration of the KMP (who are not Directors) in accordance with the approved remuneration policies and processes of the Company;

5. reviewing the eligibility of the Executive Director, CEO (if any) and KMP for benefits under any long-term incentive schemes;

6. administering the INTRACO Employee Share Option Scheme (the "2013 Scheme") and any other share option scheme or share plan established from time to time for the Directors and KMP. More information on the 2013 Scheme is set out in the Directors' Statement on pages 92 to 93;

7. reviewing the remuneration packages of employees who are related to any Director, substantial shareholder or the CEO (or executive of equivalent rank); and

8. ensuring that an appropriate proportion of the remuneration of Executive Directors and KMP are structured so as to link rewards to corporate and individual performance.

For FY2022, the RC had also reviewed its terms of reference to be in line with the Code.

CORPORATE GOVERNANCE REPORT

Provision 6.3 – Remuneration Framework
There is a formal and transparent process for developing executive remuneration and for determining the remuneration packages of individual Directors. No Director is involved in determining his own remuneration.

The RC reviews all matters concerning the remuneration of the Directors to ensure that remuneration commensurate with their contributions, responsibilities and market benchmarks.

The annual quantum of Directors' fees to be paid is also reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM. None of the Non-Executive Directors has service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director. The fee framework comprises a base fee, attendance fee and additional fee for holding appointment as Chairman or member of the Board committees. The Executive Director of the Board is not entitled to any attendance fee. The attendance fee was reinstated during FY2022 after it was temporarily scrapped in the first half of 2022. For the reinstated attendance fee, a cap of S$10,000 for each Director per year was put in place.

The RC also reviews the remuneration packages of the Executive Director and KMP and submits its recommendations to the Board for endorsement. A fundamental element in the remuneration principles is the concept of pay for performance and the RC will look at the total remuneration provided which comprises annual fixed salary and variable salary component. The variable salary component is in the form of variable bonus that is linked to the performance of the Group and the individual's performance.

The RC also reviews the Company's obligations under the service agreements of the Executive Director and KMP that would arise in the event of termination of these service agreements to ensure that such service agreements contain fair and reasonable termination clauses.

The RC sets the remuneration guidelines for the Group for each annual period including annual increments, total incentives for distribution to staff of all grades and structuring long-incentive plans, if applicable.

Provision 6.4 – RC access to expert professional advice
The RC has access to expert professional advice on remuneration matters as and when it deems necessary in framing the remuneration of Directors. The expenses incurred from such advice shall be borne by the Company. For FY2022, no remuneration consultant was appointed to review the remuneration of Directors and KMP.

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.*

Provision 7.1 & 7.3 – Remuneration of Executive Directors and KMP
In setting remuneration packages, the RC takes into consideration the prevailing market conditions, the pay and employment conditions within the industry and in comparable companies.

The RC reviews the remuneration of Directors and KMP on an annual basis to ensure that it commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Company.

CORPORATE GOVERNANCE REPORT

As part of its review, the RC ensures that the performance-related elements of remuneration form an appropriate part of the total remuneration package of the KMP and that each package is designed to align their interests with those of shareholders and link rewards to corporate and individual performance. The RC will review the key performance indicators ("KPIs") of the KMP and part of the KPIs will be tied to the profitability of the specific business which the individuals are managing.

Performance Based Compensation

The Group adopts a remuneration policy that is performance based for KMP, comprising a fixed component and a variable component. The fixed component is in the form of a base salary and benefits. The variable component is in the form of a variable bonus that is linked to the Company's and individual performance. The RC also endorses the bonus distribution for KMP based on individual performance and presents its recommendation to the Board for approval.

In determining the fixed and variable component of the remuneration package, Management makes its recommendation to the RC, having regard to the individual KMP's KPIs, such as (a) profit target; (b) strategic requirements and goals of the Company; (c) investment in future growth; (d) the individual's contributions to these objectives. The Group rewards KMP with outstanding performance, who have fulfilled their obligations and met their KPIs as well as contributed to the growth and development of the Group.

Long-term Incentive Scheme

The employees of the Group, including Non-Executive Directors, are eligible to participate in the 2013 Scheme. The 2013 Scheme serves as a long-term incentive scheme to better align the interest of KMP with the Company's shareholders. No options were granted under the 2013 Scheme in FY2022.

The 2013 Scheme will be expiring on 29 April 2023. The RC had reviewed the proposals for a new Employee Share Option Scheme ("ESOS 2023") and Performance Share Plan ("PSP") and recommended to the Board for concurrence. The Board had accepted the RC's recommendation and will be tabling the ESOS 2023 and PSP for shareholders' approval at an Extraordinary General Meeting ("EGM"). The EGM will be convened immediately after the conclusion of the Company's AGM.

The RC believes that the PSP will act as both retention and motivational tools for KMP of the Group, aligning the KMP's interests with that of shareholders.

The Company will also be renewing its Share Buyback Mandate (adopted since FY2018) which provides the Directors with the flexibility to utilise the shares which were purchased or acquired and held as treasury shares for any long-term share incentive schemes to be initiated by the Company as a means to reward and improve the long-term performance of the employees and in turn the Company and Group at large. The Company will utilise treasury shares instead of new issuance of shares as this would provide greater flexibility to manage and minimise the dilution impact (if any) arising from the share incentive schemes.

Reclaim Incentive Components

The RC and Board are of the view that as the Group pays variable compensation through bonuses based on the actual results of the Group as well as the achievement of KPIs by its KMPs, claw back contractual provisions may not be relevant/ applicable. Therefore, there are no contractual provisions which allow the Company to reclaim incentive components of remuneration from the KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the KMP in the event of such incidents.

CORPORATE GOVERNANCE REPORT

Provision 7.2 – Remuneration of Non-Executive Directors
The RC has recommended to the Board a total amount of up to S$255,000 as Directors' fees for the financial year ending 2023 ("**FY2023**"), to be paid quarterly in arrears. This will be tabled at the forthcoming AGM for shareholders' approval.

The Board concurred with the RC that the proposed Directors' fees for FY2023 is appropriate and not excessive, taking into consideration the level of contributions by the Directors, their responsibilities and obligations and factors such as efforts and time spent for serving on the Board and Board Committees.

The structure of the Directors' fees is as follows:

	Chairman	Member
Board	S$60,000	S$30,000
Audit Committee	S$20,000	S$15,000
Nominating Committee	S$11,250	S$5,625
Remuneration Committee	S$11,250	S$5,625

In addition to the above, there is also attendance fee capped at S$10,000 per director per year.

DISCLOSURE ON REMUNERATION

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

Provision 8.1, 8.2 & 8.3 – Remuneration of Directors, CEO and Top Five KMP
Every Director receives a basic fee. In addition, he receives a Chairman's fee if he is the Chairman of the Board, as well as the relevant Board Committee fee (depending on whether he served in the capacity as the Chairman or as a member of the relevant Board Committee) for each position held on a Board Committee. Each Director also receives an attendance fee for each Board meeting, Board Committees' meetings and other meetings such as strategic sessions, private Board and Board Committee sessions. As mentioned above, the attendance fee is capped at S$10,000 per director per year. The Executive Director of the Company is not entitled to the attendance fee.

The amounts of Directors' fees have been computed on the basis of the anticipated number of Board and Board Committee meetings for FY2023, assuming attendance by all the Directors at such meetings, and also caters for additional fees (if any) which may be payable due to additional ad-hoc meetings. Additional Directors' fees (if any) over and above the approved Directors fees will only be paid if approved at the next AGM.

Mr Mak Lye Mun, the Executive Director, is on a three-year term with the Company pursuant to his Service Agreement.

The total remuneration received by Mr Mak Lye Mun for FY2022 is S$197,370 (includes S$55,675 directors fee). Pursuant to Mr Mak Lye Mun's employment contract with the Company dated 7 July 2022, Mr Mak Lye Mun shall be awarded a total of 1,000,000 Shares under the proposed PSP which shall have a three (3)-year vesting period. This will be tabled at the forthcoming EGM for shareholders' approval. For further details, please refer to para 4.2.5 of the Circular to shareholders dated 3 April 2023.

CORPORATE GOVERNANCE REPORT

A summary compensation table of the Directors receiving remuneration from the Company for FY2022 is appended below:

Name of Directors	Directors' Fees	Total (S$)
Mr Mak Lye Mun [1]	100%	55,675
Dr Tan Boon Wan	100%	77,176
Dr Steve Lai Mun Fook	100%	45,550
Ms Ong Beng Hong	100%	20,301
Mr Charlie Ng How Kiat	100%	59,125
Mr David Hoon Chee Wai (resigned on 1 March 2022)	100%	14,002
Total	**100%**	**271,829**

1 Refers to Mr Mak's tenure as Independent Director during the year

A summary compensation table of Dr Lai and Mr Ng receiving remuneration from KA Group Holdings Pte Ltd ("KA Group"), a wholly-owned subsidiary of the Company, for FY2022 is appended below:

Name of Directors	Total (S$)
Dr Steve Lai Mun Fook	9,658
Mr Charlie Ng How Kiat	3,000

The Directors' Fees in KA Group are structured in Chairmanship fee of S$11,250 and attendance fee of S$1,000 per meeting. Both Dr Lai and Mr Ng had stepped down as Director of K.A. Group on 5 August 2022.

A summary compensation table of the KMP receiving remuneration from the Company for FY2022 is appended below:

Remuneration Band & Name of CEO and KMP	Salary	Bonus	Other Benefits [(1)]	Total (S$)
S$500,000 to S$749,999				
-				
S$250,000 to S$499,999				
Mr Soh Yong Poon	78.1%	6.5%	15.4%	100.0%
Ms Caren Soh Ying Sin	75.7%	6.3%	18.0%	100.0%
Mr Edmond Lee Teng Chye [4]	74.3%	10.8%	14.9%	100.0%
Mr Nicholas Yoong Swie Leong (ceased on 30 June 2022) [6]	78.3%	6.5%	15.2%	100.0%
Below S$250,000				
Mr Mak Lye Mun (re-designated on 15 July 2022) [2]	95.9%	-	4.1%	100.0%
Mr David Hoon Chee Wai (appointed on 1 March 2022) [3]	86.2%	7.2%	6.6%	100.0%
Mr Koit Ven Jee (appointed on 9 May 2022) [5]	83.5%	7.1%	9.4%	100.0%
Ms Maggie Yeo Sock Koon (resigned on 31 May 2022) [7]	72.0%	3.6%	24.4%	100.0%
Mr Peter Tan Kok Seng (resigned on 28 January 2022) [8]	54.6%	-	45.4%	100.0%

CORPORATE GOVERNANCE REPORT

Notes:

[1] Other benefits refer to employer's CPF and other allowances.

[2] Mr Mak Lye Mun re-designated as Executive Chairman of the Company on 15 July 2022

[3] Mr David Hoon Chee Wai appointed as Chief Operating Officer of the Company on 1 March 2022

[4] Mr Edmond Lee Teng Chye re-designated as CEO of Intraco Trading Pte. Ltd. and Intrawave Pte. Ltd. on 15 July 2022

[5] Mr Koit Ven Jee appointed as Group Financial Controller of the Company on 9 May 2022

[6] Mr Nicholas Yoong Swie Leong resigned as CEO of the Company on 30 June 2022

[7] Ms Maggie Yeo Sock Koon resigned as CFO of the Company on 31 May 2022

[8] Mr Peter Tan Kok Seng resigned as Senior Vice President of the Company on 28 January 2022

The disclosure of the CEO and KMP's remuneration in types of compensation in percentage terms and in bands of S$250,000 (based on gross remuneration received and inclusive of employer's contributions to the Central Provident Fund) is as set out in the above table.

Given the confidentiality and sensitive nature of the subject, the Company is of the view that it is not in the best interest of the Company to disclose the specific remuneration of the KMP as this disclosure may adversely affect the Company's talent retention. The Company believes that disclosure of the KMP's remuneration in bands of S$250,000 should be sufficient to provide an insight into the link between their compensation and performance and sufficient for shareholders to have an adequate appreciation of the remuneration of the Company's KMP. Further details are deemed to be not in the interest of the Company due to the competitiveness of the industry for key talents. The aggregate remuneration paid to the KMP (who are not Directors or CEO of the Company) in FY2022 amounted to S$1,516,749, excluding KMP who had resigned during the financial year.

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

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

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

Employee Share Scheme

The Company has a share option scheme known as "INTRACO Employee Share Option Scheme" (the "2013 Scheme") which was approved and adopted by shareholders of the Company on 29 April 2013. The 2013 Scheme gives the Group added flexibility in structuring more competitive remuneration packages to award, retain and motivate those executive personnel and Non-Executive Directors to successfully manage and guide the Group respectively for the long-term. This is vital to the well-being, sustained performance and value creation of the Group. The 2013 Scheme is administered by the RC. No options were granted since the commencement of the 2013 Scheme.

CORPORATE GOVERNANCE REPORT

Remuneration and Performance
The Company is of the view that the current disclosure provides sufficient overview of the remuneration of the Group while maintaining confidentiality of staff remuneration matters. Annual variable bonuses would be linked to achievement of financial and non-financial key performance indicators such as core values, competencies, key result areas, performance rating, and potential of the employees (including key management). Long-term incentive plans are conditional upon pre-determined performance targets being met and the long-term incentive plans serve to motivate and reward employees and align their interests to maximise long term shareholders' value.

The RC ensures that there is a strong correlation between bonuses payable, and the achievement and performance of the Group and individual staff. The RC also ensures that there is a good balance of short-term and long-term incentive schemes to motivate continuous and sustainable performance.

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Provision 9.1 & 9.2 – Design, Implementation and Monitoring of Risk Management and Internal Control Systems
The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is assisted by the AC which conducts the reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems.

The identification and management of risks are delegated to Management, who assumes ownership and day-to-day management of these risks. Management reports to the AC on the Group's risks profile on a quarterly basis, evaluates results and counter measures to mitigate identified potential risks.

Adequacy and Effectiveness of Risk Management and Internal Control Systems
The Board has adopted an enterprise risk management ("ERM") framework. This risk framework has five (5) principal risk categories, namely strategic, financial, operational, compliance and information technology risks.

The Group's risk management framework is aligned with the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls Integrated Framework.

Management is responsible for the effective implementation of the risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the AC and Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis. Identified risks that affect the achievement of the Group's business objectives are compiled in the Group Risks Register and are ranked according to the likelihood and consequential impact to the Group as a whole.

Risk Management Policies and Processes
The main risks arising from the Group's financial operations are liquidity risk, foreign currency risk, credit risk, equity price risk and interest rate risk. Details on the foregoing are set out in the Notes to the Financial Statements. These risks are monitored by AC and the Board on a quarterly basis.

The Company's Internal Auditor ("IA") reviews material internal controls as part of the internal audit plan to provide independent assurance to the AC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

CORPORATE GOVERNANCE REPORT

Adequacy and Effectiveness of Internal Controls

The IA presents his findings to the AC on a quarterly basis. If any non-compliance or internal control weaknesses are noted during the audit, the corresponding recommendations and Management's responses are reported to the AC.

In addition, the external auditors will highlight any material control weakness within the Group discovered in the course of the statutory audit to the AC.

The AC and the Board review the adequacy and effectiveness of the risk management and internal controls system at least annually.

On a half-yearly and annual basis, the CEO and CFO (or equivalent) provide written confirmations ("Management Assurance Letters) to the Board confirming that:

1. the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances;

2. nothing has come to Management's attention which might render the financial results of the Group as at the end of the financial year to be false or misleading in any material aspect;

3. Management is aware of their responsibilities for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal control systems of the Company; and

4. there are no known significant deficiencies or lapses in the risk management and internal controls systems relating to the Company's financial, operational, compliance and information technology controls which could adversely affect the Company's ability to record, process, summarise or report financial data, or of any fraud, whether material or not.

For FY2022, the Board had received the Management Assurance Letters duly signed by the (i) Executive Director and the Group Financial Controller; and (ii) the Executive Director and other key management personnel.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, reviews performed by Management and the various Board Committees and the Management Assurance Letters, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2022 to address financial, operational and compliance risks, including information technology risks, which the Company considers relevant and material to its operations.

The Board is updated quarterly on the Group's financial position and performance with explanations for material variances in financial performance provided. The updates also include key business and operational activities.

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

Accordingly, the Company has complied with Listing Rule 1207(10).

CORPORATE GOVERNANCE REPORT

Separate Risk Committee
The responsibility of overseeing the Company's risk management framework and policies is undertaken by the AC during the financial year 2022.

Management is responsible for the design, execution and reporting of the Enterprise Risk Management. Further, Management is responsible to propose to the AC, mitigation plans to reduce the reported risks.

Management is to report on events that represent new risks to the Company.

The AC is responsible for determining the Group's levels of risk tolerance and risk policies and oversees Management's implementation and monitoring of risk management and internal control systems

Having considered the Company's business operations as well as its existing internal control and risk management systems, a Group Risk Committee ("GRC") at Management level was set up in 2023. The GRC comprises seven members with five senior management, one finance manager and the internal audit manager. The GRC is accountable to the AC. The GRC regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The GRC reviews all significant control policies and procedures and highlights all significant matters to the AC and Board.

Accountability for Accurate Information
The Board endeavours to ensure that the annual audited financial statements and half-yearly announcements of the Group's results present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through timely announcements via SGXNet.

The Audit Committee and the Board also meet to review and monitor the Group's performance at regular intervals besides the Group's half-yearly and full year financial performance.

Compliance with Legislative and Regulatory Requirements
In line with the requirements of the SGX-ST, negative assurance confirmation statements were issued by the Board to accompany the Group's interim financial results announcements, confirming to the best of the Board's knowledge that nothing had come to the Board's attention which could render the Group's results announcements to be false or misleading in any material aspect. This is in turn supported by a written confirmation from the (i) Executive Director and Group Financial Controller and (ii) the Executive Director and KMPs of all subsidiaries (see explanation under Provision 9.2 above). The Group is not required to issue negative assurance confirmation statements for its full year results announcements.

The Company also completes and submits the compliance checklists to SGX-ST (if applicable) to ensure that all financial results announcements, circulars and letters to shareholders comply with the minimum requirements set out in the listing manual of the SGX-ST.

Management Accounts
Management provides the Board with a continual flow of relevant information on the Group's operational, financial and compliance matters on a timely basis, including quarterly management reports in order that the Board may effectively discharge its duties.

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

Provision 10.2 – Composition of the AC
The AC oversees the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group. The AC comprises the following members:

Dr Tan Boon Wan (Chairman)
Dr Steve Lai Mun Fook (Independent Director, appointed on 1 January 2023)
Mr Charlie Ng How Kiat

Ms Ong Beng Hong was a member of the AC during the financial year 2022; Ms Ong stepped down on 1 January 2023 and in place, Dr Lai was appointed on the same date.

Mr Mak Lye Mun and Dr Steve Lai were members of the AC during the financial 2022; Mr Mak and Dr Lai stepped down on 1 September 2022 and in place, Ms Ong was appointed on the same date. As mentioned above, Dr Lai was re-appointed to the AC on 1 January 2023.

For the year under review, the AC held five (5) meetings and the AC Chairman reported formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The minutes of the AC meetings are also made available to the Board.

Expertise of AC Members
The Board is of the view that the AC members, having accounting and related financial management expertise and experience, are appropriately qualified to discharge their responsibilities. All members of the AC have many years of experience in senior management positions in both financial and industrial sectors.

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

Provision 10.1 – Duties of AC and Activities of the AC
The AC is guided by its written Terms of Reference ("TOR"), which set out its authority and duties.

The TOR of the AC include:

1. reviewing the audit plans of the internal and external auditors of the Company, and their reports arising from their audits including Management's response to their letter to Management;

2. reviewing the financial statements of the Company and the consolidated financial statements of the Group;

3. reviewing the balance sheet and profit and loss account of the Company and the consolidated balance sheet and profit and loss account to ensure the integrity of the financial statements and any formal announcements relating to the financial performance of the Company and of the Group; reviewing the half-year and full year results announcements of the Group before submission to the Board for approval;

4. reviewing and reporting the adequacy and effectiveness of material internal controls, including financial, operational, compliance and information technology controls and risk management systems;

CORPORATE GOVERNANCE REPORT

5. the cost-effectiveness, independence and objectivity of the external auditors, nature and extent of non-audit services provided and approval of audit and non-audit fees payable to the external auditors. Audit and non-audit fees which comprised corporate tax compliance services paid to the external auditors, BDO LLP, amounted to S$195,000 and S$49,000 respectively;

6. making recommendations to the Board for the appointment or re-appointment of the external auditors of the Company.

7. reviewing interested person transactions ("IPTs") to ensure that the current procedures for monitoring of IPTs have been complied with and that the IPTs are on normal commercial terms and not prejudicial to the interests of the Company's minority shareholders;

8. reviewing the scope and results of the internal audit procedures, and the adequacy and effectiveness of the Company's internal audit function;

9. approving the hiring, removal, evaluation and compensation of the Head of the Internal Audit function, or accounting/auditing firm or corporation if the internal audit function is outsourced;

10. directing Management to report regularly to AC on the Company's risk profile and the status of risk mitigation action plans; and

11. reviewing the Company's whistle-blowing policy, and to ensure that arrangements are in place for concerns about possible improprieties in matters of financial reporting or other matters to be raised and independently investigated, and for appropriate follow-up action to be taken.

During FY2022, the AC had carried out the above duties as provided in their TOR. In addition, the AC also assessed the impact of the COVID-19 pandemic and ensured adequate cash flow to sustain the Group's operations on an on-going basis and assisted the Board to review the Company's sustainability reporting framework.

For FY2022, the AC had also reviewed its TOR to be in line with the Code.

The external auditors provide regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the AC to keep abreast of such changes and their corresponding impact on the financial statements, if any. The AC is entitled to seek clarification from Management, the external auditors and independent professional advisors and to attend relevant seminars at the Company's expense to apprise themselves of accounting standards/ financial updates.

During FY2022, the AC had reviewed and recommended the change of auditors from KPMG LLP to BDO LLP. The AC believed the change of auditors would enable the Company to benefit from fresh perspective from the new auditors and also for cost saving reason, having considered the business and operational needs of the Group. The change of auditors to BDO LLP was approved by shareholders at the last AGM held on 20 April 2022.

The AC had recommended and the Board had accepted proposing to shareholders of the Company, the re-appointment of BDO LLP as the independent auditors for the Group in the ensuing year. The Company has complied with Listing Rules 712 and 715 in relation to the appointment of the same auditing firm based in Singapore to audit the financial statements of the Company, all of its Singapore-incorporated subsidiaries and joint venture.

CORPORATE GOVERNANCE REPORT

The Group's subsidiaries and joint venture are disclosed under Notes 6 and 7 of the Notes to the Financial Statements on pages 134 to 138 of the Annual Report.

Meeting with External Auditors and Internal Auditors
The AC had met with the internal auditors at least once without the presence of Management. This is part of the routine business of the AC meeting where the internal auditors will report directly to the AC on its internal audit matters.

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

Both sets of auditors had confirmed that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of their audit.

Review the Independence of External Auditors
The AC confirms that the Company has complied with Listing Rule 712 in that BDO LLP is registered with the Accounting and Corporate Regulatory Authority (ACRA). The AC is satisfied that the resources and experience of BDO LLP, the audit engagement partner and the team assigned to the audit of the Group were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group. The AC also reviewed all non-audit services provided by the external auditors and is of the opinion that the nature and provision of such services would not affect the independence and objectivity of the external auditors. The external auditors have confirmed their independence in this respect.

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

The policy is aimed at encouraging the reporting of such matters in good faith, with the confidence that staff of the Company and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal. Complaints or suspicions of impropriety can be made in the form of emails, faxes, letters or written reports. A dedicated email address is maintained by the Company's Internal Audit Department to receive such complaints or reports. Anonymous complaints may be considered, taking into account factors such as the seriousness of the issues raised, the credibility and the likelihood of confirming the allegation from attributable sources.

New employees are briefed on the Whistle-blowing policy during their induction.

The Whistle-blowing Policy as well as whistle-blowing communications channel, have been disseminated to all staff via email and also made available on the Company's internal shared drive for staff reference.

The AC reports to the Board any issues/concerns received by it. Where appropriate, the AC and the Board have access to the appropriate external advice where necessary.

All reported whistle-blowing incidents or concerns will be independently investigated and remedial actions will be taken to address the whistle-blowing incidents. There were no whistle-blowing reports for FY2022.

CORPORATE GOVERNANCE REPORT

Provision 10.3 – Former Partner or Director of the Company's Existing Auditing Firm
The AC does not have any member who is a former partner or Director of the Company's existing audit firm.

Provision 10.4 – Internal Audit
The role of IA is to provide independent and objective assurance that adds value and improves the Group's operations. The IA helps the Group to accomplish its objectives by providing a systematic, disciplined approach to evaluate and improve the effectiveness of internal controls, risk management and governance processes. The IA conducts regular audits of the Group's subsidiaries based on a risk-based audit approach in its audit plan approved by the AC. The IA of the Company reports functionally to the AC Chairman and administratively to the Executive Director. The AC is responsible for the appointment, termination and remuneration of the IA.

The AC also ensures that the IA function is adequately resourced and has appropriate standing within the Group. The IA has unfettered access to all the Group's documents, records, properties and personnel and direct access to the AC.

The role of the IA is to support the AC in ensuring that the Group maintains a sound system of internal controls by highlighting any weaknesses in the current process, ascertaining that operations were conducted in accordance with established policies and procedures, and identifying areas for improvement where controls can be strengthened.

The IA has the relevant qualifications and experience in internal audit to discharge his duties effectively. The International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (the IIA Standards) laid down in the International Professional Practices Framework are used as a reference and guide by the Company's IA. The Company's IA has confirmed to the AC that he is in compliance with the IIA Standards.

The IA adopts a risk-based approach in formulating the annual plan. The AC approves the IA Plan annually and reviews the adequacy and effectiveness of the internal audit function. Reports prepared by the IA are reviewed by the AC on a quarterly basis. The AC assesses the adequacy and effectiveness of the IA function and ensures that the IA has direct and unrestricted access to the AC Chairman. Management also helps the AC to assess the adequacy and effectiveness of the IA function through completing a questionnaire and discussing their evaluation with the AC.

During FY2022, the IA completed its internal audit review of the Group on key processes in treasury, operations, finance. regulatory compliance, information technology and sustainability reporting process. The findings and recommendations of the IA, Management's responses and implementations have been reviewed and approved by the AC.

For FY2022, the AC and Management reviewed the IA's effectiveness and adequacy by completing a questionnaire evaluating the IA's standing within the Company, resources in the IA department and the effectiveness and adequacy of the internal process based on the nature and extent of the Group's operations.

Pursuant to Rule 1207(10C) of the Listing Manual, the AC had assessed and is satisfied with the adequacy, effectiveness, independence, scope and results of the Company's internal audit function.

CORPORATE GOVERNANCE REPORT

KEY AUDIT MATTER

In the review of the financial statements, the AC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements and considered the clarity of key disclosures in the financial statements. The AC reviewed, amongst other matters, the following key audit matter reported by external auditors for FY2022.

Key Audit Matter	How these issues were addressed by AC
The measurement of revenue in the project business	The AC considered the findings of the external auditors that there were no identified deviations in operating effectiveness of controls applied by the Group over revenue from construction contracts. The estimates applied for recognition of construction contracts revenue were found to be reasonable and that there were no material variance identified. The AC was satisfied with the accounting of the Group's revenue.

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.*

Provision 11.1 – Participation of Shareholders at General Meetings
The Company welcomes the views of shareholders on matters concerning the Company and encourages shareholders' participation at shareholders' meetings. All shareholders are entitled to attend the general meetings and are given ample opportunity and time to participate effectively and vote at the meetings.

Shareholders are welcomed to communicate their views on matters relating to the Group with the Board and the Chairmen of the Board Committees and the external auditors of the Company in attendance. Shareholders are informed of the rules, including voting procedures that govern the general meetings. The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote on behalf of the shareholders.

Specified intermediaries, such as banks and capital markets service licence holders which provide custodial services, may appoint more than two proxies. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate in shareholders' meetings. Such indirect investors, where so appointed, will have the same rights as direct investors to vote at shareholders' meetings.

Provision 11.2 – Separate Resolutions at General Meetings on Each Substantially Separate Issue
The Company does not practise bundling of resolutions at general meetings. Each distinct issue is proposed as a separate resolution and full information is provided for each item in the agenda for the meetings.

All resolutions proposed at the general meeting are conducted by way of poll voting. A scrutineer is appointed to count and validate the votes cast at the meeting. The total number of votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and announced at the meeting. The detailed voting results will also be announced to SGX-ST via SGXNet on the same day after the conclusion of the meetings. Shareholders who are present in person or represented by proxies will be entitled to one vote for each share held.

CORPORATE GOVERNANCE REPORT

Provision 11.3 – Attendance at General Meetings
All Directors, including the Chairman of the Board and the respective Chairman of the AC, NC and RC, as well as external auditors are present at general meetings to address shareholders' queries. Management is also present at general meetings to respond, if necessary, to operational questions from shareholders that may be raised.

As permitted under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will convene its forthcoming AGM ("2023 AGM") and EGM by electronic means. Alternative arrangements relating to attendance at the 2023 AGM as well as the EGM via electronic means include arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream, submission of questions to the Chairman of the meeting in advance of the meeting, or by posing questions "live" at the virtual meeting during the live audio-visual webcast, and "live" voting at the AGM and EGM. The relevant rules including the voting procedures are set out in the notices of general meetings.

An independent external party is appointed as scrutineer for the electronic poll voting process. It is the role of the scrutineer to review the proxies and the electronic poll voting system, as well as attend to the proxy verification process to ensure that the poll voting information is compiled correctly. All of the Company's resolutions are voted on via a poll.

At the general meetings, the voting results for each resolution are disclosed to shareholders. When voting for a resolution has concluded, the poll voting results including the number and percentage of votes cast (both for and against the resolution) are immediately made known to shareholders. The poll voting and proxy voting results are promptly released to the SGX-ST via SGXNet.

Provision 11.4 – Absentia Voting
If any shareholder is unable to attend a shareholders' meeting, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms which are sent together with the Annual Reports or Circulars (as the case may be).

As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Provision 11.5 – Minutes of General Meetings
The Company prepares minutes of general meetings which include substantial and relevant comments or queries from shareholders, and responses from Board and Management. Minutes of general meetings will be published within one month after the meeting on the SGX-ST and the Company's corporate website.

Provision 11.6 – Dividend Policy
The Company does not have a formal dividend policy. The Company targets to provide sustainable dividend payouts that consider the Group's profit growth, cash position, positive cash generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

No dividend was declared or recommended as the Company recorded a loss for FY2022.

CORPORATE GOVERNANCE REPORT

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1 – Communication with Shareholders
The Company believes in high standards of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet. The released announcements are then posted on its corporate website at www.intraco.com to allow shareholders, investors and members of the public to keep abreast of development in the Group's business and activities. Where there is inadvertent disclosure made to a select group, the Company will make the same disclosure publicly to all others as soon as possible.

The Company does not practise selective disclosure. Price-sensitive information is publicly released, financial results and annual reports/circulars are announced to the SGX-ST via SGXNET on a timely basis and are available on the Company's website. Prior to the release of the Company's half year and full year results, the Company will also make an announcement informing shareholders of the Company the date of releasing its half year and full year results.

Shareholders of the Company can download the Company's annual report/circular and notice of AGM/EGM from the Company's website or SGXNet.

The Company's website at www.intraco.com is the key resource of information for shareholders. Among other things, it contains corporate announcements, financial results, annual reports and circulars.

Provision 12.2 & 12.3 – Investor Relations Policy
The Board recognises the importance of engaging with shareholders, investors and analysts to obtain and understand their concerns and feedback. As a demonstration of the Company's commitment to transparency and fair disclosure, the Company has adopted an Investor Relations Policy to promote regular and effective communication with shareholders.

The Executive Chairman is empowered to act as spokespersons towards security holders and securities markets professionals. Enquiries are to be directed to the Company's email at investor.relations@intraco.com. General meetings have been and are still the principal forum for dialogue with shareholders. The Company will review the need for analyst briefings, investor roadshows or Investors' Day briefings when necessary.

MANAGING STAKEHOLDERS RELATIONSHIPS

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 Group's stakeholders play a crucial role in our business. Intraco's vision and the success of its business is closely aligned with the interests and needs of its key stakeholders. Effective stakeholder engagement can help the Group to better understand the needs of its key stakeholders and incorporate these into its corporate strategy.

The Group has identified 5 key stakeholder groups based on their relevance and influence to Intraco's business. They include customers, suppliers, employees, investors and regulators. The Group engages with these stakeholders through various informal and formal channels of communication to learn and understand their concerns. For example, the Group maintains a corporate website to leverage on internet platforms, which enables it to communicate with key stakeholders and the public.

CORPORATE GOVERNANCE REPORT

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

CONDUCT AND ETHICS POLICY

All employees are required to observe and maintain high standards of integrity, as well as comply with laws, regulations and Company's policies. The Company sets standards of ethical conduct for employees, which covers all aspects of the business operation of the Group such as work ethics, personal conflicts of interest, and confidentiality of information, related party transactions, gifts and dealing in the Company's securities.

DEALINGS IN SECURITIES (LISTING RULE 1207(19))

The Group has in place internal guidelines in relation to dealing in the Company's securities. The Directors and all employees of the Group are prohibited from trading in the Company's securities during the relevant blackout period of one (1) month prior to the release of the Group's half-year and full year results. They are also required at all times to observe the insider trading rules stipulated in the Securities and Futures Act, Cap. 289 and are discouraged against dealing in the Company's securities on short-term considerations. Directors and the CEO are also required to notify their dealings in the Company's securities within 2 business days.

The Company will be seeking a renewal of its Share Buyback Mandate at the upcoming AGM. In connection with the Share Buyback Mandate, the Company has also put in place a Share Buyback Policy. The Company confirmed that it has adhered to its policy for securities transactions for FY2022.

INTERESTED PERSON TRANSACTIONS ("IPT") (LISTING RULE 907)

The Company has in place internal procedures written in the approved IPT policy and procedure to ensure that all transactions with interested persons are reported to AC in a timely manner, and an IPT register is maintained by the Company's IA. IA will compile and submit to AC a full listing of IPTs including those less than $100,000 and their aggregate including cases of non-compliance on a quarterly basis. Where an IPT or its aggregate reaches 3% of the Group's latest audited net tangible assets, an immediate announcement is made after the AC's review and approval. Where an IPT or its aggregate reaches 5% of the Group's latest audited net tangible assets, Shareholders' approval will be sought through a general meeting, while the interested Shareholder (and any associate) will abstain from voting. The Company currently does not have an IPT mandate in place.

CORPORATE GOVERNANCE REPORT

In accordance with Rule 907 of the SGX-ST Listing Manual, the IPT for FY2022 is as follows:-

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
		2022 S$'000	2021 S$'000
Tat Hong Heavy Equipment (Pte.) Ltd	An entity of which Mr Roland Ng San Tiong (a controlling shareholder of the Company) has a deemed interest of 100%		
Net proceeds from sale of cranes		-	374
Tat Hong Holdings Pte Ltd	An associate of the Company's controlling shareholders, namely TH investments Pte Ltd, Tat Hong Investments Pte Ltd, Chwee Cheng & Sons Pte Ltd, Ng San Tiong, Ng Sun Ho, Ng San Wee and Ng Sun Giam.		
Proceeds receivable from Tat Hong Holdings Ltd ("THH") from disposal of investment in joint venture.		1,127	-

MATERIAL CONTRACTS (LISTING RULE 1207(8))

Except as disclosed in Note to the Financial Statements and the Supplementary Information, there were no material contracts entered by the Company or its subsidiaries involving the interests of the CEO, each Director or controlling shareholders in FY2022.

USE OF PROCEEDS

The Company refers to the announcements made by the Company on 24 December 2021, 13 January 2022 and 17 January 2021 (the "Announcements") in relation to the placement of 10,000,000 new ordinary shares in the capital of the Company (the "Placement"). To date, there have been no utilisation of the net proceeds arising from the Placement amounting to approximately S$4.4m (after deducting expenses in relation to the Placement). The Company will continue to make periodic announcements on the utilisation of the proceeds from the Placement as and when such proceeds are materially disbursed.

DIRECTORS' STATEMENT

The Directors of Intraco Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2022 and the statement of the financial position of the Company as at 31 December 2022.

OPINION OF THE DIRECTORS

In the opinion of the Directors:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Mr Mak Lye Mun
Dr Tan Boon Wan
Mr Charlie Ng How Kiat
Dr Steve Lai Mun Fook
Ms Ong Beng Hong (Appointed on 1 September 2022)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), no director who held office at the end of the financial year had interests in shares, debentures, warrants and share options in the Company and of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of the Directors' Shareholdings, the Directors' interests as at 21 January 2023 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2022.

DIRECTORS' STATEMENT

SHARE OPTIONS

1) Intraco Employee Share Option Scheme

The Intraco Employee Share Option Scheme (the "2013 Scheme") of the Company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 29 April 2013.

Information regarding the 2013 Scheme is set out below:

- Under the rules of the 2013 Scheme, Executive Directors, Non-Executive Directors and employees of the Company, its subsidiaries and its associated companies over which the Company has control ("Associated Companies"), who are not controlling shareholders or their associates, are eligible to participate in the 2013 Scheme.

- The 2013 Scheme is administered by the Company's Remuneration Committee (the "Committee"), comprising three directors, Dr Tan Boon Wan (Chairman), Mr Charlie Ng How Kiat and Ms Ong Beng Hong, with powers to determine, *inter alia*, the following:

  (i) persons to be granted options;

  (ii) number of options to be offered; and

  (iii) recommendations for modification to the 2013 Scheme.

  A member of the Committee who is also a participant of the 2013 Scheme must not be involved in its deliberation in respect of options granted or to be granted to him.

- The aggregate number of shares over which the Committee may grant options on any date, when added to the number of shares issued or issuable and/or transferred or transferable in respect of all options granted under the 2013 Scheme and any other share schemes of the Company for the time being in force, shall not exceed 15% of the issued shares (excluding treasury shares) of the Company on the date immediately preceding the grant of an option.

- The options that are granted under the 2013 Scheme may have exercise prices that are, at the Committee's discretion, set at a price equal to the average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the three (3) consecutive trading days immediately preceding the date of grant of that option (Market Price) or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the Options.

- Options granted to non-executive directors of the Group, and employees and directors of Associated Companies will have a life span of 5 years or such earlier date as may be determined by the Committee. Options granted to employees and executive directors of the Group will have a life span of 10 years or such earlier date as may be determined by the Committee.

- The 2013 Scheme will be expiring on 29 April 2023. The Committee had reviewed the proposals for a new Employee Share Option Scheme ("ESOS 2023") and Performance Share Plan ("PSP") and recommended to the Board for concurrence. The Board had accepted the Committee's recommendation and will be tabling the ESOS 2023 and PSP for shareholders' approval at an Extraordinary General Meeting ("EGM"). The EGM will be convened immediately after the conclusion of the Company's AGM.

DIRECTORS' STATEMENT

SHARE OPTIONS (CONTINUED)

(1) Intraco Employee Share Option Scheme (Continued)

There were no options granted by the Company or its subsidiary corporations since commencement of the 2013 Scheme till the end of the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations whether granted before or during the financial year.

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

2) Non-Listed Warrants

As at 15 March 2023, there were 40 million non-listed warrants ("Introducer Warrant") issued by the Company and held by Suntec Harmony Limited ("Suntec Harmony"). Suntec Harmony is an entity wholly-owned by Mr Wong Fong Fui ("FF Wong"). Each warrant carries the right to subscribe in cash for one new ordinary share of the Company at the exercise price of S$0.50 per Introducer Warrant, at any time within four (4) years from 8 June 2022, provided that, unless the outstanding share capital of the Company from time to time exceeds 284 million shares (excluding treasury shares). Suntec Harmony has undertaken that it will not exercise any Introducer Warrants if it (and/or FF Wong) holds (whether directly or indirectly) more than 14.5% of the total issued share capital of the Company from time to time (taking into account any Introducer Warrants which have been exercised).

AUDIT COMMITTEE

The members of the Audit Committee at the date of this statement are:

- Dr Tan Boon Wan (Chairman), Independent Director
- Dr Steve Lai Mun Fook, Independent Director
- Mr Charlie Ng How Kiat, Non-Independent Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Act, the Listing Manual of the SGX-ST and the Code of Corporate Governance.

The Audit Committee has held five meetings during 2022. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST).

DIRECTORS' STATEMENT

AUDIT COMMITTEE (CONTINUED)

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 auditors and has recommended to the Board of Directors that the auditors, BDO LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

INDEPENDENT AUDITOR

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Mr Mak Lye Mun
Director

Dr Tan Boon Wan
Director

Singapore
31 March 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTRACO LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Intraco Limited (the "Company") and its subsidiaries (the "Group") set out on pages 100 to 173, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022;
- 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 Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTRACO LIMITED

Key Audit Matters (Continued)

Revenue recognition from construction contracts

The Group's revenue from construction contracts is from the fire protection segment and is recognised over time. The amount of revenue from construction contracts is recognised by reference to the proportion of contract cost incurred to date to the total estimated contract cost, towards the satisfaction of a performance obligation ("input method").

Significant assumptions are used by management to estimate the total contract costs to complete which affect the accuracy of revenue recognition based on the input method and adequacy of provision for onerous contract recognised. We have determined the revenue recognition from construction contract as a key audit matter due to significant management judgement and estimate involved to determine the total cost to complete as well as provision for onerous contract.

Related Disclosures

Refer to Note 19 of the accompanying financial statements.

Audit Response

Our procedures included, amongst others, the following:

- Evaluated the design and implementation of relevant key controls over the preparation and determination of total budgeted cost, total contract sum and actual costs.
- Compared total contract revenue to actual cost incurred plus expected cost to complete to satisfy the performance obligations and checked the arithmetical accuracy of the revenue recognised during the year.
- For a selection of completed projects during the year, we performed retrospective review by comparing the total actual cost incurred at completion against the budgeted cost to assess the reasonableness of management's estimates.
- For a selection of projects in progress at the end of the financial year, we assessed management's assumptions on costs to complete the projects and vouched to cost incurred to date.
- Agreed significant contract sums to contracts entered into and variation orders of contracts, where applicable.
- Reviewed management's identification of loss-making contracts and assessed adequacy of provision for onerous contracts.
- Evaluated the adequacy of the related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTRACO LIMITED

Other matters

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 March 2022.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTRACO LIMITED

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

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

(a) 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.

(b) 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.

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

(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.

(e) 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.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTRACO LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the 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 Ng Kian Hui.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 S$'000	Group 2021 S$'000	Company 2022 S$'000	Company 2021 S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	11,210	13,057	87	323
Intangible assets	5	248	158	39	158
Subsidiaries	6	-	-	21,758	18,738
Joint venture	7	-	609	-	550
Other investments	8	4,644	636	4,064	-
		16,102	14,460	25,948	19,769
Current assets					
Other investments	8	19,880	24,731	19,880	24,731
Inventories	9	2,902	1,702	-	-
Trade and other receivables	10	22,467	18,069	19,343	15,942
Contract assets	11	1,540	2,762	-	-
Cash and cash equivalents	12	17,852	22,921	10,630	12,779
		64,641	70,185	49,853	53,452
Total assets		80,743	84,645	75,801	73,221
EQUITY AND LIABILITIES					
Equity					
Share capital	13	88,495	84,069	88,495	84,069
Treasury shares	13	(359)	(254)	(359)	(254)
Reserves	13	(204)	(110)	12,864	13,086
Accumulated losses		(28,938)	(27,615)	(27,621)	(26,711)
Equity attributable to equity holders of the Company		58,994	56,090	73,379	70,190
Non-controlling interests		35	-	-	-
Total equity		59,029	56,090	73,379	70,190
Liabilities					
Non-current liabilities					
Loans and borrowings	15	610	807	-	73
Deferred tax liabilities	18	480	493	-	-
		1,090	1,300	-	73
Current liabilities					
Loans and borrowings	15	9,181	11,891	73	199
Financial liabilities	16	830	-	-	-
Trade and other payables	17	10,609	15,360	2,349	2,759
Current tax liabilities		4	4	-	-
		20,624	27,255	2,422	2,958
Total liabilities		21,714	28,555	2,422	3,031
Total equity and liabilities		80,743	84,645	75,801	73,221

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S$'000	2021 S$'000
Revenue	19	192,893	203,977
Cost of sales		(184,292)	(196,673)
Gross profit		8,601	7,304
Other income	20	912	538
Distribution expenses		(10)	(11)
Administrative expenses		(9,549)	(8,546)
Other expenses	21	(1,192)	(236)
Allowance for impairment loss on trade receivables and contract asset		(492)	(37)
Results from operating activities		(1,730)	(988)
Finance income		678	221
Finance costs		(315)	(236)
Net finance costs	22	363	(15)
Share of profit/(loss) of equity-accounted investees (net of tax)		18	(6)
Loss before tax	23	(1,349)	(1,009)
Tax credit	24	13	11
Loss for the year		(1,336)	(998)
Loss attributable to:			
Equity holders of the Company		(1,323)	(998)
Non-controlling interests		(13)	-
		(1,336)	(998)
Loss per share			
Basic and diluted loss per share (cents)	25	(1.18)	(0.97)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S$'000	2021 S$'000
Loss for the year		(1,336)	(998)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences of foreign operations		(254)	152
Share of other comprehensive income of joint venture		160	44
Other comprehensive income for the year, net of tax		(94)	196
Total comprehensive income for the year		(1,430)	(802)
Total comprehensive income attributable to:			
Equity holders of the Company		(1,417)	(802)
Non-controlling interests		(13)	-
		(1,430)	(802)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital S$'000	Treasury shares S$'000	Translation reserve S$'000	Accumulated losses S$'000	Equity, attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance as at 1 January 2022	84,069	(254)	(110)	(27,615)	56,090	-	56,090
Total comprehensive income for the year							
Loss for the year	-	-	-	(1,323)	(1,323)	(13)	(1,336)
Other comprehensive income							
Foreign currency translation differences of foreign operations	-	-	(254)	-	(254)	-	(254)
Share of other comprehensive income of joint venture	-	-	160	-	160	-	160
Total other comprehensive income	-	-	(94)	-	(94)	-	(94)
Total comprehensive income for the year	-	-	(94)	(1,323)	(1,417)	(13)	(1,430)
Transactions with owners, recognised directly in equity							
Issuance of shares, net of expenses	4,426	-	-	-	4,426	-	4,426
Purchase of treasury shares	-	(105)	-	-	(105)	-	(105)
Acquisition of a subsidiary	-	-	-	-	-	44	44
Incorporation of a subsidiary	-	-	-	-	-	4	4
	4,426	(105)	-	-	4,321	48	4,369
Balance as at 31 December 2022	88,495	(359)	(204)	(28,938)	58,994	35	59,029

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital S$'000	Treasury shares S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total equity S$'000
Balance as at 1 January 2021	84,069	(254)	(306)	(26,617)	56,892
Total comprehensive income for the year					
Loss for the year	-	-	-	(998)	(998)
Other comprehensive income					
Foreign currency translation differences of foreign operations	-	-	152	-	152
Share of other comprehensive income of joint venture	-	-	44	-	44
Total other comprehensive income	-	-	196	-	196
Total comprehensive income for the year	-	-	196	(998)	(802)
Balance as at 31 December 2021	84,069	(254)	(110)	(27,615)	56,090

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S$'000	2021 S$'000
Cash flows from operating activities			
Loss for the year		(1,336)	(998)
Adjustments for:			
Amortisation of intangible assets	5	119	114
Bad debts written off		-	4
Change in fair value of the contingent consideration		(2)	(75)
Depreciation of property, plant and equipment	4	1,894	1,931
Fair value loss of financial assets at FVTPL		830	232
Gain on disposals of property, plant and equipment		(19)	-
Gain on disposals of wine tokens		(102)	-
Allowance for impairment loss on trade receivables and contract assets		491	37
Write-off of property, plant and equipment		-	1
Write-down of inventory to net realisable value		232	-
Lease liabilities payments waived		-	(3)
Gain on disposal of investment in joint venture		(396)	-
Net finance (income)/cost	22	(363)	15
Share of net (profit)/loss of equity-accounted investees, net of tax		(18)	6
Tax credit	24	(13)	(11)
Foreign exchange loss		78	1
		1,395	1,254
Changes in:			
- inventories		(1,432)	(180)
- trade and other receivables		(3,460)	(2,319)
- contract assets		974	(740)
- trade and other payables		(2,557)	(2,737)
Cash used in operating activities		(5,080)	(4,722)
Taxes paid		-	(55)
Net cash flow used in operating activities		(5,080)	(4,777)
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	6	(165)	-
Interest received		418	77
Dividend received from financial assets at FVTPL		167	153
Purchase of intangible asset		-	(16)
Purchase of property, plant and equipment		(47)	(167)
Purchase of bond funds and other investments		(23,929)	(25,624)
Proceeds from disposals of property, plant and equipment		19	-
Redemption of bond funds		23,901	-
Net cash flow from/(used in) investing activities		364	(25,577)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 S$'000	2021 S$'000
Cash flows from financing activities			
Financing from trust receipts settled	15	(4,886)	(1,547)
Interest paid	15	(299)	(201)
Increase in deposits pledged		-	(42)
Issuance of new shares		4,426	-
Payment of lease liabilities	15	(275)	(286)
Proceeds from borrowings	15	2,151	-
Proceeds from financial liabilities		932	-
Purchase of treasury shares		(105)	-
Repayment of loans and borrowings	15	(44)	(46)
Settlement of contingent consideration		(2,254)	-
Net cash flow used in financing activities		(354)	(2,122)
Net decrease in cash and cash equivalents		(5,070)	(32,476)
Cash and cash equivalents at 1 January		22,759	55,235
Effects of exchange rate fluctuations on cash held		1	-
Cash and cash equivalents at 31 December	12	17,690	22,759

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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

1. GENERAL CORPORATE INFORMATION

Intraco Limited (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 60 Albert Street, #07-01 OG Albert Complex, Singapore 189969. The Company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The financial statements of the Group as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activity of the Company is that of investment holding. The Group is primarily involved in the trading of plastics products, providing fire protection services and provision of mobile radio infrastructure services (Note 6).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to significant accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 19 – revenue recognition and contract cost from construction contracts: revenue is recognised over time, whereby the revenue is recognised by reference to the proportion of contract costs incurred to date to the estimated total contract costs ("input method").Significant assumptions are used to estimate the total contract costs which affect the accuracy of revenue recognition based on the input method.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (Continue)

- Note 10 and Note 11 - Credit loss for trade receivables and contract assets: management determines the expected loss arising from default of trade receivables and contract assets, by categorising them based on its historical loss pattern, historical payment profile, geographical risk as well as credit risk profile of customer.

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. The Group Financial Controller has overall responsibility for all significant fair value measurements, including Level 3 fair values, where applicable.

The Group Financial Controller regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy, the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the financial year during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 27 – Financial Instruments.

2.5 Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2022

The standards, amendments to standards, and interpretations that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (Continue)

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, that are effective in future accounting periods and the Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations 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 (Note 3.1(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process 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 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 Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Business combinations are accounted for using the anticipated acquisition method in accordance with SFRS(I) 3 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

(ii) Written put option or forward with NCI

When the Group writes a put or enters into a forward purchase agreement with the NCI in an existing subsidiary or their equity interest in that subsidiary and provides for settlement in cash or in another financial asset by the Group, then the Group recognises a liability for the present value of the exercise price of the option or of the forward price. Subsequent to initial recognition of the financial liability, the changes in the carrying amount of the financial liability is recognised in profit or loss.

The Group applies the anticipated-acquisition method to account for the underlying NCI.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(ii) Written put option or forward with NCI (Continued)

Under the anticipated-acquisition method, the interests of the non-controlling shareholders that hold the written put options or forwards are derecognised when the financial liability is recognised. The profits and losses attributable to the holder of NCI subject to the put options or forwards are presented as attributable to the Group in the statement of financial position and in the statement of profit or loss and statement of other comprehensive income.

If the put option expires unexercised, then the financial liability is derecognised and NCI are recognised and treated consistently with a decrease in ownership interests in a subsidiary while retaining control.

(iii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(v) Investments in joint ventures (equity-accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and joint ventures in the separate financial statements

The subsidiaries are classified as equity investments at fair value through other comprehensive income ("FVOCI"). Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Investments in joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Foreign currency (Continued)

(ii) Foreign operations (Continued)

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the asset to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (Continued)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	50 to 60 years
Leasehold improvements	3 years
Plant, machinery, tools and equipment	2 to 10 years
Furniture, fittings and equipment	3 to 10 years
Office unit	3 years
Motor vehicles	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(i) Recognition and initial measurement (Continued)

Non-derivative financial assets and financial liabilities (Continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first financial year following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

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.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. 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.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

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.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term deposits and other investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

(v) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Treasury shares

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

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

3.5 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition (Note 3.1(i)).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint ventures.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets (Continued)

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Order backlogs	28 months
Customer relationships	64 months
Software	36 months

Amortisation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Contract assets

A contract asset is recognised when the Group recognises revenue (Note 3.12(i)) before being unconditionally entitled to the consideration under the payment terms sat out in the contract. Contract assets are assessed for the expected credit losses ("ECLs") in accordance with the policy set out in note 3.9(i) and are reclassified to receivables when the right to consideration has become unconditional (Note 3.4).

3.8 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SFRS(I) 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (Continued)

As a lessee (Continued)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability are fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (Continued)

As a lessor

When the Group is as a lessor, it determines whether each lease entered is a finance or an operating lease at the lease inception date and reassessed only if there is a lease modification. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying assets. Whereas, it is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying assets.

If the lease arrangement contains lease and non-lease components, the Group applies the principles within SFRS(I) 15 to allocate consideration in the lease arrangement.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Rental income". Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The Group recognised the advances from customer in relation to the lease income as "advances from customers"

Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3.9 Impairment

(i) Non-derivative financial assets and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised costs; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

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

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

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

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(i) Non-derivative financial assets and contract assets (Continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

The allowance account in respect of trade and other receivables (excluding advances to suppliers and prepayments) is used to record impairment losses until the financial asset is considered irrecoverable. At that point, the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment (Continued)

(iii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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, net of depreciation, if no impairment loss had been recognised.

3.10 Employee benefits

(i) 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 defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) 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 or profit-sharing plans 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.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.12 Revenue

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transacting price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Revenue (Continued)

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3.13 Government grants

Government grants related to co-funding of salaries and wages 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 operating income' on a systematic basis in the same periods in which the expenses are recognised.

3.14 Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense; and
- dividend income.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the financial year, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Tax (Continued)

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.16 Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

3.17 Segment reporting

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. All operating segments' operating results are reviewed regularly by the Executive Chairman and Director (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Chairman and Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.18 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, adjusted for own shares held. 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, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$'000	Leasehold improvements S$'000	Plant, machinery, tools and equipment S$'000	Furniture, fittings and equipment S$'000	Motor vehicles S$'000	Office unit S$'000	Total S$'000
Group							
Cost							
At 1 January 2021	6,800	252	49,946	934	342	773	59,047
Additions	-	25	4	77	76	300	482
Disposals/write-offs	-	-	-	(23)	-	(221)	(244)
At 31 December 2021	6,800	277	49,950	988	418	852	59,285
Additions	-	3	25	19	-	-	47
Disposals/write-offs	-	-	-	(10)	(89)	-	(99)
At 31 December 2022	6,800	280	49,975	997	329	852	59,233
Accumulated depreciation							
At 1 January 2021	1,030	252	41,744	832	320	362	44,540
Depreciation	163	8	1,395	66	26	273	1,931
Disposals/write-offs	-	-	-	(22)	-	(221)	(243)
At 31 December 2021	1,193	260	43,139	876	346	414	46,228
Depreciation	164	8	1,370	68	18	266	1,894
Disposals/write-offs	-	-	-	(10)	(89)	-	(99)
At 31 December 2022	1,357	268	44,509	934	275	680	48,023
Carrying amounts							
At 1 January 2021	5,770	-	8,202	102	22	411	14,507
At 31 December 2021	5,607	17	6,811	112	72	438	13,057
At 31 December 2022	5,443	12	5,466	63	54	172	11,210

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Security

At 31 December 2022, leasehold properties and motor vehicles of the Group with carrying amounts of S$1,357,000 (2021: S$1,398,000) are pledged as security to secure bank loans and lease liabilities (Note 15).

	Leasehold improvements S$'000	Furniture, fittings and equipment S$'000	Motor vehicles S$'000	Office unit S$'000	Total S$'000
Company					
Cost					
At 1 January 2021	252	636	50	552	1,490
Additions	25	12	-	79	116
Disposals/write-offs	-	(11)	-	-	(11)
At 31 December 2021	277	637	50	631	1,595
Disposals/write-offs	-	(10)	-	-	(10)
At 31 December 2022	277	627	50	631	1,585
Accumulated depreciation					
At 1 January 2021	252	563	50	179	1,044
Additions	8	39	-	192	239
Disposals/write-offs	-	(11)	-	-	(11)
At 31 December 2021	260	591	50	371	1,272
Additions	8	36	-	192	236
Disposals/write-offs	-	(10)	-	-	(10)
At 31 December 2022	268	617	50	563	1,498
Carrying amounts					
At 1 January 2021	-	73	–	373	446
At 31 December 2021	17	46	-	260	323
At 31 December 2022	9	10	-	68	87

Leases as lessee (SFRS(I) 16)

The Group leases office units and office equipment. The leases typically run for a period of 1 to 3 years. Lease payments are renegotiated at the end of lease term to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group and the Company are lessees is presented below.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Leases as lessee (SFRS(I) 16) (Continued)

Right-of-use assets

Right-of-use assets related to office units and office equipment that do not meet the definition of investment property are presented as property, plant and equipment.

	Office units S$'000	Office equipment S$'000	Total S$'000
Group			
Balance at 1 January 2021	411	18	429
Addition	300	15	315
Depreciation charge for the year	(273)	(7)	(280)
Balance at 31 December 2021	438	26	464
Balance at 1 January 2022	438	26	464
Depreciation charge for the year	(266)	(6)	(272)
Balance at 31 December 2022	172	20	192
Company			
Balance at 1 January 2021	373	–	373
Addition	79	–	79
Depreciation charge for the year	(192)	–	(192)
Balance at 31 December 2021	260	–	260
Balance at 1 January 2022	260	–	260
Depreciation charge for the year	(192)	–	(192)
Balance at 31 December 2022	68	-	68

Amounts recognised in profit or loss

	Group	
	2022 S$'000	2021 S$'000
Leases under SFRS(I) 16		
Interest on lease liabilities	17	27

Amounts recognised in consolidated statement of cash flows

	2022 S$'000	2021 S$'000
Total cash outflow for leases	275	286

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. INTANGIBLE ASSETS

	Goodwill S$'000	Order backlogs S$'000	Customer relationships S$'000	Software S$'000	Total S$'000
Group					
Cost					
At 1 January 2021	6,899	518	411	324	8,152
Addition	-	-	-	16	16
At 31 December 2021	6,899	518	411	340	8,168
Addition	209	-	-	-	209
At 31 December 2022	7,108	518	411	340	8,377
Accumulated amortisation and impairment losses					
At 1 January 2021	6,899	518	411	68	7,896
Amortisation for the year	-	-	-	114	114
At 31 December 2021	6,899	518	411	182	8,010
Amortisation for the year	-	-	-	119	119
At 31 December 2022	6,899	518	411	301	8,129
Carrying amounts					
At 1 January 2021	-	-	-	256	256
At 31 December 2021	-	-	-	158	158
At 31 December 2022	209	-	-	39	248

	Software S$'000
Company	
At 1 January 2021	324
Addition	16
At 31 December 2021	340
Addition	-
At 31 December 2022	340
Accumulated amortisation	
At 1 January 2021	68
Amortisation for the year	114
At 31 December 2021	182
Amortisation for the year	119
At 31 December 2022	301
Carrying amounts	
At 1 January 2021	256
At 31 December 2021	158
At 31 December 2022	39

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. INTANGIBLE ASSETS (CONTINUED)

Amortisation of software

The amortisation of software is included in administrative expenses.

Impairment testing for goodwill

For the purpose of impairment testing, the carrying amount of goodwill has been allocated to the Group's CGU (operating division) as follows:

	2022 S$'000	2021 S$'000
K.A. Group	-	-
Taurus Point Capital Pte. Ltd.	209	-
	209	-

K.A. Group

The recoverable amount of the CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. As at 31 December 2020, the recoverable amount of the CGU was lower than the carrying amount and consequently, the Group recognised full impairment loss of S$6,899,000 for the goodwill in the financial year ended 2020.

Taurus Point Capital Pte. Ltd.

As at 31 December 2022, management estimated the recoverable amounts of the CGU to approximate the carrying amounts of goodwill as the purchase price allocation for the acquisition of subsidiary was based on the fair value of identifiable net assets as at 19 July 2022. As at 31 December 2022, management assessed that no significant changes in the recoverable amounts of the CGU since the date of acquisition and therefore no impairment on the goodwill is required.

6. SUBSIDIARIES

	Company	
	2022 S$'000	2021 S$'000
Equity investments at FVOCI	21,758	16,720
Non-current loan to a subsidiary	-	2,018
	21,758	18,738

The Company designated its subsidiaries as equity investments as at FVOCI. The carrying amounts of the equity investments were determined based on value in use, determined by discounting the future cash flows to be generated. On 1 January 2021, the Company designated a loan of S$2,018,000 due from Intraco Trading Pte Ltd ("ITPL") as quasi equity in nature. Interest was chargeable at 1.15% - 4.48% (2021: 1.15%) per annum and has no fixed terms of repayment.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. SUBSIDIARIES (CONTINUED)

Intraco Trading Pte. Ltd.

On 1 December 2022, the Company increased its investment in ITPL from $2.0 million to $7.0 million by way of capitalisation of debt owing to the Company by ITPL.

Taurus Point Capital Pte. Ltd.

On 19 July 2022, the Company acquired 51% of Taurus Point Capital Pte Ltd ("TPC") for a total consideration of $255,000. The net assets identified is approximately $46,000, and the Group recognised goodwill of $209,000 as a result of the acquisition. The net cash outflow on the acquisition amounting to $165,000 after deducting the cash and cash equivalents of subsidiary acquired of $90,000.

The Company has acquired TPC to diversify the Company's existing business into new businesses related to digital assets. The acquisition will enable the Company to build a suite of corporate finance capabilities within the Group to bring traditional investment banking advisory activities to the digital asset industry.

The fair values of the identifiable assets and liabilities of TPC as at the date of acquisition are as follows:

	Fair value recognised on date of acquisition S$'000
Cash and cash equivalents	90
Trade payables	*
Net identifiable assets at fair value	90
Net identifiable assets attributable to:	
Group, representing 51% equity interest	46
Non-controlling interest, representing 49% equity interest	44
	90
Consideration for acquisition of 51% equity interest	255
Goodwill	209

* Less than S$1,000

From the date of acquisition, TPC has contributed $75,614 and $20,885 to the revenue and profit net of tax of the Group respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and loss, net of tax would have been $141,623 and $22,120 respectively.

The effects of the acquisition of the subsidiary on cash flows are as follows:

	S$'000
Consideration for acquisition of 51% equity interest	255
Less: Cash and cash equivalents of subsidiary acquired	(90)
Net cash outflow on acquisition	165

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. SUBSIDIARIES (CONTINUED)

Provenance Treasures Pte. Ltd. (formerly known as Inno Tech Pte. Ltd.)

On 20 July 2022, the Company subscribed an additional 5,999 new shares out of 9,999 issuances of new shares by Provenance Treasures Pte. Ltd. The Company owns 60% of equity interest, thereby increasing its issued and paid-up share capital from $1 to $6,000.

Intraco Prime Pte Ltd

On 6 October 2022, ITPL and a third party had incorporated Intraco Prime Pte Ltd with an initial issued and paid-up capital of S$100,000, divided into 100,000 ordinary shares, of which 70,000 shares have been issued to the Company.

K.A Group Holdings Pte. Ltd.

On 5 May 2022, Intraco International Pte Ltd, a wholly owned subsidiary of the Company, increased its shareholding in K.A Group Holdings Pte. Ltd. from 90% to 100% by exercising the put option for a consideration of S$2.25 million (Note 17).

Details of subsidiaries are as follows:

Name of Company	Principal activities	Country of incorporation	Ownership interest held by Group		Note
			2022 %	2021 %	
Held by Intraco Limited:					
Intrawave Pte Ltd	Provision of radio coverage system management, operation and mobile service and supply of communications equipment to other service providers.	Singapore	100	100	i
Intraco Trading Pte Ltd	Trading, marketing and distribution and acting as commission agents for industrial materials, energy commodities products.	Singapore	100	100	i
Intraco Foods Pte Ltd	Trading and processing of agricultural and food products which include frozen seafood and fertilisers.	Singapore	100	100	i
Intraco International Pte Ltd	Investment holding company.	Singapore	100	100	i
Provenance Treasures Pte. Ltd (formerly known as Inno Tech Pte. Ltd.)	Wholesale of liquor and wine	Singapore	60	100	i
Taurus Point Capital Pte. Ltd.	Providing exempt corporate advisory services.	Singapore	51%	Nil	iv
Held by Intraco Trading Pte Ltd:					
Intraco Prime Pte. Ltd.	Wholesale trade of food and beverage products	Singapore	70%	Nil	v

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. SUBSIDIARIES (CONTINUED)

Name of Company	Principal activities	Country of incorporation	Ownership interest held by Group		Note
			2022 %	2021 %	
Held by Intraco International Pte Ltd:					
Intraco International (Shanghai) Co., Ltd	Import, export and wholesale of industrial materials which include metals, plastics, petrochemicals and rubbers and commission agency business.	China	100	100	ii, v
K.A. Group Holdings Pte. Ltd.	Investment holding company.	Singapore	100	90	i
Held by K.A. Group Holdings Pte. Ltd.:					
K.A. Building Construction Pte Ltd	Property investment and leasing of investment properties.	Singapore	100	90	i
K.A. Fireproofing Pte Ltd	Manufacturing and installation of passive fire protection products.	Singapore	100	90	i
K.A. Fabric Shutters Pte Ltd	Manufacturing and installation of passive fire protection products.	Singapore	100	90	i
K.A. FireLite Pte. Ltd.	Manufacturing and installation of passive fire protection products.	Singapore	100	90	i
K.A. Vermiculite Spray Sdn Bhd	Manufacturing and installation of passive fire protection products.	Malaysia	100	90	iii, v

Notes

i Audited by BDO LLP, Singapore.
ii Audited by Shanghai Mingyu Certified Public Accountants Co., Ltd., People's Republic of China.
iii Audited by P.S. Yap, Isma & Associates, Chartered Accountants, Malaysia.
iv Audited by CKS Assurance PAC.
v These companies are dormant during the year.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. JOINT VENTURE

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Interest in joint venture	-	2,209	-	2,516
Less: Impairment losses	-	(1,600)	-	(1,966)
	-	609	-	550

The joint venture, Tat Hong Intraco Pte Ltd and its subsidiaries is an unlisted joint arrangement in which the Group has joint control via investors' agreement with 40% ownership interest. It was incorporated in Singapore by the Group, Tat Hong Holdings Ltd and Aung Moe Kyaw, and principally engaged in the leasing and sales of cranes and other heavy equipment in Myanmar.

Tat Hong Intraco Pte Ltd and its subsidiaries is structured as a separate vehicle and the Group has a residual interest in its net assets. Accordingly, the Group has classified its interest in Tat Hong Intraco Pte Ltd and its subsidiaries as a joint venture, which is accounted for using the equity method of accounting.

On 21 September 2022, the Company divested its 40% equity interest or 2,000,000 ordinary shares held in Tat Hong Intraco Pte Ltd for a consideration of US$838,000 (approximately S$1.1 million) (Note 10). Gain on disposal of S$396,000 has been recognised in the "Other income" line item in the Group's profit or loss for the financial year ended 31 December 2022 (Note 20).

8. OTHER INVESTMENTS

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Non-current investment		-		
Long-term bonds	4,064	-	4,064	-
Financial assets at FVTPL	580	636	-	-
	4,644	636	4,064	-
Current investment				
Short-term securities	19,880	-	19,880	-
Financial assets at FVTPL	-	24,731	-	24,731
	19,880	24,731	19,880	24,731

The Group's and the Company's exposure to credit and market risks in relation to above investments and fair value measurement are disclosed in Note 27.

The long-term bonds have a maturity of more than twelve months and is subject to an insignificant risk of changes in value, categories as financial assets at amortised cost.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. OTHER INVESTMENTS (CONTINUED)

The short-term securities have a maturity of six months or less and is subject to an insignificant risk of changes in value, categories as financial assets at amortised cost.

The weighted average effective interest rates per annum relating to long-term bonds and short-term securities at the reporting date for the Group and Company are 3.01% and 4.43% (2021: Nil) respectively.

9. INVENTORIES

	Group	
	2022	**2021**
	S$'000	**S$'000**
Trading goods	281	107
Raw materials	1,862	1,338
Goods in transit	5	257
Held in trust	754	-
	2,902	1,702

In 2022, inventories of S$175,165,000 (2021: S$191,343,000) were recognised as an expense during the year and included in "Cost of sales".

During the financial year, the Group has written down approximately $232,000 (2021: Nil) of its trading goods. The write-down has been included in "Cost of sales".

The inventories held in trust include the purchase of burgundy wine portfolio (the "wines"), funded by an offering of debt securities to accredited investors via digital tokens (Note 16). The debt securities are interest-free but the holders shall be entitled to any net gains or losses from the disposal of the wines.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Trade receivables	21,694	19,811	-	-
Less: Allowance for impairment loss	(6,802)	(6,586)	-	-
Net trade receivables	14,892	13,225	-	-
Deposits	311	234	80	75
Amount due from subsidiaries (non-trade)	-	-	21,594	19,444
Less: Allowance for impairment loss	-	-	(3,608)	(3,626)
Net amounts due from subsidiaries	-	-	17,986	15,818
Amount due from shareholder (non-trade)	1,127	-	1,127	-
Other receivables	253	26	-	1
Interest receivables	108	15	108	7
	16,691	13,500	19,301	15,901
Advances to suppliers	5,322	4,365	-	-
Prepayments	454	204	42	41
	22,467	18,069	19,343	15,942

At 31 December 2022, trade receivables for the Group include retention receivables of S$1,589,000 (2021: S$1,398,000) from customers.

Amounts due from subsidiaries

The amounts owing by subsidiaries represent unsecured advances given and payment on behalf of subsidiaries. The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

Amounts due from shareholder

The amount due from shareholder pertains the proceeds received from disposal of investment in joint venture. The non-trade amounts due from related party are unsecured, interest-free and repayable on demand.

Credit and market risk, and impairment losses

The Group's and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables (excluding prepayments and advances to suppliers) are disclosed in Note 27.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. CONTRACT ASSETS

	Group	
	2022	**2021**
	S$'000	**S$'000**
Contract assets	1,788	2,762
Less: Allowance for impairment loss	(248)	-
	1,540	2,762

The contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its fire protection business. Contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

At 31 December 2022, the aggregated amount of costs incurred and recognised profits (less recognised losses) to date under open construction contracts amounted to S$34,825,000 (2021: S$34,392,000) for the Group. Progress billings and advances received from customers under open construction contracts amounted to S$33,285,000 (2020: S$31,630,000) for the Group.

Significant judgement is used to estimate these total contract costs to be incurred to fulfil the contract and cost incurred to-date. In making these estimates, management has relied on past experience of completed projects and quantity surveyors' reports to collaborate the progress of the construction.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash at banks and in hand	7,651	12,022	630	3,279
Fixed deposits with banks	10,201	8,899	10,000	7,500
Commercial paper	-	2,000	-	2,000
Cash and cash equivalents in the statements of financial position	17,852	22,921	10,630	12,779
Deposits pledged	(162)	(162)	-	-
Cash and cash equivalents in the consolidated statement of cash flows	17,690	22,759	10,630	12,779

Deposits pledged represent bank balances of certain subsidiaries pledged as security for issuance of letters of credit.

The commercial paper is readily convertible to known amount of cash and has a maturity of three months or less and is subject to an insignificant risk of changes in value.

The weighted average effective interest rates per annum relating to fixed deposits with banks at the reporting date for the Group and Company are 3.70% (2021: 0.9%) and 3.77% (2021: 0.71%) respectively.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. CAPITAL AND RESERVES

Share capital

	Group and Company			
	2022		2021	
	Number of Shares	S$'000	Number of Shares	S$'000
Fully paid ordinary shares, with no par value				-
Balance at 1 January	103,725,879	84,069	103,725,879	84,069
Shares issued	10,000,000	4,500	-	-
Share issued expenses	-	(74)	-	-
Balance at 31 December	113,725,879	88,495	103,725,879	84,069

No share options had been granted under the Intraco Employee Share Option Scheme which was approved at an Extraordinary General Meeting held on 29 April 2013. In this respect, the Company does not have outstanding convertibles as at 31 December 2022 and 2021.

Ordinary shares

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Treasury shares

	Group and Company	
	2022 S$'000	2021 S$'000
Balance 1 January	(254)	(254)
Purchase of treasury shares	(105)	-
Balance 31 December	(359)	(254)

Treasury shares relate to ordinary shares of the Company that are held by the Company. As at 31 December 2022, the Company held 1,242,400 treasury shares (2021: 909,000).

Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Translation reserve	(204)	(110)	-	-
Fair value reserve	-	-	12,864	13,086
	(204)	(110)	12,864	13,086

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13. CAPITAL AND RESERVES (CONTINUED)

Translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

14. EMPLOYEE SHARE OPTIONS

Intraco Employee Share Option Scheme (the "2013 Scheme")

The 2013 Scheme of the Company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 29 April 2013.

Information regarding the 2013 Scheme is set out below:

- The maximum number of shares issued or to be issued for options under the 2013 Scheme is 15% of the issued share capital of the Company.
- Options may be granted at the average of the closing price of the Company's shares on the SGX-ST for the 3 consecutive trading days immediately preceding the date of grant (Market Price) or at a price of up to 20% discount of the Market Price.
- Under the 2013 Scheme, a non-discounted option vests 1 year after the date of the grant and a discounted option vests 2 years after the date of grant.
- Options granted to non-executive directors of the Group, and employees and directors of Associated Companies as defined under the 2013 Scheme, will have a life span of 5 years or such earlier date as may be determined by the Remuneration Committee. Options granted to employees and executive directors of the Group will have a life span of 10 years or such earlier date as may be determined by the Remuneration Committee.

There were no options granted since commencement of the 2013 Scheme till the end of the financial year.

The 2013 Scheme will be expiring on 29 April 2023. The Committee had reviewed the proposals for a new Employee Share Option Scheme ("ESOS 2023") and Performance Share Plan ("PSP") and recommended to the Board for concurrence. The Board had accepted the Committee's recommendation and will be tabling the ESOS 2023 and PSP for shareholders' approval at an Extraordinary General Meeting ("EGM"). The EGM will be convened immediately after the conclusion of the Company's AGM.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. LOANS AND BORROWINGS

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Non-current liabilities				
Secured bank loans	558	602	-	-
Lease liabilities	52	205	-	73
	610	807	-	73
Current liabilities				
Secured bank loans	47	47	-	-
Unsecured bank loan	2,151	-	-	
Lease liabilities	153	275	73	199
Trust receipts	6,830	11,569	-	-
	9,181	11,891	73	199

Market and liquidity risks

Information about the Group's and the Company's exposure to interest rate, foreign currency and liquidity risk is included in Note 27.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	Group Face value S$'000	Carrying amount S$'000
31 December 2022				
SGD secured bank loans	7.05%	2032-2033	605	605
SGD lease liabilities	5.25%	2023-2026	212	205
USD unsecured bank loans	6.43%	2023	2,151	2,151
USD trust receipts	5.48% - 5.64%	2023	6,830	6,830
			9,798	9,791
31 December 2021				
SGD secured bank loans	3.24%	2032-2033	649	649
SGD lease liabilities	5.25%	2023-2026	505	480
USD trust receipts	1.05% – 1.13%	2022	11,569	11,569
			12,723	12,698

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule (Continued)

	Nominal interest rate	Year of maturity	Company Face value S$'000	Carrying amount S$'000
31 December 2022				
SGD lease liabilities	5.25%	2023	73	73
31 December 2021				
SGD lease liabilities	5.25%	2023	280	272

The bank loans and lease liabilities of the Group are secured over the leasehold properties and motor vehicles of the Group with carrying amounts of S$1,357,000 (2021: S$1,398,000) (Note 4).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		
	Other loans and borrowings S$'000	Lease liabilities S$'000	Total S$'000
Balance at 1 January 2022	12,218	480	12,698
Changes from financing cash flows			
Financing from trust receipts settled	(4,886)	-	(4,886)
Proceeds of bank loans	2,151	-	2,151
Repayment of bank loans	(44)	-	(44)
Payment of lease liabilities	-	(275)	(275)
Interest paid	(282)	(17)	(299)
Total changes from financing cash flows	(3,061)	(292)	(3,353)
The effect of changes in foreign exchange rates	147	-	147
Other changes			
Liability-related			
Interest payable	(16)	-	(16)
Interest expense	298	17	315
Total liability-related other changes	282	17	299
Balance at 31 December 2022	9,586	205	9,791

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. LOANS AND BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities (Continued)

		Liabilities	
	Other loans and borrowings S$'000	**Lease liabilities S$'000**	**Total S$'000**
Balance at 1 January 2021	13,590	454	14,044
Changes from financing cash flows			
Financing from trust receipts settled	(1,547)	-	(1,547)
Repayment of bank loans	(46)	-	(46)
Payment of lease liabilities	-	(286)	(286)
Interest paid	(174)	(27)	(201)
Total changes from financing cash flows	(1,767)	(313)	(2,080)
The effect of changes in foreign exchange rates	221	-	221
Other changes			
Liability-related			
New lease liabilities	-	315	315
Lease liabilities payments waived	-	(3)	(3)
Interest expense	174	27	201
Total liability-related other changes	174	339	513
Balance at 31 December 2021	12,218	480	12,698

16. FINANCIAL LIABILITIES

	Group	
	2022 S$'000	**2021 S$'000**
Financial liabilities, at fair value through profit or loss	830	-

This relates to a debt security offered to accredited investors via digital tokens to fund the purchase of a portfolio of burgundy wines (Note 9). The debt security does not carry any interest and it is redeemable at the option of the issuer.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Current				
Trade payables	2,460	3,724	-	-
Advances from customers	5,957	7,336	-	-
Accrued expenses	1,460	1,837	659	839
Amounts due to subsidiaries (non-trade)	-	-	1,626	1,872
Interest payable	20	4	-	-
Other payables	585	128	64	48
Provision for onerous contract	30	-	-	-
Contingent consideration	-	2,256	-	-
GST payables	97	75	-	-
	10,609	15,360	2,349	2,759

The amounts due to subsidiaries related to advances from subsidiaries. The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Contingent consideration pertains to the put option granted by the Group to the selling shareholder of K.A. Group in connection with the Company's acquisition of the remaining 10% equity interest in K.A. Group. The contingent consideration was measured at the present value of the exercise price for the remaining 10% equity interest. The exercise price is estimated based on the revalued net tangible assets as at the reporting date. The option for the remaining 10% equity interest in K.A. Group is exercisable by either party at any point in the future.

On 5 May 2022, the Group has completed the acquisition of the final 10% stake in K.A. Group. Its wholly owned subsidiary, Intraco International Pte Ltd ("IIPL"), has received from the Vendors a notice of exercise of the Put Option previously granted by IIPL in respect of the Vendors' remaining 10% stake in K.A. Group.

Market and liquidity risks

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 27.

18. DEFERRED TAX LIABILITIES

Movement in deferred tax liabilities during the year are as follows:

	Group	
	2022 S$'000	2021 S$'000
Property, plant and equipment:		
Balance as at 1 January	493	507
Recognised in profit or loss (Note 24)	(13)	(14)
Balance as at 31 December	480	493

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. DEFERRED TAX LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Deductible temporary differences	10,857	10,154	782	717
Tax losses	28,516	28,391	11,173	10,264
	39,373	38,545	11,955	10,981

The tax losses are subject to agreement by the tax authorities. Tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

19. REVENUE

	Group	
	2022 S$'000	2021 S$'000
Trading sales	179,885	193,461
Revenue from construction contracts	9,983	7,184
Service income	1,676	1,984
Rental income	1,349	1,348
	192,893	203,977

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Trading sales

Nature of goods or services	The trading segment of the Group principally generates revenue from trading plastic products and sales of construction products and raw materials.
When revenue is recognised	Revenue is recognised when the customer takes possession of and accepts the goods which was taken to be the point in time when the customer obtain control of the goods.
Significant payment terms	Invoices are issued to the customers when the goods are delivered. Payment for these goods is due within 30 to 60 days.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. REVENUE (CONTINUED)

Construction contracts

Nature of goods or services	The fire protection segment of the Group manufactures and installs products for its customers. These products are constructed based on specifically negotiated contracts with customers.
When revenue is recognised	The Group has assessed that these construction contracts qualify for over time revenue recognition as the fire protection products have no alternative use for the Group due to contractual restrictions, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to the total estimated contract costs of each contract.
Significant payment terms	Progress billings to the customer are based on a payment schedule in the contract that is dependent on the achievement of specified construction milestones. If the value of the construction services rendered exceeds payments received from the customer, a contract asset is recognised. The Company recorded part of the contract sums to be collected upon end of defect liability period as retention receivables.

Service income

Nature of goods or services	The Group generates revenue from the provision of radio coverage system management, operation and mobile service and supply of communication equipment to other service providers.
When revenue is recognised	Revenue is recognised when the relevant services are rendered.
Significant payment terms	Billings to the customer are based on a schedule in the contract that is dependent on the achievement of specified service milestones.

20. OTHER INCOME

	Group	
	2022	**2021**
	S$'000	**S$'000**
Gain on disposal of investment in joint venture	396	-
Gain on disposals of property, plant and equipment	19	-
Gain on sale of wine tokens	102	-
Government grants	312	486
Sundry income	83	10
Foreign exchange gain	-	42
	912	538

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. OTHER EXPENSES

	Group	
	2022 S$'000	2021 S$'000
Bad debt written off	-	4
Fair value loss of financial assets at FVTPL	830	232
Foreign exchange loss	130	-
Write-down of inventory to net realisable value	232	-
	1,192	236

22. NET FINANCE INCOME/(COSTS)

	Group	
	2022 S$'000	2021 S$'000
Interest income under the effective interest method on:		
- cash and cash equivalents	35	68
- short-term securities	399	-
- long-term bonds	77	-
Dividend income from financial assets at FVTPL	167	153
Finance income	678	221
Financial liabilities measured at amortised cost – interest expense on:		
- secured bank loans	(27)	(22)
- unsecured bank loans and trust receipts	(271)	(152)
- lease liabilities	(17)	(27)
Upfront fee and management fee	-	(35)
Finance costs	(315)	(236)
Net finance income/(costs) recognised in profit or loss	363	(15)

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. LOSS BEFORE TAX

The following items have been included in arriving at loss before tax:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Write-off of property, plant and equipment	-	1
Lease liabilities payments waived	-	(3)
Bad debts written off	-	4
Audit fees paid/payable:		
- Statutory audit		
- auditors of the Company	195	237
- other auditors	3	2
Non-audit fees paid/payable to auditors:		
- Non audit- related services		
- auditors of the Company	46	38
Cost of inventories recognised in cost of sales	175,165	191,343
Depreciation of property, plant and equipment	1,894	1,931
Amortisation of intangible assets	119	114
Change in fair value of contingent consideration	(2)	(75)
Lease expenses on:		
- short-term leases	284	205
Employee benefits expense		
Salaries, bonuses and other costs	5,251	5,455
Contributions to defined contribution plans	436	425
	5,687	5,880

The Group has been awarded certain government grants. The grant income recognised in other operating income was S$312,000 (2021: S$486,000) and relates mainly to the Foreign Worker Levy Rebates, ERP upgrade and Jobs Growth Incentive. The corresponding expenses are recognised in staff costs.

There are no audit-related services paid to the Auditors of the Company and other auditors.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. TAX CREDIT

	Group	
	2022 S$'000	2021 S$'000
Tax recognised in profit or loss		
Current tax expense		
Current year	-	1
Under provided in prior years	-	2
	-	3
Deferred tax expense		
Origination and reversal of temporary differences	(13)	(14)
Tax credit	(13)	(11)
Reconciliation of effective tax rate		
Loss before tax	(1,349)	(1,009)
Tax using the Singapore tax rate of 17% (2021: 17%)	(229)	(172)
Effect of tax rates in foreign jurisdiction	-	(3)
Tax-exempt income	(8)	(45)
Non-deductible expenses	43	22
Effects of results of equity-accounted investees presented net of tax	40	1
Change in unrecognised temporary differences	141	184
Under provided in prior years	-	2
	(13)	(11)

25. LOSS PER SHARE

The basic loss per share was calculated using the following data:

	2022 S$'000	2021 S$'000
Loss attributable to equity holders of the Company	(1,323)	(998)

	2022 Number of shares	2021 Number of shares
Weighted average number of ordinary shares	112,167,377	102,816,879

There were no dilutive potential ordinary shares in issue during the year.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. OPERATING SEGMENTS

The Group has the following two strategic business units which are its reportable segments, as described below. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Executive Chairman and Director (the chief operating decision maker) reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

- *Fire Protection* — Manufacturing, sales and installation of passive fire protection products.
- *Trading and others* — Trading in industrial materials which include plastics and petrochemicals, provision of commercial wireless services.

The Company's assets and liabilities are not allocated to the reporting segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Executive Chairman and Director. 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. Inter-segment pricing is determined on an arm's length basis.

Geographical information

The Group's business is managed primarily in Singapore, Vietnam, Indonesia and others.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. OPERATING SEGMENTS (CONTINUED)

Operating segments

	Fire protection S$'000	Trading and others S$'000	Total S$'000
31 December 2022			
External revenue	10,316	182,577	192,893
Interest expense	(36)	(269)	(305)
Depreciation and amortisation	(220)	(1,387)	(1,607)
Reportable segment (loss)/profit before tax	(68)	154	86
Reportable segment assets	16,457	26,566	43,023
Reportable segment liabilities	3,178	17,887	21,065
Other non-cash items:			
Allowance for impairment loss on trade receivables and contract asset	(491)	–	(491)
Foreign exchange loss	(33)	2	(31)
Gain on disposal of property, plant and equipment	19	–	19
Write-down of inventory to net realisable value	(9)	(223)	(232)
Capital expenditure	(37)	(10)	(47)
31 December 2021			
External revenue	7,515	196,462	203,977
Interest expense	(30)	(152)	(182)
Depreciation and amortisation	(337)	(1,384)	(1,721)
Reportable segment (loss)/profit before tax	(453)	1,147	694
Reportable segment assets	15,743	27,726	43,469
Reportable segment liabilities	2,898	22,218	25,116
Other non-cash items:			
Allowance for impairment loss on trade receivables and contract asset	(37)	–	(37)
Bad debts written off	(4)	–	(4)
Foreign exchange loss	(2)	79	77
Write-off of property, plant and equipment	(1)	–	(1)
Lease liabilities payments waived	3	–	3
Under provision of tax in prior years	(2)	–	(2)
Capital expenditure	(360)	(7)	(367)

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. OPERATING SEGMENTS (CONTINUED)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2022 S$'000	2021 S$'000
Revenue		
Total revenue for reporting segments and consolidated revenue	192,893	203,977
Profit or loss		
Total profit for reportable segments	86	694
Unallocated amounts:		
- Other corporate expenses, net of income	(1,453)	(1,697)
Share of profit of equity-accounted investees, net of tax	18	(6)
Consolidated loss before tax	(1,349)	(1,009)
Assets		
Total assets for reportable segments	43,023	43,469
Other unallocated amounts	37,720	40,567
	80,743	84,036
Investments in equity-accounted investees	–	609
Consolidated total assets	80,743	84,645
Liabilities		
Total liabilities for reportable segments	21,065	25,116
Other unallocated amounts	649	3,439
Consolidated total liabilities	21,714	28,555

Other non-cash items

	Reportable segments S$'000	Other unallocated S$'000	Total S$'000
31 December 2022			
Interest income	–	511	511
Interest expense	(305)	(10)	(315)
Depreciation and amortisation	(1,607)	(406)	(2,013)
Allowance for impairment loss on trade receivables and contract asset	(491)	–	(491)
Foreign exchange loss	(31)	(99)	(130)
Gain on disposal of property, plant and equipment	19	–	19
Gain on disposal of investment in joint venture	–	396	396
Write-down of inventory to net realisable value	(232)	–	(232)
Capital expenditure	(47)	–	(47)

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. OPERATING SEGMENTS (CONTINUED)

Other non-cash items (Continued)

	Reportable segments S$'000	Other unallocated S$'000	Total S$'000
31 December 2021			
Interest income	–	68	68
Interest expense	(182)	(54)	(236)
Depreciation and amortisation	(1,721)	(324)	(2,045)
Allowance for impairment loss on trade receivables	(37)	–	(37)
Bad debts written off	(4)	–	(4)
Change in fair value of contingent consideration	–	75	75
Foreign exchange gain/(loss)	77	(35)	42
Write-off of property, plant and equipment	(1)	–	(1)
Lease liabilities payments waived	3	–	3
Under provision of tax in prior years	(2)	–	(2)
Capital expenditure	(367)	(115)	(482)

Geographical information

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.

	2022 S$'000	2021 S$'000
Revenue		
Singapore	42,040	38,611
Vietnam	113,222	126,314
Indonesia	13,750	16,964
Malaysia	16,227	10,084
Others	7,654	12,004
Consolidated revenue	192,893	203,977
Non-current assets*		
Singapore	11,182	13,001
Vietnam	28	56
	11,210	13,057

* Non-current assets presented consist of property, plant and equipment.

Major customer

Revenue from one customer of the Group's Trading and others segment represents approximately S$40,550,000 (2021: S$36,078,000) of the Group's total revenue.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, and policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board ensures that management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interests and the Group's assets and in this regard, is associated by the audit committee which conducts the reviews of the adequacy and effectiveness of the Group's internal controls and risk management systems.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposure to credit risk, before taking into account any collateral. The Group and the Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 26.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information, and in some cases bank references. These limits are reviewed on an ongoing basis. Customers failing to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment/cash basis.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of one and three months for individual and corporate customers respectively.

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables and contract assets for which loss allowance is recognised because of collateral.

Exposure to credit risk

Trade and other receivables and contract assets

The Group's primary exposure to credit risk arises through its trade and other receivables* and contract assets. Concentration of credit risk relating to trade and other receivables* and contract assets is limited due to the Group's many varied customers. These customers are regionally dispersed. Other than the allowance of S$491,000 (2021: S$37,000) made in relation to the trade receivables and contract asset of the Fire Protection segment in view of the challenging conditions faced by the construction industry, the Group's historical experience in the collections of trade and other receivables* in other segment falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection is inherent in the Group and the Company's trade and other receivables* and contract assets.

The exposure to credit risk for trade and other receivables* and contract assets at the reporting date (by operating segments) was:

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Fire protection	5,859	6,158	–	–
Trading and others	12,372	10,104	19,301	15,901
	18,231	16,262	19,301	15,901

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Exposure to credit risk *(Continued)*

Trade and other receivables and contract assets (Continued)

The Group's most significant customer, a trading customer, accounts for S$1,101,000 (2021: S$5,486,000) of the trade and other receivables* as at 31 December 2022. There is no concentration of customer risk at the Company level. The Company held receivables from its subsidiaries amounting to S$21,594,000 as at 31 December 2022 (2021: S$19,444,000). Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is negligible.

The ageing of the Group's and Company's trade and other receivables* and contract assets and summary of exposure to credit risk at the reporting date was as follows:

	Not credit-impaired 2022 S$'000	Credit-impaired 2022 S$'000	Not credit-impaired 2021 S$'000	Credit-impaired 2021 S$'000
Group				
Not past due	11,859	–	8,343	–
Past due 0 – 30 days	4,463	–	6,974	–
Past due 31 – 120 days	1,693	–	844	–
More than 120 days	216	7,050	101	6,586
	18,231	7,050	16,262	6,586
Loss allowance	–	(7,050)	–	(6,586)
	18,231	–	16,262	–
Company				
Not past due	188	–	83	–
Past due 0 – 30 days	17	–	145	–
Past due 31 – 120 days	2,206	–	60	–
More than 120 days	16,890	3,608	15,613	3,626
	19,301	3,608	15,901	3,626
Loss allowance	–	(3,608)	–	(3,626)
	19,301	–	15,901	–

The credit quality of trade and other receivables and contract asset* is assessed based on credit policies established by the management. The Group monitors customer credit risk by grouping trade and other receivables and contract asset based on their characteristics. Trade and other receivables* with high credit risk will be identified and monitored by the respective strategic business units. The Group assesses that no allowance for impairment loss on trade and other receivables and contract assets* is required, except for the amounts for which allowance were made for trade receivables and contract asset from construction sector due to slow recovery in the sector caused by the COVID-19 pandemic. The movement in impairment loss in respect of trade and other receivables and contract asset during the year was as follows:

* Exlude advances to suppliers and prepayments.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (Continued)

Exposure to credit risk *(Continued)*

Trade and other receivables and contract assets (Continued)

	Group		Company	
	2022	2021	2022	2021
Lifetime ECL	S$'000	S$'000	S$'000	S$'000
At 1 January	6,586	6,609	3,626	3,559
Allowance for impairment loss on trade receivables and contract asset	491	37	–	–
Receivable written off as uncollectible	(80)	–	–	–
Effects of movements in exchange rates	53	(60)	(18)	67
At 31 December	7,050	6,586	3,608	3,626

Based on the Group's monitoring of credit risk, the Group believes that apart from the above, no additional allowance is necessary.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S$17,852,000 and S$10,630,000 (2021: S$22,921,000 and S$12,779,000) respectively as at 31 December 2022 and these amounts represent their maximum credit exposures on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated Ba3 to Aa1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

Risk management policy *(Continued)*

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amounts S$'000	Contractual cash flows S$'000	Within 1 year S$'000	Within 2-5 years S$'000	More than 5 years S$'000
Group					
31 December 2022					
Non-derivative financial liabilities					
Secured bank loans	605	(860)	(81)	(326)	(453)
Unsecured bank loan	2,151	(2,163)	(2,163)	–	–
Lease liabilities	205	(212)	(159)	(53)	–
Trust receipts	6,830	(6,858)	(6,858)	–	–
Trade and other payables*	4,525	(4,525)	(4,525)	–	–
	14,316	(14,618)	(13,786)	(379)	(453)

	Carrying amounts S$'000	Contractual cash flows S$'000	Within 1 year S$'000	Within 2-5 years S$'000	More than 5 years S$'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Secured bank loans	649	(779)	(67)	(270)	(442)
Lease liabilities	480	(505)	(293)	(210)	(2)
Trust receipts	11,569	(11,580)	(11,580)	–	–
Trade and other payables*	5,693	(5,693)	(5,693)	–	–
	18,391	(18,557)	(17,633)	(480)	(444)
Company					
31 December 2022					
Non-derivative financial liabilities					
Lease liabilities	73	(73)	(73)	–	–
Trade and other payables*	2,349	(2,349)	(2,349)	–	–
	2,422	(2,422)	(2,422)	–	–
31 December 2021					
Non-derivative financial liabilities					
Lease liabilities	272	(280)	(207)	(73)	–
Trade and other payables*	2,759	(2,759)	(2,759)	–	–
	3,031	(3,039)	(2,966)	(73)	–

* Exlude advances from customers.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (Continued)

Risk management policy *(Continued)*

The maturity analyses show the undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to changes in interest relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. Interest rate is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group adopts a policy of constantly monitoring movements in interest rates. Presently the Group does not use derivative financial instruments to hedge its interest rate risk.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group		Company	
	Nominal amount		Nominal amount	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Fixed rate instruments				
Financial assets	34,145	10,899	33,944	9,500
Financial liabilities	(9,186)	(12,049)	(73)	(272)
	24,959	(1,150)	33,871	9,228
Variable rate instrument				
Financial liabilities	(605)	(649)	–	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Interest rate risk *(Continued)*

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Group		Company	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	S$'000	S$'000	S$'000	S$'000
31 December 2022				
Variable rate instruments	(6)	6	-	-
31 December 2021				
Variable rate instruments	(6)	6	–	–

Other market price risk

Market price risk arises from financial assets measured at FVTPL. The primary goal of the Group's investment strategy is to maximise investment returns, in general. Management is assisted by external advisors in this regard. Investments are designated as at FVTPL because their performance is actively monitored and they are managed on a fair value basis.

A change of 1% in prices for financial assets measured at FVTPL at the reporting date would have (decreased)/ increased the Group's and the Company's loss before tax by the amounts shown below. This analysis assumes that all variables remain constant.

	2022	2021	2022	2021
	Group		Company	
	Loss before tax		Loss before tax	
	S$'000	S$'000	S$'000	S$'000
Other investments				
- price increase	(6)	(254)	-	(247)
- price decrease	6	254	-	247

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Currency risk

Risk management policy

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk is primarily the US dollar.

There is no formal hedging policy with respect to foreign exchange exposure. Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

Exposure to currency risk

The Group and Company's exposures to foreign currency risk based on notional amounts were as follows:

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
US dollar				
Cash and cash equivalents	375	189	259	35
Amount due to a subsidiary	–	–	8	(53)
Net statement of financial position exposure	375	189	267	(18)
Singapore dollar				
Trade receivables	404	441	–	–
Cash and cash equivalents	442	602	–	–
Loans and borrowings	–	(2,018)	–	–
Trade and other payables	(161)	(351)	–	–
Net statement of financial position exposure	685	(1,326)	–	–

Sensitivity analysis

A weakening of 10% (2021: 10%) in the relevant foreign currency against the functional currency of each of the Group entities at 31 December would have increased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the financial year. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

	Group		Company	
	2022	2021	2022	2021
	Profit or loss		Profit or loss	
	S$'000	S$'000	S$'000	S$'000
US dollar	(38)	(19)	(27)	2
Singapore dollar	(69)	133	–	–

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (Continued)

Currency risk (Continued)

Exposure to currency risk *(Continued)*

Sensitivity analysis (Continued)

A 10% (2021: 10%) strengthening of the above currency against the functional currency of each of the Group entities at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts and fair values of financial assets and financial liabilities, including the levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts *(Continued)*

		Carrying amount				Fair value			
	Note	Amortised costs S$'000	FVTPL S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group									
31 December 2022									
Financial assets measured at fair value									
Other investments	8	23,944	580	–	24,524	–	–	580	580
Financial assets not measured at fair value									
Trade and other receivables*	10	16,691	–	–	16,691				
Contract assets	11	1,540	–	–	1,540				
Cash and cash equivalents	12	17,852	–	–	17,852				
		36,083	–	–	36,083				
Financial liabilities measured at fair value									
Financial liabilities	16	–	(830)	–	(830)	–	–	(830)	(830)
Financial liabilities not measured at fair value									
Secured bank loans	15	–	–	(605)	(605)				
Unsecured bank loan	15	–	–	(2,151)	(2,151)				
Lease liabilities	15	–	–	(205)	(205)				
Trust receipts	15	–	–	(6,830)	(6,830)				
Trade and other payables**	17	–	–	(4,525)	(4,525)				
		–	–	(14,316)	(14,316)				

* Exclude prepayments and advances to suppliers.

** Exclude advances from customers, contingent considerations, GST payables and provision for onerous contract.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts *(Continued)*

		Carrying amount				Fair value			
	Note	Amortised costs S$'000	FVTPL S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group									
31 December 2021									
Financial assets measured at fair value									
Other investments	8	–	25,367	–	25,367	–	24,731	636	25,367
Financial assets not measured at fair value									
Trade and other receivables*	10	13,500	–	–	13,500				
Contract assets	11	2,762	–	-	2,762				
Cash and cash equivalents	12	22,921	–	–	22,921				
		39,183	–	–	39,183				
Financial liabilities measured at fair value									
Contingent consideration	16	–	–	(2,256)	(2,256)	–	–	(2,256)	(2,256)
Financial liabilities not measured at fair value									
Secured bank loans	15	–	–	(649)	(649)				
Lease liabilities	15	–	–	(480)	(480)				
Trust receipts	15	–	–	(11,569)	(11,569)				
Trade and other payables**	17	–	–	(5,693)	(5,693)				
		–	–	(18,391)	(18,391)				

* Exclude prepayments and advances to suppliers.

** Exclude advances from customers, contingent considerations, GST payables and provision for onerous contract.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts *(Continued)*

		Carrying amount					Fair value			
	Note	Amortised costs S$'000	FVTPL S$'000	FVOCI S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company										
31 December 2022										
Financial assets measured at fair value										
Subsidiaries	6	–	–	21,758	–	21,758	–	–	21,758	21,758
Other investments	8	23,944	–	–	–	23,944				
		23,944	–	21,758	–	45,702				
Financial assets not measured at fair value										
Trade and other receivables*	10	19,301	–	–	–	19,301				
Cash and cash equivalents	12	10,630	–	–	–	10,630				
		29,931	–	–	–	29,931				
Financial liability not measured at fair value										
Lease liabilities	15	–	–	–	(73)	(73)				
Trade and other payables	17	–	–	–	(2,349)	(2,349)				
		–	–	–	(2,422)	(2,422)				

* Exclude prepayments.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts *(Continued)*

		Carrying amount					Fair value			
	Note	Amortised costs S$'000	FVTPL S$'000	FVOCI S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company										
31 December 2021										
Financial assets measured at fair value										
Subsidiaries	6	–	–	16,720	–	16,720	–	–	16,720	16,720
Other investments	8	–	24,731	–	–	24,731	–	24,731	–	24,731
		–	24,731	16,720	–	41,451				
Financial assets not measured at fair value										
Subsidiaries	6	2,018	–	–	–	2,018				
Trade and other receivables*	10	15,901	–	–	–	15,901				
Cash and cash equivalents	12	12,779	–	–	–	12,779				
		30,698	–	–	–	30,698				
Financial liability not measured at fair value										
Lease liabilities	15	–	–	–	(272)	(272)				
Trade and other payables	17	–	–	–	(2,759)	(2,759)				
		–	–	–	(3,031)	(3,031)				

* Exclude prepayments.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Level of fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group				
Contingent consideration	3	Adjusted net asset value	Net asset value	The estimated fair value would increase (decrease) if the net tangible asset was higher (lower).
Other investments – Financial assets at FVTPL	2	Issuer quoted prices (last) of the investment funds are sourced from Bloomberg on a daily basis.	N/A	N/A
	3	Adjusted net asset value	Net asset value	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Financial liabilities at FVTPL	3	Market approach	Net asset value	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Company				
Other investments – Financial assets at FVTPL	2	Issuer quoted prices (last) of the investment funds are sourced from Bloomberg on a daily basis.	N/A	N/A
Equity investments	3	Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk adjusted discounted rate.	Risk-adjusted discount rate at 9 to 10%	The estimated fair value would increase (decrease) if the risk –adjusted discount rate was lower (higher).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values (Continued)

(ii) Transfers between levels 1, 2 and 3

During the financial years ended 31 December 2022 and 31 December 2021, there have been no transfers between Level 1, Level 2 and Level 3.

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in Note 2.4.

(iii) Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	Group			Company
	Financial assets at FVTPL S$'000	**Contingent consideration S$'000**	**Financial liability at FVTPL S$'000**	**Equity investments S$'000**
At 1 January 2022	636	(2,256)	–	16,720
Issuance of wine tokens	–	–	(830)	–
Additions in equity investments				5,260
Total gains and losses for the period included:	–	–	–	–
- net change in fair value through OCI	–	–	–	(222)
- net change in fair value through profit or loss	(56)	–	–	–
Total unrealised gains and losses recognised in profit or loss:				
Settlement	–	2,254	–	–
- administrative expenses	–	2	–	–
At 31 December 2022	580	–	(830)	21,758
At 1 January 2021	–	(2,331)	–	11,312
Purchases	636	–	–	–
Total gains and losses for the period:				
- net change in fair value through OCI	–	–	–	5,408
Total unrealised gains and losses recognised in profit or loss:				
- administrative expenses	–	75	–	–
At 31 December 2021	636	(2,256)	–	16,720

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

27. FINANCIAL INSTRUMENTS (CONTINUED)

Measurement of fair values (Continued)

(iii) Level 3 fair values (Continued)

Sensitivity analysis

For the fair values of contingent consideration and equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following impacts.

Equity securities

	Company OCI, net of tax	
	Increase	Decrease
	S$'000	S$'000
31 December 2022		
Net tangible assets (1% movement)	218	(218)
31 December 2021		
Net tangible assets (1% movement)	167	(167)

28. RELATED PARTIES

Transactions with key management personnel

Key management personnel compensation

Compensation payable to key management personnel comprises:

	Group	
	2022	2021
	S$'000	S$'000
Short-term employee benefits		
Directors' fees	284	409
Key management staff	2,140	2,017
	2,424	2,426

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. RELATED PARTIES (CONTINUED)

Other related party transactions

The following were carried out in the normal course of business on terms agreed between the parties during the year:

	2022 S$'000	2021 S$'000
Joint venture – Tat Hong Intraco Pte Ltd and its subsidiaries		
Proceeds receivable for the disposal of investment in joint venture from a shareholder	1,127	–
Net proceeds on sale of cranes to a subsidiary of a shareholder	–	936
Subsidiary – Taurus Point Capital Pte Ltd ("TPC")		
Net payment to a KMP for the acquisition of TPC	128	–
Net payment to a former shareholder of TPC and KMP as at the financial year	127	–

29. SUBSEQUENT EVENTS

On 2 March 2023, the Group has launched a multicurrency unlisted, unsecured commercial paper facility programme for an aggregate amount of up to S$50.0 million. The Group may issue notes in Singapore dollars or any other currency from time to time, the notes will be offered in Singapore and the sales of the notes shall only be made available to institutional investors or accredited investors. The net proceeds arising from the issue of notes under this programme will be used by the Company or its subsidiaries for the purpose of financing the working capital for the Group's principal businesses, investments in short term deposits, money market instructs and debt instruments.

30. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2022 were authorised for issue by in accordance with a resolution of the Directors on 31 March 2023.

SUPPLEMENTARY INFORMATION

(SGX-ST LISTING MANUAL DISCLOSURE REQUIREMENTS)

Description of properties held by the Group is as follows:

Location	Description	Tenure
43 Tuas View Close Singapore 637477	Factory	60-year lease from 9 July 1996 to 8 July 2056
71 Tuas View Place #05-01 Westlink Two Singapore 637434	Factory	60-year lease from 20 November 1995 to 19 November 2055
71 Tuas View Place #05-20 Westlink Two Singapore 637434	Factory	60-year lease from 20 November 1995 to 19 November 2055

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2023

SHAREHOLDING STATISTICS

Class of shares	:	Ordinary shares
Number of issued and fully paid shares (excluding Treasury Shares)	:	112,483,479
Number of Treasury Shares Held	:	1,242,400
Number of Subsidiary Holdings held	:	Nil
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share (no vote for treasury shares)

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	67	2.27	2,414	0.00
100 – 1,000	711	24.08	500,056	0.45
1,001 – 10,000	1,732	58.67	6,695,315	5.95
10,001 – 1,000,000	430	14.57	22,306,000	19.83
1,000,001 and above	12	0.41	82,979,694	73.77
Total	**2,952**	**100.00**	**112,483,479**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	UOB Kay Hian Private Limited	29,684,150	26.39
2.	Phillip Securities Pte Ltd	29,255,100	26.01
3.	Soh Ying Sin	4,646,000	4.13
4.	Oei Hong Leong	4,272,400	3.80
5.	DBS Nominees (Private) Limited	3,319,075	2.95
6.	CGS-CIMB Securities (Singapore) Pte. Ltd.	2,831,550	2.22
7.	Alpha Securities Pte Ltd	2,269,200	2.02
8.	Guthrie Venture Pte Ltd	2,000,000	1.78
9.	Raffles Nominees (Pte) Ltd	1,866,650	1.66
10.	United Overseas Bank Nominees (Private) Limited	1,099,069	0.98
11.	Morph Investments Ltd	1,045,000	0.93
12.	Fong Soon Yong	1,024,900	0.91
13.	Citibank Nominees Singapore Pte Ltd.	872,639	0.78
14.	OCBC Nominees Singapore Private Limited	837,800	0.74
15.	Ramesh S/O Pritamdas Chandiramani	780,100	0.69
16.	Khong Kin Pang	627,000	0.56
17.	Simmic Investments Pte Ltd	500,000	0.44
18.	Yeo Boon Chye	500,000	0.44
19.	Lee Mei Fong	496,000	0.44
20.	Ng Poh Cheng	426,000	0.38
Total		**88,019,233**	**78.25**

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2023

PUBLIC FLOAT

Disclosure pursuant to Rule 1207(9)(e) of the SGX-ST Listing Manual

As at 15 March 2023, approximately 43.85% of the total number of issued shares of the Company was held by the public and accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
TH Investments Pte Ltd	-	-	29,486,148 (1)	26.21
Tat Hong Investments Pte Ltd	-	-	29,486,148 (1)	26.21
Chwee Cheng & Sons Pte Ltd	-	-	29,486,148 (1)	26.21
Ng San Tiong	-	-	29,486,148 (1)	26.21
Ng Sun Ho	-	-	29,486,148 (1)	26.21
Ng San Wee	-	-	29,486,148 (1)	26.21
Ng Sun Giam	-	-	29,486,148 (1)	26.21
Amtrek Investment Pte. Ltd.	28,998,400	25.78	-	-
Chew Leong Chee	-	-	28,998,400 (2)	25.78
Melanie Chew Ng Fung Ning	-	-	28,998,400 (3)	25.78
Resource Pacific Holdings Pte. Ltd.	-	-	28,998,400 (4)	25.78
Asia Resource Corporation Pte. Ltd.	-	-	28,998,400 (5)	25.78
Macondray Holdings Pte. Ltd.	-	-	28,998,400 (6)	25.78

Notes:

(1) Shares owned by TH Investments Pte Ltd are held under nominee account(s). TH Investments Pte Ltd is wholly owned by Tat Hong Investments Pte Ltd, which in turn is wholly owned by Chwee Cheng & Sons Pte Ltd ("**CCSPL**"). 39.50% of the issued share capital of CCSPL is owned by Chwee Cheng Trust constituted under a trust deed. Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam are the joint trustees of Chwee Cheng Trust.

Pursuant to Section 7 of the Companies Act, 1967 (the "**Act**"), each of Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam has a deemed interest in Chwee Cheng Trust's 39.50% shareholding interest in CCSPL and a direct interest in CCSPL. Accordingly, each of Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam is deemed to be interested in the shares held by TH Investments Pte Ltd in the Company.

(2) Mr Chew Leong Chee ("**Mr Chew**") owns 25% direct interest and 30% indirect interest through his spouse, Dr Melanie Chew Ng Fung Ning ("**Dr Melanie Chew**") in Resource Pacific Holdings Pte. Ltd. ("**RPHPL**"). Mr Chew also owns 38.01% interest in Asia Resource Corporation Pte. Ltd. ("**ARCPL**").

RPHPL owns 42.72% interest in ARCPL. ARCPL owns 84.10% interest in Macondray Holdings Pte. Ltd. ("**MHPL**"). MHPL owns 100% interest in Amtrek Investment Pte. Ltd. ("**AIPL**"). Pursuant to Section 7 of the Act, Mr Chew is deemed to be interested in the shares held by AIPL in the Company.

(3) Dr Melanie Chew owns 30% direct interest in RPHPL. RPHPL owns 42.72% interest in ARCPL. ARCPL owns 84.10% interest in MHPL. MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, Dr Melanie Chew is deemed to be interested in the shares held by AIPL in the Company.

(4) RPHPL owns 42.72% interest in ARCPL. ARCPL owns 84.10% interest in MHPL. MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, RPHPL is deemed to be interested in the shares held by AIPL in the Company.

(5) ARCPL owns 84.10% interest in MHPL. MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, ARCPL is deemed to be interested in the shares held by AIPL in the Company.

(6) MHPL owns 100% interest in AIPL. Pursuant to Section 7 of the Act, MHPL is deemed to be interested in the shares held by AIPL in the Company.

STATISTICS OF WARRANTHOLDINGS AS AT 15 MARCH 2023

As at 15 March 2023, there were 40 million non-listed warrants ("Introducer Warrant") issued by the Company and held by Suntec Harmony Limited ("Suntec Harmony"). Suntec Harmony is an entity wholly-owned by Mr Wong Fong Fui ("FF Wong"). Each warrant carries the right to subscribe in cash for one new ordinary share of the Company at the exercise price of S$0.50 per Introducer Warrant, at any time within four (4) years from 8 June 2022, provided that, unless the outstanding share capital of the Company from time to time exceeds 284 million shares (excluding treasury shares). Suntec Harmony has undertaken that it will not exercise any Introducer Warrants if it (and/or FF Wong) holds (whether directly or indirectly) more than 14.5% of the total issued share capital of the Company from time to time (taking into account any Introducer Warrants which have been exercised).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Fourth Annual General Meeting (the "**AGM**") of **INTRACO LIMITED** (the "**Company**") will be held by way of electronic means on Tuesday, 25 April 2023 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2022 together with the Auditors' Report thereon.
Resolution 1

2. To re-elect Mr Charlie Ng How Kiat, a Director retiring pursuant to Regulation 115 of the Company's Constitution.
See Explanatory Note (i) on page 181 **Resolution 2**

3. To re-elect Dr Steve Lai Mun Fook, a Director retiring pursuant to Regulation 115 of the Company's Constitution.
See Explanatory Note (ii) on page 181 **Resolution 3**

4. To re-elect Ms Ong Beng Hong, a Director retiring pursuant to Regulation 119 of the Company's Constitution.
See Explanatory Note (iii) on page 181 **Resolution 4**

5. To approve the payment of Directors' fees of up to S$255,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears (FY2022: S$440,000).
See Explanatory Note (iv) on page 181 **Resolution 5**

6. To re-appoint BDO LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.
Resolution 6

7. To transact any other ordinary business which may be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

8. **SHARE ISSUE MANDATE**

That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Companies Act**"), and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors be authorised and empowered to:

(a) (i) issue ordinary shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares,

NOTICE OF ANNUAL GENERAL MEETING

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

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

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution 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 sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company ("**Shareholders**") shall not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below):

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of the issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the exercise of share options or vesting of share awards;

(b) new Shares arising from the conversion or exercise of any convertible securities; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall 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 the earlier.

See Explanatory Note (v) on page 181 **Resolution 7**

9. **RENEWAL OF SHARE BUYBACK MANDATE**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued Shares not exceeding in aggregate the Maximum Percentage, at such price or prices as may be determined by the Directors from time to time up to either the Maximum Market Purchase Price, or the Maximum Off-Market Purchase Price (as the case may be), whether by way of:–

(i) market purchase(s) ("**Market Purchases**") on the SGX-ST or on any other securities exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"); and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) ("**Off-Market Purchases**"), in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:–

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; and

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) for purposes of this Resolution:–

(iv) "**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five (5) Market Days period and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

(v) "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Off-Market Purchase Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

(vi) "**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(vii) "**Maximum Market Purchase Price**" means in the case of a Market Purchase, 105% of the Average Closing Price of the Shares;

(viii) "**Maximum Off-Market Purchase Price**" means in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares; and

(ix) "**Maximum Percentage**" means 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and

NOTICE OF ANNUAL GENERAL MEETING

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

See Explanatory Note (vi) on page 181 **Resolution 8**

By Order of the Board

Josephine Toh
Company Secretary

Singapore
3 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Charlie Ng How Kiat ("Mr Ng") will, upon re-election as a Director, remain as a Non-Independent Non-Executive Director of the Company and a member of the Audit Committee and Remuneration Committee respectively. Mr Ng will not be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information of Mr Ng required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(ii) Dr Steve Lai Mun Fook ("Dr Lai") will, upon re-election as a Director, remain as an Independent Director of the Company, Chairman of the Nominating Committee and a member of the Audit Committee. Dr Lai will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. Detailed information of Dr Lai required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(iii) Ms Ong Beng Hong ("Ms Ong") will, upon re-election as a Director, remain as an Independent Director of the Company and a member of the Nominating Committee and Remuneration Committee respectively. Detailed information of Ms Ong required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(iv) The Ordinary Resolution 5 proposed in item 5 above is to approve Non-Executive Directors' fees for the financial year ending 31 December 2023. The amount is computed based on a framework comprising basic fees reflecting membership and Chairmanship of the Board and the Board Committees; attendance fees capped at S$10,000 per director based on the anticipated number of Board and Board Committees meetings to be held in 2023.

(v) The Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is revoked or varied by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this resolution is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

(vi) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors effective 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 the earlier, to repurchase Shares by way of market purchases or off-market purchases of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the AGM at which the Resolution is passed. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statements of the Company and its subsidiaries for FY2022 are set out in greater detail in the addendum to the annual report of the Company for FY2022 dated 3 April 2023.

NOTICE OF ANNUAL GENERAL MEETING

Important Notice:

The AGM will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Shareholders will **NOT** be able to attend the AGM physically. All shareholders or their corporate representative(s) (in the case of Shareholders which are legal entities) will be able to participate in the AGM proceedings by Real-Time Remote Electronic Voting and Real-Time Electronic Communication. Please refer to "**Pre-registration for the AGM"** section below for details on participation in the AGM.

Appointment of proxy(ies)

1. A shareholder who is not a relevant intermediary and entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her/their/its stead. A proxy need not be a shareholder. Where a shareholder appoints more than one proxy, the appointments shall be invalid unless he/she/they/it specifies the proportion of his/her/their/its holding (expressed as a percentage of the whole) to be represented by each proxy.

2. A shareholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the shareholder. Each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than one proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Shareholders may also appoint Chairman of the Meeting to vote in in his/her/their/its stead. The Chairman of the Meeting, as a proxy, need not be a shareholder.

4. The instrument appointing proxy(ies) (the "**Proxy Form**") must be deposited at the Share Registrar's Office at **Boardroom Corporate & Advisory Services Pte. Ltd.** at **1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632** or sent by email to intracomeetings2023@boardroomlimited.com not less than seventy-two (72) hours before the time appointed for holding the AGM. In addition to the above submission of proxy form, a shareholder will also need to register his/her/its proxy(ies) via the online process through the pre-registration website at https://conveneagm.com/sg/intracoagm2023.

   Shareholders are strongly encouraged to submit completed Proxy Forms via email.

NOTICE OF ANNUAL GENERAL MEETING

5. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e.: by **10:00 a.m.** on **14 April 2023**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form by the cut-off date.

Pre-registration for the AGM

1. Shareholders, Proxyholders and CPF and SRS investors attending the virtual AGM will be able to participate the AGM proceedings through the Live Webcast via their mobile phones, tablets or computers.

2. Shareholders, CPF and SRS investors who wish to attend the AGM are required to pre-register their participation in the AGM ("**Pre-registration**") at this link: https://conveneagm.com/sg/intracoagm2023 ("**AGM Registration and Q&A Link**") by **10.00 a.m.** on **22 April 2023** ("**Registration Deadline**") for verification of their status as shareholders.

3. Following verification, authenticated shareholders, CPF and SRS investors and Proxyholders ("**Attendees**") will receive an email by **10.00 a.m.** on **24 April 2023**. The email will contain instructions to access the "live" webcast or "live" audio feed of the AGM proceedings. Attendees **must not** forward the email to other persons who are not entitled to participate in the AGM proceedings. Attendees who have pre-registered by the Registration Deadline in accordance with paragraph 2 above but have not received an email by **10.00 a.m.** on **24 April 2023** may contact the Company at Tel:+65 6586 6771 or email AGMenquiries@intraco.com for assistance.

Question and answer

Shareholders, including CPF Investors and SRS Investors, can submit questions in advance of, or "live" at the AGM.

Submission of questions in advance of the AGM

Shareholders, including CPF Investors and SRS Investors, can submit questions related to the resolutions to be tabled for approval at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner:

(i) Via pre-registration website: Shareholders who pre-register to observe and/or listen to the AGM proceedings may submit their questions via the pre-registration website at https://conveneagm.com/sg/intracoagm2023;

(ii) Via email: Shareholders may submit their questions via email to questions@intraco.com.

When sending in questions via email, please also provide the following details: (a) full name; (b) address; and (c) the manner in which the Shares are held (e.g.: via CDP, CPF, SRS and/or scrip).

Deadline to submit questions in advance of the AGM

All questions submitted in advance of the AGM via any of the above channels must be received by **10.00 a.m.** on **11 April 2023**.

Pre-register to ask questions "live" at the AGM

Shareholders (including CPF and SRS investors) and, where applicable, appointed proxy(ies), can also ask the Chairman of the AGM questions related to the resolutions to be tabled for approval at the AGM, "live" at the AGM, by typing in and submitting their questions via the online platform hosting the audio-visual webcast and audio-only stream.

NOTICE OF ANNUAL GENERAL MEETING

Addressing questions

The Company will endeavour to address substantial and relevant questions (as may be determined by the Company in its sole discretion) received from Shareholders, as well as those received "live" at the AGM itself, during the AGM through the "live" audio-visual webcast and "live" audio-only stream of the AGM proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Voting

1. Live voting will be conducted during the AGM. It is important for Attendees to ensure their own web-browser enabled devices are ready for voting during the AGM.

2. Attendees will be required to log-in via the email address provided during pre-registration or as indicated in the Proxy Form.

   (i) Live voting: Attendees may cast their votes in real time for each resolution to be tabled via the Live Webcast through the login credentials created during pre-registration. Attendees will have the opportunity to cast their votes via the live voting feature.

   (ii) Voting via appointing the Chairman of the Meeting as Proxy. As an alternative to the above, Shareholders may also appoint the Chairman of the AGM as his/her/its proxy to vote on their behalf. Please refer to "**Appointment of proxy(ies)**" section above for the manner of submission.

NOTICE OF ANNUAL GENERAL MEETING

KEY DATES / DEADLINES

In summary, the key dates / deadlines which shareholders should take note of are set out in the table below:

Key Dates	Actions
3 April 2023	Shareholders may begin to pre-register for the Real-time remote electronic voting and Real-time electronic communication at https://conveneagm.com/sg/intracoagm2023 and follow the instructions in the link.
10.00 a.m on 14 April 2023	Deadline for CPF or SRS investors who wish to appoint proxy(ies) to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
10.00 a.m on 11 April 2023	Deadline for shareholders to submit their questions in advance via: • pre-registration website at https://conveneagm.com/sg/intracoagm2023 • email at questions@intraco.com
10.00 a.m on 22 April 2023	Deadline for shareholders to: • pre-register for the Real-Time Remote Electronic Voting and Real-Time Electronic Communication • submit the signed proxy forms to intracomeetings2023@boardroomlimited.com
10.00 a.m. on 24 April 2023	Authenticated shareholders would have received a Confirmation Email containing instructions to access the AGM proceedings. Shareholders who did not receive the Confirmation Email by 10.00 a.m. on 24 April 2023, but have registered by the Pre-Registration deadline should contact the Company for assistance at +65 6586 6771 or email AGMenquiries@intraco.com (between 10.00 a.m. and 5.00 p.m. on 24 April 2023).
Date and Time of AGM – 25 April 2023 at 10.00 a.m.	For the Real-Time Remote Electronic Voting and Real-Time Electronic Communication: Authenticated shareholders may login to the URL with the log-in and password contained in the Confirmation Email at https://conveneagm.com/sg/intracoagm2023 and follow the instructions in the link. Authenticated shareholders provided with login details (Meeting ID and password) in the Confirmation Email will be able to see a dial-in number on the webcast portal after log-in as an alternative method to access the Real-Time Remote Electronic Voting and Real-Time Electronic Communication. Shareholders (including CPF and SRS Investors) or, where applicable, their appointed proxy(ies) must access the AGM proceedings via the "live" audio-visual webcast in order to ask questions and vote "live" at the AGM.

For further information or enquiries, shareholders may email the Company at AGMenquiries@intraco.com for assistance.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing a proxy or proxies for the AGM (including any adjournment thereof);

(ii) the processing of the Pre-registration for purposes of granting access to shareholders (or their corporate representatives in the case of Shareholders which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from Shareholders received before the AGM and if necessary, following up with the relevant Shareholders in relation to such questions;

(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Important reminder

Shareholders are advised to regularly check the Company's website or announcements released on SGXNET for updates on the AGM. Further, shareholders are strongly encouraged to submit completed proxy forms via email.

INTRACO LIMITED

(Incorporated in Singapore)
(Company Registration No. 196800526Z)

IMPORTANT:

Note: This Proxy Form may be accessed at Intraco Limited's website at www.intraco.com and also on the website of the SGX-ST at https://www.sgx.com/securities/company-announcements

1. A relevant intermediary may appoint more than two proxies to attend and vote at the Annual General Meeting (please see Note 2 for the definition of "relevant intermediary").
2. For CPF/SRS investors who have used their CPF monies to buy INTRACO Limited's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/ SRS Operators if they have any queries regarding their appointment as proxies.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal Data Privacy

By submitting an instrument appointing the Chairman of the Meeting as Proxy, the Member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 April 2023.

PROXY FORM
ANNUAL GENERAL MEETING

*I/We _____ (Name) _____ (NRIC/Passport/Co Reg No.)

of _____ (Address)

being a member/members of **INTRACO Limited** (the "**Company**"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing *him/her/them, the **Chairman of the Annual General Meeting** (the "**Meeting**") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Meeting to be held by electronic means on Tuesday, 25 April 2023 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for, against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

Voting will be conducted by poll. If you wish to abstain or exercise all your votes "For", "Against" or "Abstain", please tick (√) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

No.	**Resolutions relating to:**	**No. of Votes For**	**No. of Votes Against**	**No. of Votes Abstain**
Ordinary Business				
1.	Adoption of Directors' Statement, Audited Financial Statements and Auditors' Report			
2.	Re-election of Mr Charlie Ng How Kiat pursuant to Regulation 115 of the Constitution			
3.	Re-election of Dr Steve Lai Mun Fook pursuant to Regulation 115 of the Constitution			
4.	Re-election of Ms Ong Beng Hong pursuant to Regulation 119 of the Constitution			
5.	Approval of Directors' fees			
6.	Re-appointment of BDO LLP as Auditors			
Special Business				
7.	Share Issue Mandate			
8.	Renewal of Share Purchase Mandate			

**Delete where inapplicable*

Signed this _____ day of _____ 2023

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

_____

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes to the Proxy Form:

1. A shareholder of INTRACO Limited ("**Shareholder**") who is not a relevant intermediary and entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote in his/her/their/its stead. A proxy need not be a Shareholder. Where a Shareholder appoints more than one proxy, the appointments shall be invalid unless he/she/they/it specifies the proportion of his/her/their/its shareholding (expressed as a percentage of the whole) to be represented by each proxy.

2. A Shareholder who is a relevant intermediary entitled to attend and vote at the Meeting is entitled to appoint more than two proxies to attend and vote instead of the Shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such Shareholder. Where such Shareholder appoints more than one proxy, the appointments shall be invalid unless the Shareholder specifies the number of Shares in relation to which each proxy has been appointed in the Proxy Form (defined below).

   "**Relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Shareholders may also appoint Chairman of the Meeting to vote in in his/her/their/its stead. The Chairman of the Meeting, as a proxy, need not be a Shareholder.

4. A Shareholder should insert the total number of Shares held in the Proxy Form. If the Shareholder has Shares entered against his/her/their/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she/they/it should insert that number of Shares. If the Shareholder has Shares registered in his/her/their/its name in the Register of Members, he/she/they/it should insert that number of Shares. If the Shareholder has Shares entered against his/her/their/its name in the said Depository Register and Shares registered in his/her/their/its name in the Register of Members, he/she/they/it should insert the aggregate number of Shares entered against his/her/their/its name in the Depository Register and registered in his/her/their/its name in the Register of Members. If no number is inserted, the Proxy Form will be deemed to relate to all the Shares held by the Shareholder.

5. The instrument appointing proxy(ies) (the "**Proxy Form**") must be deposited at the Share Registrar's Office at **Boardroom Corporate & Advisory Services Pte. Ltd.** at **1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632** or sent by email to intracomeetings2023@boardroomlimited.com not less than 72 hours before the time appointed for holding the Meeting. In addition to the submission of proxy form, a shareholder will also need to register his/her/its proxy(ies) via the online process through the pre-registration website at https://conveneagm.com/sg/intracoagm2023.

   Shareholders are strongly encouraged to submit completed Proxy Forms via email.

6. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a notarially certified copy thereof must be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a Shareholder from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the Meeting, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

8. The Company shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company (a) may reject any Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his or her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by CDP to the Company; and (b) shall be entitled and bound to accept as accurate the number of shares entered against the name of that Shareholder as shown in the Depository Register as at a time not earlier than 72 hours prior to the time of the Meeting, supplied by CDP to the Company and to accept as the maximum number of votes which in aggregate that Shareholder and his proxy/ies (if any) are able to cast on poll a number which is the number of shares entered against the name of that Shareholder as shown in the Depository Register, whether that number is greater or smaller than that specified by the Shareholder or in the Proxy Form.

9. All Shareholders will be bound by the outcome of the Meeting regardless of whether they have attended or voted at the Meeting.

10. Personal data privacy: By submitting an instrument appointing proxy(ies) to vote at the Meeting and/or any adjournment thereof, all shareholders accept and agree to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 April 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Mak Lye Mun (Executive Chairman and Director)

Dr Tan Boon Wan (Lead Independent Director)

Dr Steve Lai Mun Fook (Independent Director)

Ms Ong Beng Hong (Independent Director, appointed on 1 September 2022)

Mr Charlie Ng How Kiat (Non-Independent Non-Executive Director)

AUDIT COMMITTEE

Dr Tan Boon Wan (Chairman)

Dr Steve Lai Mun Fook

Mr Charlie Ng How Kiat

NOMINATING COMMITTEE

Dr Steve Lai Mun Fook (Chairman)

Dr Tan Boon Wan

Ms Ong Beng Hong

REMUNERATION COMMITTEE

Dr Tan Boon Wan (Chairman)

Ms Ong Beng Hong

Mr Charlie Ng How Kiat

COMPANY SECRETARY

Ms Josephine Toh Lei Mui

AUDITORS

BDO LLP

600 North Bridge Road

#23-01 Parkview Square

Singapore 188778

Audit Partner – Mr Ng Kian Hui

(Appointed from financial year ended 31 December 2022)

REGISTERED OFFICE

60 Albert Street
#07-01 OG Albert Complex
Singapore 189969
Tel: (65) 6586 6777
Fax: (65) 6316 3128
Email: investor.relations@intraco.com
Website: www.intraco.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355

PRINCIPAL BANKERS

DBS Bank Ltd
RHB Bank Berhad
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Ltd

INTRACO LIMITED

(RN: 196800526Z)
60 Albert Street
#07-01 OG Albert Complex
Singapore 189969